

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 0138  
**COMPANY NAME** : MY E.G. Services 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>") of MY E.G. Services Berhad ("<b>MYEG</b>" or "<b>Company</b>") is committed in maintaining the highest standards of corporate governance within the Company and adhering to principles and best practices through observing and practicing the values of the Malaysian Code on Corporate Governance 2021 ("<b>MCCG</b>"). The commitment from the top paves the way for the Management and all employees to ensure the Company's businesses and affairs are efficiently managed in the best interest of all stakeholders.</p> <p>The Company is led and managed by an experienced Board comprising members with a wide range of experience in relevant field and bring a broad range of skills, experiences and knowledge required to successfully direct and supervise the Group's business activity. The profile of the Directors is available on pages 29 to 35 of our Integrated Annual Report 2022.</p> <p>The Board is responsible for the leadership, oversight, control, development, and long-term success of the Company and its subsidiaries ("<b>Group</b>"). It is also responsible for instilling the appropriate culture, values and behaviour throughout the Group.</p> <p>In discharging its responsibilities, the Board has established functions which are reserved for the Board and those delegated to the Management. The key roles and responsibilities of the Board broadly cover formulation of the corporate policies and strategies, overseeing and evaluating the conduct of the Group's business.</p> <p>In order to effectively discharge its duties and responsibilities, the Board has established specific committees namely Audit Committee ("<b>AC</b>"), Risk Management Committee ("<b>RMC</b>"), Nomination Committee ("<b>NC</b>") and Remuneration Committee ("<b>RC</b>"). Each committee is governed by its respective terms of reference. The Board will then</p>

	<p>receive updates/reports from the Chairman of each Committee in relation to the proceedings of the committee meetings.</p> <p>The Group Managing Director is responsible for making and implementing operational decisions. He is supported by the Senior Management that comprises Head of Departments of various functions. The Non-Executive Directors contribute to the formulation of policy and decision making through their knowledge and experience of other business sectors. The Independent Non-Executive Directors, play an important role in ensuring the strategies proposed by Management are fully deliberated and examined, taking into consideration the long-term interest of shareholders, employees, customers and other stakeholders.</p> <p>While the responsibility for monitoring the effectiveness of the Group's internal control systems and risk management has been delegated to the RMC, the Board is ultimately responsible for determining the Group's "risk tolerance".</p> <p>The Board Charter, which defines the specific duties and responsibilities of the Board can be found at <a href="https://www.myeg.com.my/investor-relations/governance">https://www.myeg.com.my/investor-relations/governance</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

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 Board is headed by Dato' Dr Norraesah Binti Haji Mohamad ("<b>Dato' Dr Norraesah</b>"), who serves as the Executive Chairman of the Company. With her effective leadership capabilities, Dato' Dr Norraesah ensures that the Board functions effectively in the best interests of the Company and its stakeholders. She is committed to upholding good corporate governance principles and practices, and guides the Group towards achieving its goals.</p> <p>Dato' Dr Norraesah regularly seeks the opinions of Board members on matters being deliberated during meetings, and ensures that the decision made are a representation of the Board as a whole. She also works closely with the Group Managing Director on significant business issues, including succession planning of key positions within the Group.</p> <p>The Chairman cultivates a positive working relationship with the Management and demonstrates the highest standard of corporate governance practices in setting the tone from the top.</p> <p>The Chairman's role and responsibilities have been set forth in the Board Charter of the Group.</p> <p>The 2022 Board Evaluation results demonstrated the Directors' trust in and belief that the Chairman has been effective in establishing excellent board dynamics which contributes to the Board working well together as a team.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company's Chairman and Group Managing Director have been held by two (2) distinct individuals since the listing of the Company on 16 January 2007 to ensure optimal balance, resulting in increased accountability and enhanced decision making.</p> <p>The Executive Chairman, Dato' Dr Norraesah, leads and manages the Board by focusing on governance and compliance matters of the Group, whilst the management of the Group and day-to-day business management have been delegated to the Group Managing Director, Mr Wong Thean Soon.</p> <p>There is a clear division of accountability and responsibilities between the roles of the Chairman and the Group Managing Director; and each plays a distinctive role whilst complementing each other to ensure that there is a balance of power and authority, and no individual has unfettered powers of decision and control.</p> <p>The roles and responsibilities of the Executive Chairman and the Group Managing Director are set out in the Board Charter.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman, Dato' Dr Norraesah is not a member of the AC, NC, RC or RMC and does not attend any of the committees' meetings. Hence, the Chairman of the Group does not attend nor partake in any deliberations of the Board Committees in order to avoid impairing the credibility of the discussions.</p> <p>The Company exhibits high level of corporate governance by putting emphasis and promoting objective review by the Board on deliberations emanating from the Board Committees.</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 1.5

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) suitably qualified and competent Company Secretaries, namely Ms Tai Yit Chan and Ms Tan Ai Ning, both of whom are fellow members of the Malaysian Institute of Chartered Secretaries and Administrators.</p> <p>The Directors have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are professionally qualified, experienced and knowledgeable on new or revised regulatory requirements as well as corporate governance best practices. In this respect, the Company Secretaries play an advisory role to the Board, particularly with regard to the Company's Constitution, Board policies and procedures, and its compliance with regulatory requirements and advocate adoption of corporate governance best practices.</p> <p>The 2022 Board Evaluation findings indicate that the level of support given by the Company Secretaries is effective in supporting the Board in the discharge of its duties. The Company Secretaries constantly keep themselves abreast with the regulatory changes and corporate governance development through attending the relevant conferences and training programmes.</p> <p>Further details on the role of the Company Secretaries are set forth in the Board Charter, which can be found at <a href="https://www.myeg.com.my/investor-relations/governance">https://www.myeg.com.my/investor-relations/governance</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**

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>The Company Secretaries collated and circulated the meeting materials to the Board and Board Committees at least five (5) days before the meeting date to provide sufficient time for the Board and Board Committees to review and to facilitate deliberation on the issues.</p> <p>In order to ensure all the Directors are able to attend the Board and Board Committee meetings, the calendar for the Board and Board Committee meetings is circulated in advance before the commencement of the year which allows the Directors to plan ahead and incorporating the said meetings into their schedules. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees, and the Annual General Meeting of the Company.</p> <p>Management would be invited to attend the Board and Board Committee meetings as and when necessary to provide clarifications or further details or updates concerning on the issues raised to enable the Board in making an informed decisions and discharge its duties effectively.</p> <p>All pertinent issues discussed at the Board and Board Committees meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries and representatives of Company Secretaries, including matters where Directors abstained from voting and deliberation. Upon conclusion of the meeting, the minutes of meetings of Board and Board Committees are prepared and circulated to all Directors in a timely manner for perusal and comments prior to confirmation at the next meetings. The minutes of meetings record the decisions, including key deliberations, rationale for each decision made and any concerns or dissenting issues.</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 consists of the Group's governance system, as well as documented policies that the Board has decided upon to meet, among others, its responsibilities, governance and leadership as a descriptive tool of how the Board operates.</p> <p>There is a formal schedule of matters reserved for the Board's consideration and decision which is set out in the Board Charter.</p> <p>The Board Charter is reviewed annually by the Board to keep abreast of the new changes in legislations and best practices, and remains effective and relevant to the Board's objectives.</p> <p>A copy of the Board Charter and the Terms of References of the AC, RMC, RC and NC are available at <a href="https://www.myeg.com.my/investor-relations/governance">https://www.myeg.com.my/investor-relations/governance</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 Company has established an Anti-Bribery and Anti-Corruption Framework, an Anti-Bribery and Anti-Corruption Policy, an Anti-Bribery Procedures for Managing Stakeholders, a Code of Conduct, a Code of Ethics and a Code of Business Ethics, which set out the Group's strict stance against bribery and corruption, as well as to promote a corporate culture which engenders ethical conduct that permeates throughout the Group and includes procedures in managing conflicts of interest and prevention of fraudulent activities.</p> <p>The Directors, Management and employees of the Group are encouraged to adhere to the Anti-Bribery and Anti-Corruption Framework, Anti-Bribery and Anti-Corruption Policy, Anti-Bribery Procedures for Managing Stakeholders, Code of Conduct, Code of Ethics and Code of Business Ethics in their management practices to ensure compliance with applicable laws, rules and regulations, to safeguard and ensure the proper use of the assets of the Group and to report on any unlawful and unethical behaviour. Hence, the Group commits to uphold a high standard of professionalism and ethics in the conduct of its business and professional activities.</p> <p>The Company's Anti-Bribery and Anti-Corruption Policy, Code of Conduct, Code of Ethics and Code of Business Ethics are reviewed annually to be in line with all current regulatory requirements while the Anti-Bribery Procedures for Managing Stakeholders is reviewed at least once in three (3) years.</p> <p>The Anti-Bribery and Anti-Corruption Policy, Anti-Bribery Procedures for Managing Stakeholders, Code of Conduct, Code of Ethics, and Code of Business Ethics are available at <a href="https://www.myeg.com.my/investor-relations/governance">https://www.myeg.com.my/investor-relations/governance</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 Group has a Whistle Blowing Policy setting out procedures to provide all employees of the Group and other interested parties an avenue where genuine concerns related to possible improprieties in matters of financial reporting, compliance and other malpractices can be objectively investigated and addressed.</p> <p>The Group views seriously any wrongdoing on the part of any of its stakeholders. Stakeholders include employees, business partners, customers, contractors, suppliers, trading and joint-venture partners, shareholders and members of the public, where relevant. Hence, whistleblowing is viewed positively by the Group as a means to ensure that the standards by which the Group subscribes to are upheld and maintained at a high standard.</p> <p>The Board is committed to preserve its culture of openness, accountability and integrity when dealing with suspected fraud, corruption, dishonest practices or violation of laws and regulations.</p> <p>During the financial year 2022, there were no whistleblowing cases reported.</p> <p>The Company's Whistle Blowing Policy has been revised to align with the Anti-Bribery and Anti-Corruption Framework. The details on the policy and procedures can be found at <a href="https://www.myeg.com.my/investor-relations/governance">https://www.myeg.com.my/investor-relations/governance</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group has adopted a Sustainability Policy, Environmental Policy and Statement of Commitment to address climate change risks and impacts and initiatives are undertaken by the Board with the support of the Key Management Team to direct the Group in managing changes related to environment, social and governance issues as well as integrating them into decision making and delivery of the outcomes.  In order to drive the progress and execution of the Sustainability Policy of the Group, the Board and the Key Management Team are responsible for providing guidance while ensuring alignment of all activities and workstreams with the Group's role in society and reviewing the ever-changing societal landscape and revising or instituting new policies and initiatives arising from changes or developments relevant to the Group.	
<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>Sustainability strategies, priorities and targets have been integrated into the mission and strategic plan of the Company and communicated to the employees. The employees are made aware that sustainability will be the value driver of the Company and forms part of the Company's business model going forward.</p> <p>The Company has an established stakeholder engagement practice for respective stakeholder groups, which drives long-term sustainability by providing opportunities to further align practices with societal needs and expectations.</p> <p>The Integrated Annual Report 2022 of the Company includes a Sustainability Statement which discloses the Company's sustainability strategies, priorities and targets as well as performance and it serves as the main communication tool of the Group's sustainability to both internal and external stakeholders.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board continuously keeps itself abreast of and is cognizant of the sustainability agenda through periodical updates by the Securities Commission and Company Secretaries.</p> <p>The Board had been constantly keeping abreast by attending suitable training programmes which are relevant to the Company and its business so as to equip itself with and to enhance its environment, social and governance competency. During the year, the Board attended training on “ESG Impact and Governance” and updates on the MCCG.</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

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	:	The Company takes cognizance of the rapidly evolving landscape and has put in place processes and procedures to measure the progress towards achieving its sustainability targets.	
		The performance evaluation form for the Board incorporates the elements of Environment, Social and Governance (“ESG”) and undertook an evaluation of the performance of the Board and Senior Management in addressing the Company’s material sustainability risks and opportunities.	
		Key criteria used in the assessment of individual Directors during the year were:	
		<ul style="list-style-type: none"><li>• Presence of a business strategy underpinned by ESG;</li><li>• Robustness of ESG agendas, deliberations and discussions;</li><li>• Frequency of discussions on ESG risks and opportunities; and</li><li>• Monitoring sustainability targets and goals.</li></ul>	
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

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

### Practice 4.5- Step Up

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Sustainability Working Group (“ <b>SWG</b> ”) has been set up in December 2021 to provide dedicated focus to manage sustainability strategically as the Group are embarking a journey towards a sustainable future. The SWG consists of members from Senior Management and Head of Departments from various functions, who also take part in RMC meetings, given the close correlation between sustainability and risk management functions at the Group. The SWG is chaired by the Head of Investor Relations & Corporate Affairs.

### 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 Terms of Reference of the NC stipulates that the NC shall ensure the composition of the Board is refreshed periodically by reviewing the tenure of each Director and the re-election of a Director should be contingent on satisfactory evaluation of the Director's performance and contribution to the Board.</p> <p>The NC had reviewed and evaluated the effectiveness of the Board as a whole based on the summary of results from the evaluation completed by the Directors and was satisfied that the Directors have discharged their responsibilities in a commendable manner. The evaluation results were subsequently reported to the Board at the Board meeting held thereafter. The NC was also of the view that all the Directors have contributed to robust deliberation and decision making during the Board and Board Committees meetings.</p> <p>On 29 June 2022, the Board has formalised and adopted a Directors' Fit and Proper Policy which serves as a guide to the NC and the Board in conducting assessment on potential candidates for appointment as Directors as well as existing Directors who are seeking for re-election and re-appointment.</p> <p>For the purpose of determining the eligibility of the Directors to stand for re-election at the Annual General Meeting ("<b>AGM</b>") of the Company, the Board through its NC undertakes a formal evaluation to determine the eligibility of each retiring Director in line with Practice 6.1 of the Malaysian Code on Corporate Governance, which includes the performance of the individual Directors and Fit and Proper assessment.</p> <p>Based on the recent annual assessment and evaluation, the NC is satisfied with the performance of the Director who is standing for re-election and has recommended to the Board the proposed re-election in accordance with the Constitution of the Company. The Board supported the NC's recommendation to re-elect the eligible Director standing for re-election at the forthcoming AGM of the Company. The Director who is to retire shall abstain from deliberation and decision on his own eligibility to stand for re-election at the 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

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>As at the date of this report, the Board comprises two (2) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, wherein majority of the Board comprises Independent Directors. The Company complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") ("<b>MMLR of Bursa Securities</b>") which require at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors.</p> <p>The presence of majority Independent Directors brings the element of detached impartiality to the oversight function of the Board. Their presence provides checks and balances on the Board as they are able to provide unbiased and independent views in Board's deliberations and decision making, taking into account the interests of the Group and minority shareholders.</p> <p>All Independent Directors meet the criteria for independence as prescribed under the MMLR of Bursa Securities. The NC and the Board have upon their assessment for the financial year under review concluded that the Independent Directors were independent in their judgment and decisions.</p> <p>Their profiles are set out in the Integrated Annual Report 2022 on pages 29 to 35.</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board through the NC continues to evaluate the independence of its Independent Directors annually in accordance with the prescribed criteria stated in the MMLR of Bursa Securities and in line with the MCCG. The Independent Directors are required to affirm their commitment to bring sound independent and objective judgement upon their appointment and re-appointment annually.</p> <p>During the year, there are no independent directors serving the Board beyond nine (9) years. Nonetheless, should the Board intend to retain any of its Independent Directors beyond nine (9) years, it would provide justification and seek annual shareholders’ approval through a two-tier voting process at a general meeting.</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

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.

<i>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.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The Board has adopted a 9-year policy for Independent Non-Executive Directors, setting out that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years and shall re-designate to Non-Independent if the Board wish to retain the Director who has served beyond nine (9) years.  As at 31 December 2022, all Independent Non-Executive Directors have served the Board for less than nine (9) years.



### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, assisted by the NC, is committed to ensuring that the Board and Senior Management are sufficiently diverse and appropriately balanced.</p> <p>In making recommendations to the Board on suitable candidature of Directors, the NC shall assess and consider the following attributes or factors:-</p> <ul style="list-style-type: none"><li>• Skills, knowledge, expertise and experience;</li><li>• Professionalism;</li><li>• Commitment (including time commitment) to effectively discharge his/her role as a Director;</li><li>• Contribution and performance;</li><li>• Background, character, integrity, and competence;</li><li>• In the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors; and</li><li>• Boardroom diversity including gender diversity.</li></ul> <p>During the year, no new Director was appointed. The Board decided to maintain the optimum Board size at 7 based on the review of the Board composition. The optimal size would enable effective oversight, delegation of responsibilities and productive discussions amongst members of the Board.</p> <p>An annual assessment will be carried out annually to review the contribution of each Director. A summary of the assessment will be presented to the NC for consideration and to develop recommendations and/or an action plan were determined necessary or desirable.</p> <p>The Board concluded that the current Directors possess a diverse mix of skills matrix, knowledge, experience and age to facilitate the optimal</p>

	<p>decision-making needed to effectively govern the Group. The Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the constructive development of the Group.</p> <p>None of the Directors hold more than five (5) directorships in listed issuers. This is to ensure that his/her time commitments would not impair the ability to discharge his/her duties effectively as a Director of the Company.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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 NC is responsible for recommending suitable candidates to the Board for its consideration. All nominations to the Board shall first be considered by the NC, taking into consideration inter-alia the current and future needs of the Group and the credential of the potential Director.</p> <p>The procedures for the appointment of new Director(s) comprise among others, the following steps:</p> <ul style="list-style-type: none"><li>• Identification of candidate(s);</li><li>• Assessing the suitability of the proposed candidate(s);</li><li>• Final deliberation by NC; and</li><li>• Recommendation to the Board.</li></ul> <p>In identifying suitable candidates, the NC is also open to referrals from external advisors to facilitate the search.</p> <p>During the financial year under review, the Company did not appoint any new Directors to the Board of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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>	:	<p>Shareholders are kept informed on the Board's decision in respect of appointment of directors via announcements to Bursa Securities and updates on the Company's website.</p> <p>The profiles of Directors are published in the Integrated Annual Report 2022 include their age, gender, date of appointment and last re-election, directorships in other companies, working experience and any conflict of interest with the Company, if any.</p> <p>The performance of each Director subject for re-election had been assessed through the annual Board Evaluation. The areas of assessment of such Directors include their personal/professional profile, attendance record, training activities, character and attitude, governance and independence. The Board had endorsed the NC's assessment that it is satisfied with the performance and effectiveness of those Directors who are to be standing for re-election.</p> <p>The details of directors who are standing for re-election is set out in page 29 and 31 of the Integrated 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**

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 NC is chaired by Puan Mohaini Binti Mohd Yusof, an Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2022, the Company has two (2) women Directors, namely Dato’ Dr Norraesah Binti Haji Mohamad and Puan Mohaini Binti Mohd Yusof, representing approximately 30% of female representation in the Board as recommended by MCCG. The aforesaid female Board members bring value to the Board’s deliberations by providing different and diverse insights from the perspective of female Board members.	
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 gender diversity for the Board and Senior Management are disclosed in the Integrated Annual Report 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

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>	<p>During the year, the Board conducted an internally facilitated Board assessment via the NC to annually review the competencies and composition of the Board. The results and recommendations from the evaluation of the Board and its committees are reported to the Board for full consideration and action.</p> <p>The scope of the assessment comprised the following:-</p> <ul style="list-style-type: none"><li>• The Board's structure, size and composition as well as the composition of the board committees;</li><li>• The effectiveness of the Board as a whole and the effectiveness of the board committees;</li><li>• The character, experience, integrity and competence of the Directors and to ensure they have the time to discharge their respective roles;</li><li>• The mix of skills and experience of each individual Director including the core competencies of the Non-Executive Directors;</li><li>• The level of independence of Directors; and</li><li>• Integration of ESG considerations and sustainability targets into the operations of the Group.</li></ul> <p>The outcome of the evaluation has shown the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman has the leadership to safeguard the stakeholders' interest and ensure the Group's constructive performance.</p> <p>The Board will engage an independent third party to conduct or facilitate in the evaluation process of the Board and Board Committees when the need arises.</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 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 RC is responsible for setting the remuneration policy for all Directors and Senior Management. It ensures that the Directors and Senior Management are remunerated fairly for the contributions or individual level of responsibilities in order for the Group to attract, motivate and retain the right calibre of Directors and Senior Management to drive the successful performance of the Group.</p> <p>The Board through the RC reviews the Directors and Senior Management's Remuneration Policy annually to ensure it stays competitive in the ever-changing marketplace.</p> <p>A copy of the Directors and Senior Management's Remuneration Policy is available at <a href="https://www.myeg.com.my/investor-relations/governance">https://www.myeg.com.my/investor-relations/governance</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 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 established a RC comprising three (3) Independent Non-Executive Directors in which the responsibilities and duties of the committee are outline in its Terms of Reference in dealing with its authorities and duties. The RC reviews and recommends the remuneration of the Executive Chairman and Group Managing Director of the Company for Board's approval pursuant to the Terms of Reference of the RC as well as the remuneration of Non-Executive Directors for shareholders' approval.</p> <p>A summary of the RC activities during the financial year is reported in the Corporate Governance Statement of the Integrated Annual Report 2022.</p> <p>A copy of the Terms of Reference of the RC is available at <a href="https://www.myeg.com.my/investor-relations/governance">https://www.myeg.com.my/investor-relations/governance</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>	:	<p>In line with best corporate governance practice, the details of the Company's Directors' remuneration are made transparent and accessible to shareholders and stakeholders.</p> <p>The detailed disclosure of the remuneration breakdown of individual Directors includes fees, salary, bonuses, benefits in kind and other emoluments received from the Company and Group for the financial year ended 31 December 2022 are disclosed in the Corporate Governance Statement on page 129 of the Integrated Annual Report 2022.</p>

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	Dato' Dr Norraesah Binti Haji Mohamad	Executive Director	154	Input info here	Input info here	Input info here	Input info here	Input info here	154	154	Input info here	Input info here	Input info here	Input info here	Input info here	154
2	Wong Thean Soon	Executive Director	206	Input info here	Input info here	Input info here	Input info here	Input info here	206	206	Input info here	Input info here	Input info here	Input info here	Input info here	206
3	Datuk Mohd Jimmy Wong Bin Abdullah	Non-Executive Non-Independent Director	86	Input info here	Input info here	Input info here	Input info here	Input info here	86	86	Input info here	Input info here	Input info here	Input info here	Input info here	86
4	Wong Kok Chau	Independent Director	60	Input info here	Input info here	Input info here	Input info here	Input info here	60	60	Input info here	Input info here	Input info here	Input info here	Input info here	60
5	Dato' Sri Mohd Mokhtar Bin Mohd Shariff	Independent Director	86	Input info here	Input info here	Input info here	Input info here	Input info here	86	86	Input info here	Input info here	Input info here	Input info here	Input info here	86
6	Dato' Mohd Jeffrey Bin Joakim	Independent Director	86	Input info here	Input info here	Input info here	Input info here	Input info here	86	86	Input info here	Input info here	Input info here	Input info here	Input info here	86
7	Puan Mohaini Binti Mohd Yusof	Independent Director	86	Input info here	Input info here	Input info here	Input info here	Input info here	86	86	Input info here	Input info here	Input info here	Input info here	Input info here	86

**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>	:	Not applicable – adopted Step Up 8.3	
<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>	:		

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The details of the five (5) Senior Management's remuneration for the financial year ended 31 December 2022 are disclosed in the table on the next page.



No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	CHONG CHIEN MING	CHIEF FINANCIAL OFFICER	450,001-500,000	Input info here	0-50,000	Input info here	Input info here	500,001-550,000
2	BENJAMIN LOW EWE EE	HEAD OF INVESTOR RELATIONS & CORPORATE AFFAIRS	400,001-450,000	Input info here	0-50,000	Input info here	Input info here	450,001-500,000
3	MOHD RUSHDAN BIN KHAIRUL ANUAR	INFORMATION TECHNOLOGY DIRECTOR	250,001-300,000	Input info here	0-50,000	Input info here	Input info here	300,001-350,000
4	RAJA MUNIR SHAH BIN RAJA MUSTAPHA	PROJECT DIRECTOR	250,001-300,000	Input info here	Input info here	Input info here	Input info here	250,001-300,000
5	HASYATI BINTI SHUKRI	DEPUTY PROJECT GENERAL MANAGER	150,001-200,000	Input info here	0-50,000	Input info here	Input info here	200,001-250,000

**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	:	<p>The Chairman of the Board and the Chairman of the AC are held by two (2) distinct individuals since the listing of the Company on 16 January 2007. This ensures that the objectivity on the Board’s review of the AC’s findings and recommendations remains intact.</p> <p>The profile of the Chairman of AC, Mr. Wong Kok Chau is available on page 32 of the Integrated Annual Report 2022.</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 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 AC has included in its Terms of Reference requiring a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.</p> <p>None of the members of the AC are former key audit partners of external audit firm servicing the Company.</p> <p>A copy of the Terms of Reference of the AC is available at <a href="https://www.myeg.com.my/investor-relations/governance">https://www.myeg.com.my/investor-relations/governance</a>.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has established Terms of Reference, to assess the suitability, objectivity and independence of the external auditors which sets out the following criteria, amongst others, when evaluating the external auditor's performance:</p> <ul style="list-style-type: none"><li>(a) Competency;</li><li>(b) Service quality;</li><li>(c) Sufficiency of resources;</li><li>(d) Communication with the Management;</li><li>(e) Independence, objectivity and professionalism;</li><li>(f) Ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;</li><li>(g) Information presented in the Annual Transparency Report of the audit firm;</li><li>(h) The nature of the non-audit fees provided and fees paid for such services related to the audit fee; and</li><li>(i) Whether there are safeguards in place to ensure there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditors.</li></ul> <p>In addition, the Terms of Reference sets out the use of external auditors for non-audit services as one of the measures to safeguard the independence and objectivity of external auditors.</p> <p>The Board had appointed a new external auditor, TGS TW PLT on 23 November 2022 as part of its ongoing efforts in line with good corporate governance practices of upholding high level of independence as well as enable the Company to benefit from fresh perspectives and views of new external auditors, thus enhancing the value of audit of the Company and its Group. The AC was satisfied with the performance and provision of non-audit services rendered by the former and current external auditors of the Group for the financial year 2022 which did not in any way impair their suitability, objectivity and independence as the external auditors of the Company. After the review, the AC recommended to the Board the re-appointment of TGS</p>

	<p>TW PLT as the external auditors of the Company for the financial year 2023 be tabled to the shareholders for approval at the forthcoming Twenty-Second (“<b>22nd</b>”) AGM.</p> <p>The external auditors declare their independence through their audit engagement in accordance with all relevant professional and regulatory requirements to the AC on an annual basis.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

## 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 members of the AC possess a considerable understanding of financial reporting and auditing processes. They also have the necessary accounting, financial, banking, commercial and capital markets skills required to meet their responsibilities and provide an effective level of challenge to Management. All AC members received ongoing training and development as detailed in the Directors’ Training section of the Corporate Governance Statement of the Integrated Annual Report 2022.</p> <p>An annual assessment on the performance of the AC during the term of office was undertaken by the NC for financial year 2022 and the NC was satisfied with its performance.</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

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>	:	The Group have established a Risk Management Policy to continuously identify, evaluate, monitor, mitigate and manage significant risks that materially affect the corporate objectives of the Group.  The Risk Management and Internal Control Statement in the Group's Integrated Annual Report 2022 on pages 136 to 138 provides further details on the state of system of internal controls and risk management framework of the Group for the financial year 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board acknowledges the importance of maintaining a sound risk management and internal control framework to safeguard shareholders' interests and the Group's assets. Therefore, a framework to formulate and review risk management policies and risk strategies has been established.  Further information on the Group's risk management and internal control framework is presented in the Risk Management and Internal Control Statement on pages 136 to 138 of the Integrated Annual Report 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 – Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The RMC comprises wholly of Independent Non-Executive Directors and meets with the Risk Management Working Group on a quarterly basis to review the Group's risk management framework, policies and procedures.</p> <p>A copy of the Terms of Reference of the RMC is available at <a href="https://www.myeg.com.my/investor-relations/governance">https://www.myeg.com.my/investor-relations/governance</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>	:	The AC of the Company is responsible for monitoring and reviewing the effectiveness of the Group's Internal Audit function. The Internal Audit function is independent of the external auditors and is outsourced to an independent third-party service provider who has a direct reporting line to the AC. The Internal Auditor attends and reports at each AC meeting on its audit work conducted during each quarter as well as its findings, Management's responses and recommendations.  For further details, please refer to the AC Report of the Integrated Annual Report 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit Function is outsourced to an external professional firm. The Internal Auditor reports to the AC. This reporting relationship supports internal audit independence and objectivity, which assures adequate consideration of audit recommendations and planned corrective actions. The relationship also gives the Internal Audit staff the authority needed for full, free and unrestricted access to any or all operations, records, property and personnel within the Group.</p> <p>The Internal Audit function is carried out in accordance with The International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.</p> <p>Vaersa Advisory Sdn Bhd is the internal auditor of the Group for the financial year ended 31 December 2022 and is made up of three (3) personnel headed by Mr. Ramnath R Sundaram, a qualified professional auditor and they are free from any relationships or conflicts of interest which could impair their objectivity and 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

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has formalised Corporate Disclosure Policies and Procedures to not only comply with the disclosure requirements as stipulated in the MMLR of Bursa Securities, but also set out the persons authorised and responsible to approve and disclose material information to all stakeholders.</p> <p>The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.</p> <p>All information in regard to the above are available at <a href="https://www.myeg.com.my/investor-relations">https://www.myeg.com.my/investor-relations</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 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>	:	Applied	
<b>Explanation on application of the practice</b>	:	MYEG has embarked on integrated reporting since financial year 2019 and had continued to improve and strengthen its disclosures in accordance to the principles based Integrated Reporting framework comprising the six capitals, seven guiding principles and eight content elements.	
<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>In the year 2022, the Company issued the notice of AGM on 27 April 2022, giving shareholders fifty-six (56) days’ advance notice prior to the AGM scheduled for 23 June 2022, fulfilling the requisite notice period of at least twenty-eight (28) days.</p> <p>For the upcoming AGM in 2023, the Company will provide shareholders with a notice period of fifty-four (54) days in advance of the AGM, which is scheduled to be held on 22 June 2023.</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.

Application	:	Applied	
Explanation on application of the practice	:	During the AGM of the Company held virtually in year 2022, all Directors had attended the AGM to address any questions from the shareholders directly.	
		The AGM is the principal forum for dialogue with shareholders. Shareholders are provided with an opportunity to participate in the question and answer session in which shareholders may raise questions pertaining to the business activities of the Company and resolutions tabled at the meeting.	
		The Group Managing Director also shared with the shareholders on the Company’s responses to questions submitted by the Minority Shareholders Watch Group and shareholders in advance of the AGM.	
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 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has leveraged on technology to conduct the Twenty-First (“21st”) AGM as a virtual meeting through live streaming and online remote voting using remote participation and voting facilities, which is in compliance with Section 327 of the Companies Act 2016.</p> <p>The Company has also undertaken the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.</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 13.4

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>	:	<p>The Chairman ensures that the general meetings serve as an important opportunity for effective communication with, and constructive feedback from the shareholders.</p> <p>During the AGM, the Chairman provided shareholders with a brief overview on the financial performance of the Group and the Group's long-term strategies.</p> <p>Shareholders were given the opportunity to submit questions in advance via the Vote2U Online Portal relating to resolutions tabled at the 21st AGM or financial performance/prospect of the Company prior to convening of AGM. The Chairman further ensures that sufficient time are allocated for discussion and address questions raised.</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 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>At the virtual AGM held in 2022, the Board had engaged Agmo Digital Solutions Sdn Bhd's ("Agmo") Vote2U online meeting platform with its domain address registered in Malaysia. The Vote2U Online platform is a proven and secure application with sufficient hardware and infrastructure in place.</p> <p>Agmo has vast amount of experience in conducting fully virtual meetings and has in place a meeting platform which allows shareholders to participate online, using smartphone, tablet or computer as well as viewing live webcast of the meeting.</p> <p>Shareholders may submit questions to the Board of Directors prior to the AGM via <a href="https://web.vote2u.my">https://web.vote2u.my</a> website and submission of typed texts during the live streaming of the AGM. The Group Managing Director will read out the questions posed by the shareholders before providing his response to the questions raised.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The minutes of the 21st AGM is available at <a href="https://www.myeg.com.my/investor-relations">https://www.myeg.com.my/investor-relations</a> no later than thirty (30) business days after the 21st AGM.
<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.*

Click or tap here to enter text.