

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5132
COMPANY NAME : DELEUM BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the leadership, corporate governance, strategic direction, financial, operational and resource management, oversight, control, development, and long-term success of the Group.</p> <p>In discharging its roles and responsibilities, the Board is guided by the Board Charter which defines the specific duties and responsibilities of the Board which can be found at the Company's corporate website.</p> <p>In carrying out its duties and responsibilities, the Board is supported by three Board Committees, namely Audit Committee ("AC"), Board Risk Committee ("BRC"), and Joint Remuneration and Nomination Committee ("JRNC"). These Board Committees also serve to ensure that there are appropriate checks and balances. Whilst these Board Committees have the authority to examine matters within their mandates, they will report to the Board with their decisions and/or recommendations as the ultimate responsibility for final decision on all matter lies with the entire Board.</p> <p>In preparing the strategies and budget for the Group for 2024, 2 meetings were held in October and November 2023 for the Board, the Group Chief Executive Officer ("GCEO") and Key Senior Management to discuss the same, taking into account all relevant considerations including the Group's risk tolerance levels amidst the challenging operating and trading environment.</p> <p>Details of the Board's leadership's role and responsibilities are disclosed in the Corporate Governance Overview Statement on pages 88 to 91 of the Annual Report.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Tan Sri Dato' Seri Shamsul Azhar bin Abbas, an Independent Non-Executive Chairman.</p> <p>The Chairman is responsible for instilling good governance practices and leadership of the Board, ensuring its effectiveness in all aspects of its role and setting its agenda.</p> <p>He presides over Board meetings and encourages positive contributions of all Directors at Board meetings and promotes an environment for open, robust and effective debate between all Board members and allows for constructive and dissenting views to be freely expressed.</p> <p>He is primarily responsible for the orderly conduct and effective working of the Board and acts as a liaison between the Board and Management. He is responsible to spearhead the productive and comprehensive discussions among Board members and Management on strategies, business operations and other plans of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The position of the Chairman and the GCEO are held by different individual.</p> <p>Tan Sri Dato' Seri Shamsul Azhar bin Abbas, the Independent Non-Executive Chairman, provides strong leadership to the Board in its cohesive oversight of Management and ensuring the Board's effectiveness and standards of conduct while ensuring effective, transparent and regular communications with shareholders and other stakeholders.</p> <p>Mr. Ramanrao bin Abdullah is the GCEO of the Company who is responsible for strategic direction, operational plan, business development, overseas the business operations, implement of the Company's strategic plan, policies and decisions adopted by the Board to achieve the Company's objective of creating long-term value for its shareholders.</p> <p>Their details of respective roles and responsibilities are set out in the Company's Board Charter which is published on the Company's website at www.deleum.com</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is not a member of the AC, JRNC and BRC of the Company. He did not participate in any of the Board committees' meeting.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>Presently, the Board is assisted by two (2) competent Company Secretaries who are members of The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). Both of them are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role and play advisory role to the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations, corporate disclosure and governance related practices.</p> <p>Following that, all Directors have unrestricted access to the advice and services of the Company Secretaries.</p> <p>Role of the Company Secretaries, among others are:</p> <ul style="list-style-type: none">• facilitating Director's induction and assisting in Directors' training and development;• monitoring corporate governance developments and advising the Board on all corporate governance obligations and development in best practices;• managing processes for shareholders' meeting;• communicating with shareholders as appropriate;• providing briefing to the Board on relevant correspondences/communications from Bursa Malaysia Securities Berhad (Bursa Securities) and the Securities Commission from time to time and at quarterly meetings. <p>Both Company Secretaries possess the necessary skill and knowledge in discharging their duties. They have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia and MAICSA.</p>

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

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>Prior to the meetings, members of the Board are furnished with the meeting agenda together with the meeting papers containing information relevant to the business of the meetings in advance and within a reasonable period of each meeting to ensure that the Directors are well informed and have the opportunity to seek additional information or further clarification as required. Meeting papers are made available electronically and accessible via Company issued mobile devices. The papers are also available in hard copies upon request.</p> <p>The prior circulation of the papers allows the Directors to have sufficient time to read the papers and to obtain further information, explanations or clarifications, where necessary, in order that deliberations at the meetings are focused and constructive.</p> <p>Where a Director is unable to attend a meeting, he/she may provide comments on the papers or discuss issues arising directly with the Chairman and/or GCEO.</p> <p>The minutes of Board and Board Committee meetings are circulated to all Directors timely for their review and comment prior to confirmation.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter is available on the Company's corporate website www.deleum.com which sets out, amongst others:</p> <ul style="list-style-type: none"> - composition of the Board; - duties and responsibilities of the Board; - division of responsibilities and powers between Chairman, Deputy Chairman and GCEO; - responsibilities of the Independent Non-Executive Directors and Senior Independent Director; - matters reserved for the Board as well as those which the Board may delegate to the Board Committees, Chief Executive Officer and Management; - establishment of Board Committees; and - processes and procedures for convening Board meetings as well as operations and processes of the Board to promote the standards of corporate governance in line with the Group's shared values. <p>Matters reserved to the Board, as set out in the Board Charter, includes:</p> <ul style="list-style-type: none"> • the overall corporate strategy and direction, business plans and annual budget including major capital commitments; • participation in tenders or projects exceeding prescribed value and any amount outside existing core business; • material acquisitions and disposals of undertakings and properties; and • key policies and the delegation of authority guidelines of the Company.
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 board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Deleum has established a Code of Business Conduct (“COBC”) as a guidance to be followed by the Directors and employees as well as its contractors, subcontractors, consultants, agents and other service providers with regard to the Group’s standard of integrity and rules of conduct to be observed in the performance of work and business practices.</p> <p>The COBC covered the areas of, amongst others, conflict of interest, anti-bribery and anti-corruption, gifts, hospitality donation and sponsorship, health, safety and environment, confidentiality, harassment and substance misuse, as well as the consequences of violation of the COBC. The COBC is accessible via the Group’s intranet and corporate website.</p> <p>Employees were briefed on the COBC and other key policies of the Group to ensure their awareness and conformity of the same. Any updates on the COBC were also briefed by the Group Chief Executive Officer at the town hall briefing. All new employees are briefed on the COBC and other key policies of the Group by the Human Resource Department to ensure their awareness and conformity of the same. Employees are also required to ascertain their understanding of the COBC via online awareness test annually through a set of questionnaires administered by the Human Resource Department.</p> <p>Briefings on the COBC were conducted at various offices and locations of operations of the Group for both executive and non-executive personnel. Annual COBC awareness assessment was conducted via two different sets of COBC questionnaires in bilingual (English for Executive level and Bahasa Malaysia for Non-Executive level) which were designed taking into consideration the different working environment and exposure of the employees especially the large number of offshore based employees.</p>

	<p>The Group has established an Anti-Bribery Management System which includes the implementation of relevant policies, procedures and guidelines including:</p> <ul style="list-style-type: none"> i. Anti-Bribery and Corruption (“ABC”) Policy ii. Anti-Bribery Management System Manual iii. Gift, Hospitality, Donation and Sponsorship Policy and Procedure iv. Conflict of Interest Guidelines v. Third Party Anti-Bribery and Corruption Management Guidelines vi. Anti-Money Laundering and Counter Financing of Terrorism Guidelines <p>In addition, the Board has also adopted and implemented a Directors’ Code of Ethics (“Code”) which outlines certain standards of business conduct and ethical behaviour to be observed by all Directors in discharging their duties and responsibilities.</p> <p>Under the Code, the Directors are required to avoid situations of conflict of interest between them as individuals and the interest of the Group and declare such interest at meeting where the matter is to be discussed. A Director should withdraw from the meeting and abstain during the relevant discussion or decision. The Board confirmed that no conflict-of-interest situation arose in the financial year just ended.</p> <p>The COBC, ABC Policy and Directors’ Code of Ethics are available on the Company’s corporate website at www.deleum.com.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Whistleblowing Policy and Procedure (“WPP”) to provide an avenue to facilitate employees of the Group and external parties to report any wrongdoings and provide assurance of protection in accordance with the procedures of the WPP. Key provisions of the policy include the commitment to non-victimization, maintenance of strict confidentiality and the procedures and processes governing any investigation.</p> <p>Under the WPP, a whistleblower will be accorded with protection of confidentiality of identity. Any employee or external party who has knowledge or is aware that any improper conduct has been, is being, or is likely to be committed within the Group is encouraged to report through the reporting channels as prescribed in the policy. All cases will be dealt with in accordance with the policy and the investigation procedures.</p> <p>The policy has been communicated to the employees, suppliers and subcontractors and available on the Company’s corporate website and intranet.</p> <p>There was no case reported in 2023 via the Whistleblowing reporting channel.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has incorporated the strategic management of material sustainability matters, along with the requirement under FTSE4GOOD Bursa Malaysia Index Series into the Group’s Sustainability Strategies and Initiatives.</p> <p>The Board Risk Committee is responsible to provide oversight and guidance on the establishment and implementation of the Group’s Sustainability Strategies and Initiatives. Management will be responsible for the implementation of the sustainability initiatives. An Environmental, Social and Governance (“ESG”) Framework was developed and approved by the Board</p> <p>The Board has delegated to the General Manager for Corporate Compliance, Sustainability & Risk to focus on the execution of the strategic management of material sustainability matters, initiatives and its disclosure. The sustainability journey is updated to the Board on a periodic basis.</p> <p>Further details on the sustainability governance structure are provided in the Sustainability Statement in the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Sustainability Statement of the Group as disclosed in the Annual Report 2023 are available on the Company’s corporate website which are accessible to both internal and external stakeholders.</p> <p>The selected sustainability strategies, priorities and targets for the year 2024 and beyond are continuously communicated with the Board and Management. The approved sustainability, priorities and targets are disclosed in the Sustainability Statement.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Sustainability issues relevant to the Company and its business are incorporated in the agenda for the Board meeting to keep the Board updated on the sustainability matters.</p> <p>Directors are also encouraged to attend trainings, webinars, or any other professional development programs in relation to the sustainability issues relevant to the Company and its business, as a way to enhance their ESG competency.</p> <p>Company Secretary also takes effort in continuously identifying suitable ESG training/talks/programme for recommendations to the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The material sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success were included in the Corporate KPI as part of the performance evaluations of the Board and Senior Management.</p> <p>The results were submitted to the JRNC for review. Thereafter, the JRNC reported the results of the evaluation to the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The GCEO is the designated person to provide dedicated focus to manage the sustainability matters strategically within the operation of the Company.</p> <p>The General Manager of Corporate Compliance, Sustainability & Risk was appointed as the designated person to manage the execution of sustainability matters, initiatives and its disclosures.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The composition of the Board and the Board Committees are reviewed periodically by the JRNC.</p> <p>The Board alongside the JRNC undertake an annual review to assess the Board's composition, effectiveness, and performance of the Board as a whole and the individual performance of the Directors are evaluated.</p> <p>The JRNC reviews, assesses and after taking into consideration of the fit and proper assessment in accordance with the Fit and Proper Policy adopted by the Company, recommends directors who retire in accordance with the Company's Constitution to be put forward for re-election at the Annual General Meeting ("AGM").</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>During FY2023, the Board comprised seven Directors with four Independent Directors and three Non-Independent Directors. The Board has a majority Independent Directors. The Independent Directors provide unbiased views and objectivity in deliberations. They bring a wide range of experience and expertise to the Board and carry significant weight in the Board’s decision on matters relating to the Group’s affairs.</p> <p>The composition of 57% Independent Non-Executive Directors in our Board provides effective check and balance in the functioning of the Board to safeguard the interests of the Company and all stakeholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has outlined in its Board Charter the provision relating to the assessment of independent director. The Board Charter provides that the tenure of the independent director should not exceed a cumulative term of nine (9) years from the date of first appointment.</p> <p>Upon completion of nine (9) years, the Board may subject to the assessment of the JRNC, on an annual basis at the AGM, recommend and subject to valid justifications and obtaining shareholders' approval, retain an Independent Director beyond the nine (9) years' term through a two-tier voting process.</p> <p>Currently, the tenure of all the Independent Non-Executive Directors does not exceed a cumulative term of nine (9) years as recommended by the Code.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Appointments to the Board are based on objective criteria and good blend of competencies, proven skills, merit and abilities in their particular field of endeavour with due regard for diversity in expertise, age, cultural background, gender and outlook which benefits the operation of the Board as a custodian of the business and the needs of the Group. Due considerations are given to the individual's skills, industry experience and knowledge, character, integrity, and time to effectively discharge his or her role and responsibilities.</p> <p>Diversity in relation to the Group's workforce is covered under the Equal Opportunity Policy of equal pay for equal value. Deleum is committed to provide fair and equal opportunity in employment and nurturing with the Group regardless of race, nationality, ethnic origin, age, religion or belief, gender, marital status, disability, or any other characteristic unrelated to the performance of the job. Recruitment and appointment of Senior Management and staff are based on a candidate's background, qualifications, experience, and competency per the requirements of the job function taking into consideration workforce diversity and any applicable regulatory requirements.</p> <p>The Group is committed to the policy of equal pay for equal value and no divergence is tolerated on account of gender, age and/or ethnicity.</p> <p>The Board, assisted by the JRNC, is responsible for developing succession plan for Board and Senior Management positions to ensure there is an appropriate dynamic of skills, experience, expertise, and diversity.</p> <p>As at 31 December 2023, the workforce of the Group comprised 807 employees in the proportion of 89.71% male and 10.29% female. The higher ratio of male employees is due to the nature of the Group's activities which are largely performed offshore. Currently, there are 8 female employees holding Senior Management positions of the Group.</p>

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from the Directors, major shareholders, Management and independent advisors and networks from various parties. In general, the Board appoints its members through a selection process which involves the identification of candidate for directorship, evaluation and deliberation of suitability of candidate by the JRNC and recommendation to the Board. No new Directors were appointed during the year under review.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors seeking for re-election pursuant to the Company's Constitution were assessed by the JRNC and the Board has supported the JRNC's recommendation for their re-elections subject to the shareholders' approval at the AGM.</p> <p>The profiles of the retiring Directors are presented in the Profiles of Directors section in the Company's Annual Report 2023 whilst the interest in shares is disclosed in the Analysis of Shareholdings in the said Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nomination Committee of Deleum is combined with the Remuneration Committee and known as the JRNC.</p> <p>The JRNC is chaired by Mr Lee Yoke Khai, who is the Senior Independent Non-Executive Director of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board has provided in the Board Charter, to have at least one-woman director in the Board.</p> <p>It is the intention of the Board to provide equal opportunity to suitable candidates who have the necessary competency and experience to bring value to the Board.</p> <p>During FY2023, there was one woman director on the Board out of a total of seven directors. The Board acknowledges the importance of gender diversity in the Board. However, the selection and appointment of a new Board member will be based on merits and effective blend of skills, experience and knowledge in areas identified, the size of the Board and the needs of the Company.</p> <p>The Board will endeavour to have the target of at least 30% women directors' representation on the Board based on merits and effective blend of required skills, experience and knowledge in areas identified, the size of the Board and the needs of the Company.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board believes that the requirement for diversity in skills, experience, gender, age and ethnicity can bring a greater range of viewpoints to boardroom debate and improve board dynamics. In this regard, the Board will make the necessary appointment based on objective criteria and good blend of competencies, proven skills, merit, experience and knowledge and contribution to the overall working of the Board and the needs of the Group with due consideration on a candidate's cultural background, gender, and age.</p> <p>The Company's gender diversity policy as set out in its Board Charter is to have at least one female Director.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board through the JRNC and facilitated by the Company Secretaries, annually assesses the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director.</p> <p>The Evaluation Questionnaires were sent to the Directors for completion for the financial year 2023. The parameters used in the assessment are as below:</p> <ul style="list-style-type: none">• Board as a whole - board mix and composition, quality of information and decision making, Board and Management relationship, boardroom activities, chairman's roles and responsibilities and ESG or Sustainability issues, Board Committees evaluation, assessment of character, experience, integrity, competence and time commitment, skills matrix and evaluation of level of independence of a director;• Board Committees namely AC, JRNC and BRC – skills and competencies, understanding of function and involvement in committees' activities. <p>During the meeting held on 26 February 2024, summary of results of the assessments were tabled at the JRNC meeting for deliberation. Subsequently, the Chairman of the JRNC made a presentation to the Board based on the results of the assessments at the Board meeting held on the same day.</p> <p>At the Board meeting held on 26 February 2024, the Board confirmed that:</p> <ul style="list-style-type: none">• The Board's size and composition is appropriate given the scale of the Group's business and operations, and well balanced, thereby constituting an effective Board able to discharge its duties professionally and efficiently;

	<ul style="list-style-type: none"> • Individual Directors of the Company possessed the required competence and character to manage the Group’s affairs and created value for the organisation and its shareholders; and • The Board Committees are effective in discharging their duties and responsibilities in accordance with their Terms of Reference. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place procedures to determine the remuneration of Executive Director and Key Senior Management as follows:</p> <ol style="list-style-type: none">1. GCEO remuneration is reviewed and deliberated by the JRNC and approved by the Board of Directors on recommendation of the JRNC.2. Key Senior Management's remuneration is proposed and recommended by GCEO and presented to JRNC for review and recommendation to Board for approval. <p>The Company has in place a remuneration framework for the Executive Directors and the Key Senior Management personnel which takes into account the demands, complexities and performance of the Company as well as skills and experience required. The objective of the Group's remuneration policies is to provide fair and competitive remuneration to its Board and Key Senior Management for retaining a high-quality team for the Group.</p> <p>The Non-Executive Directors' Remuneration Framework and the Remuneration Framework for Executive Directors and Key Senior Management are available on the Company's corporate website. The detailed remuneration of GCEO, Non-Executive Directors and the top five Key Senior Management personnel are disclosed in the Corporate Governance Overview Statement on pages 99 to 102 of the Annual Report.</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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The JRNC reviews and recommends matters relating to the remuneration of Board and Key Senior Management. The JRNC has written Terms of Reference which deals with its authority and duties and is available on the Company's corporate website.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of Directors' remuneration for the year under review is set out in the following page.

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato' Seri Shamsul Azhar bin Abbas	Independent Director	250,250.00	92,900.00	0	0	3,869.59	0	347,019.59	250,250.00	92,900.00	0	0	3,869.59	0	347,019.59
2	Datuk Vivekanan than a/l M.V. Nathan	Non-Executive Non-Independent Director	299,850.00	14,950.00	0	0	41,984.05	4,500.00	361,284.05	299,850.00	14,950.00	0	0	41,984.05	4,500.00	361,284.05
3	Ramanrao bin Abdullah	Executive Director	0	144,000.00	1,140,00.00	665,000.00	78,934.07	293,335.35	2,321,269.42	0	144,000.00	1,140,000.00	665,000.00	78,934.07	293,335.35	2,321,269.42
4	Dato' Izham bin Mahmud	Non-Executive Non-Independent Director	202,083.31	13,800.00	0	0	36,266.53	84,000.00	336,149.84	202,083.31	13,800.00	0	0	36,266.53	84,000.00	336,149.84
5	Lee Yoke Khai	Independent Director	143,533.31	39,100.00	0	0	0	0	182,633.31	143,533.31	39,100.00	0	0	0	0	182,633.31
6	Datuk Manharlal a/l Ratilal	Independent Director	129,633.31	37,950.00	0	0	0	0	167,583.31	129,633.31	37,950.00	0	0	0	0	167,583.31
7	Datin Aisah Eden	Independent Director	125,033.31	35,650.00	0	0	0	0	160,683.31	125,033.31	35,650.00	0	0	0	0	160,683.31
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>While the Company notes the need for corporate transparency on the remuneration of key senior management executives, the disclosure of details on a named basis may be detrimental to its business interests, given the competitive human capital environment for personnel with the requisite knowledge, expertise, and experience of the Company's business activities.</p> <p>The Board believes that the interest of the shareholders will not be prejudiced as a result of the non-disclosure on a named basis the remuneration within the disclosure bands of the Group's top five Key Senior Management who are not Directors.</p> <p>To provide an insight of the level of remuneration paid to the top five Key Senior Management, the alternative disclosure is adopted whereby their aggregate total remuneration with breakdowns and in the bands of RM50,000 in number are disclosed in the Corporate Governance Overview Statement on page 102 of the Annual Report instead of on named basis. This is in line with the spirit of the disclosure guidelines and in the interest of the employees concerned and shareholders.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Company's AC is not the Chairman of the Board as the Board acknowledges that the AC should function as an independent and objective body to ensure the integrity of financial reporting process and accounting records of the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The AC has a policy requiring a former engagement audit partner to observe a cooling-off period of at least three years before being appointed as a member of the AC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has a policy to assess the suitability, objectivity, and independence of the external auditors. The AC reviewed and evaluated the suitability, performance, and independence of the external auditors with feedback obtained from the AC members, Management, and senior Finance personnel engaged with the audit. Self-assessment by the external auditors, PricewaterhouseCoopers PLT ("PwC") was also carried out for this purpose. Summary of the results of the completed questionnaires were tabled to the AC for review and deliberation at the AC meeting. The evaluation of the external auditors covered the areas of:</p> <ul style="list-style-type: none">• calibre of the external audit firm;• quality processes / performance;• audit team;• independence and objectivity;• audit scope and planning;• external auditor fee; and• audit communications. <p>In the evaluation, the AC also takes into account the relevant professional and regulatory requirements, the effectiveness of the audit process and the relationship with the external auditors as a whole, including the provision of any non-audit services.</p> <p>As part of the annual audit exercise, the Company had obtained written assurance from PwC confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. PwC has complied with the requirement of the Malaysian Institute of Accountants and the firm's Guidelines in rotating audit partners every seven years. A former engagement audit partner will not be eligible for Board appointment until he or she has observed a cooling-off period of at least three years in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p>

	<p>The Group also restricts the employment of former employees of the external auditors unless a cooling-off period of at least three years is observed to ensure independence of the external auditors and for avoidance of any conflict of interest. During FY2023, no employment was offered to any former partner and/or staff of PwC.</p> <p>The non-audit services conducted during FY2023 by other PwC entities comprised mainly tax services and Materiality Assessment and Sustainability Framework Review. The Management is obliged to obtain confirmation from the external auditors on their independence. All engagements of the external auditors to provide non-audit services are subject to the approval of the AC.</p> <p>The Board on the recommendation of the AC, is satisfied that PwC remains effective, objective, and independent in carrying out its role as external auditors of the Company. The Board has approved the AC's recommendation for the re-appointment of PwC for the ensuing year to be tabled at the Nineteenth Annual General Meeting of the Company for shareholders' approval.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The AC comprises solely of three Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC comprised three Independent Non-Executive Directors who came from different professional and business backgrounds. One of the AC members namely, Mr Lee Yoke Khai is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Association of Certified Public Accountants.</p> <p>The members of the AC have sufficient understanding of the Group's business to continuously apply a critical and probing view on the Company's financial reporting process, transactions, and other financial information.</p> <p>The members of the AC attended ongoing training and development. During the financial year 2023, the AC members attended seminars, conferences and training sessions offered by regulators and other appropriate bodies or organisations. Details are provided in the Corporate Governance Overview Statement.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the BRC oversees the implementation of the Group’s risk management framework. It ensures the Group has in place a sound enterprise risk management framework and compliance and its effective implementation to enhance the Group’s ability to achieve its strategic objectives.</p> <p>Management Compliance & Risk Committee (“MCRC”) was set up in 2017 and acts as a primary champion for risk management, compliance function (integrity & ethics) and sustainability matters at both strategic and operational levels. Their key responsibilities include reviewing of the risk management framework including the strategies, policies, and action plans for effective implementation.</p> <p>The MCRC will review, deliberate and recommend/highlight to the BRC on relevant risk and compliance matters conducted on quarterly basis.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Statement on Risk Management and Internal Control in the Annual Report describe the implementation of the risk management and internal control frameworks.</p> <p>The BRC reviews the effectiveness of the risk management process and reports arising from risk management activities. The MCRC was established to ensure sound implementation of the corporate compliance and risk practices within the Group.</p> <p>Risk activities conducted during the year included the following:</p> <ol style="list-style-type: none"> 1. Management of Group’s key risk and Business Risk Profile; 2. Project Risk Profile; 3. Risk sessions with relevant Management / risk owner; 4. Anti-Bribery and Corruption awareness programs; and 5. Business Continuity Management. <p>The Board has put in place various control structure such as:</p> <ol style="list-style-type: none"> 1. The Board Committees with defined responsibilities; 2. Strategic business planning, budget and reporting; 3. Group core values and Code of Business Conduct; 4. Whistleblowing Policy and Investigation Procedure; 5. Anti-Bribery Management System (comprising relevant Policy, Procedure and Guideline); 6. Delegation of Authority Guidelines; 7. Documented internal policies and procedures; and 8. Quality Management System (“QMS”) and Environmental Management System (“EMS”) Audit. <p>Detailed information on the Group’s risk management and internal control framework is presented in the Statement on Risk Management and Internal Control on pages 107 to 118 of the Annual Report.</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 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The BRC was established since July 2009. The BRC has a majority Independent Directors comprising two Independent Directors and one Non-Independent Director in accordance with its Term of Reference.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The internal audit function of the Group is presently outsourced to Baker Tilly Monteiro Heng Governance Sdn. Bhd. (“Baker Tilly”), an independent professional firm.</p> <p>Baker Tilly functions independently of the activities it audits and reports directly to the AC. They have full access to the Group’s entities, records and personnel. They focus their review on significant and high-risk areas of the Group’s businesses.</p> <p>Details of the Internal Audit function is set out in the Audit Committee Report in the Annual Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>Deleum has outsourced its internal audit function to Baker Tilly Monteiro Heng Governance Sdn Bhd (“Baker Tilly”), responsible and led by Mr Kuan Yew Choong, who is graduated with Association of Chartered Certified Accountants (UK), a professional member of the Institute of Internal Auditors, Malaysia and a Chartered Accountant (Malaysian Institute of Accountants).</p> <p>There was a total of two (2) to three (3) internal auditors which were deployed by Baker Tilly for the internal audit work performed for the Group during the financial year 2023. All the personnel deployed by Baker Tilly are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.</p> <p>The internal audit work was carried out based on Baker Tilly Internal Audit Methodology, which is closely consistent with the International Professional Practices Framework (IPFF) of the Institute of Internal Auditors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board values the need to have effective open dialogue with its stakeholders and has established processes to ensure disclosures and announcements and other communications made are clear, accurate, relevant, and timely for the stakeholder to make informed decisions and enjoy equal access to the information.</p> <p>At the virtual Eighteenth AGM, shareholders were invited to send questions before the AGM in relation to the agenda items for the AGM. Besides this, Chairman also invited shareholders to use the query box facility to submit questions during live streaming of the AGM. All relevant questions raised by shareholders were addressed during the Questions and Answers session.</p> <p>Deleum's corporate website at www.deleum.com provides quick access to Deleum's corporate information, financial results, governance information, statutory announcements, stock information, press releases and corporate related activities and is regularly updated to incorporate the latest development of the Group. The website also has an e-mail alerts service where shareholders and anyone who are interested may register to receive the latest announcements on the Group via e-mail.</p> <p>Details on the shareholders and investors relations are disclosed in Principle C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders of the Corporate Governance Overview Statement on pages 104 to 105 of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>For 18th AGM, notifications were sent on 19 April 2023 to all shareholders either by way of letter or e-mail to inform them that the Notice and other relevant documents were published on Deleum's website. The Notice period convening the AGM was more than 28 days prior to the AGM on 23 May 2023 in accordance with the Malaysian Code on Corporate Governance. It also meets the criteria of the Listing Requirements and Companies Act 2016, which require the Notice of AGM to be sent 21 days prior to the AGM.</p> <p>The forthcoming 19th AGM of the Company will be convened and held on 23 May 2024. Notifications will be sent to all shareholders on 24 April 2024 either by way of letter or email to inform them that the Annual Report 2023, Circular to Shareholders, Corporate Governance Report, Notice of the 19th AGM, Statement accompanying Notice of AGM, Proxy Form and Administrative Guide, are published on Deleum's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 18th AGM of the Company was convened virtually via live streaming from the broadcast venue in line with the Securities Commission's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers. The Company had appointed Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") as the Poll Administrator for the 18th AGM to facilitate the Remote Participation and Voting ("RPV") via its TIIH Online website at https://tiih.online.</p> <p>All Directors including the Chairman of the AC, JRNC and BRC, the GCEO, the Group Chief Financial Officer, Company Secretary, were present at the broadcast venue, save for the external auditors who participated virtually.</p> <p>Shareholders were invited to send questions before the meeting via Tricor's TIIH Online website in relation to the agenda items for the 18th AGM. Besides this, Chairman also invited shareholders to use the query box facility to submit questions during live streaming of the AGM. All relevant questions raised by shareholders were addressed during the Questions and Answers session. Suggestions and comments communicated by shareholders were taken into careful consideration and well noted by the Board and Management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 conducted its virtual 18th AGM on 23 May 2023 by leveraging on the Remote Participation and Voting (“RPV”) facilities offered by its poll administrator at the online meeting platform at https://tiih.online. The RPV facilities had enabled the shareholders to participate and view the AGM via live streaming and perform e-voting. This allows remote shareholders to participate in the AGM.</p> <p>In addition, submission of e-Proxy Form is available on the RPV facilities for shareholders who were unable to deposit the hardcopy of the proxy forms to appoint proxies.</p> <p>Poll voting for all resolutions as set out in the notice of the AGM was conducted online via RPV facilities. An independent scrutineer was appointed to validate the votes cast for each resolution. The outcomes of voting were announced to the shareholders upon which the Chairman declared all the resolutions were carried, and to Bursa Securities after the AGM and posted on the Company’s corporate website.</p> <p>Minutes of the AGM held on 23 May 2023 together with the summary of key matters discussed were made available on the Company’s corporate website.</p> <p>Tricor had adopted cyber hygiene practices to ensure data privacy and security to prevent cyber threats. To this, Tricor had confirmed that it has implemented an Information Technology and Information Security policy, endpoint controls and data classification for cyber hygiene practices of the staff. Stress test and penetration testing had been performed on TIIH Online to test its resiliency. To provide further assurance to the public, Tricor Malaysia is ISO27001 certified in October 2021. In addition to this, the TIIH Online is hosted on a secure cloud platform and the data centre is ISO27001 certified.</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>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman encourage active participation by the shareholders during the Annual General Meeting.</p> <p>During the 18th AGM, the GCEO gave a brief overview on the Group' achievement for FY2022, business overview, financial highlights, sustainability initiatives and growth strategies.</p> <p>Shareholders were provided with sufficient opportunity to pose questions relating to resolutions tabled at the 18th AGM or any questions relating to financial performance/prospect of the Company via text box in the virtual meeting platform prior to or during the AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has taken an alternative arrangement to conduct the 18th AGM on 23 May 2023 and the forthcoming 19th AGM on 23 May 2024 on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its TIIH Online website at https://tiih.online.</p> <p>Shareholders will be able to go online, participate and vote remotely at the AGM using the RPV facilities. They are also able to view the Company’s presentation or slides, if any, via the live web streaming.</p> <p>Such meeting platform also allows meeting participants to join the AGM remotely by using different electronic devices such as smartphones, tablets, computers as well as viewing live web streaming of the meeting.</p> <p>The Chairman and the Board of Directors will use their best endeavours to respond to any enquiries from the shareholders.</p> <p>Shareholders or proxies may submit their questions related to the resolutions to be tabled at the AGM as well as financial performance/prospects of the Company at any time from the day of the Notice of the AGM and up to the time when the meeting in progress via Tricor’s TIIH Online website at https://tiih.online or they may use the Query Box to transmit questions via RPV facilities during live streaming of the AGM.</p> <p>Tricor had introduced an application called the Moderator Link to assist the user in tracking the questions posed by the shareholders during the AGM. The questions posed by shareholders via TIIH Online website had been captured and transmitted to the Company for action and response, prior to and during the AGM. Similarly, Moderator Link had been used by the Company for the same question to be made visible to</p>

	all meeting participants. The shareholders had experienced real time interaction with the Board during the AGM of the Company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the AGM held on 23 May 2023 has been confirmed and signed by the Chairman on 21 June 2023. The minutes were published on the Company's website no later than 30 business days after the general meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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