

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5272  
**COMPANY NAME** : RANHILL UTILITIES BERHAD  
**FINANCIAL YEAR** : December 31, 2021

## 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.

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

	<p>practices such as the Malaysian Financial Reporting Standards (“<b>MFRS</b>”) and the International Financial Reporting Standards (“<b>IFRS</b>”). In addition to that, AC’s key responsibilities include monitoring the Group’s operational and financial performance, reviewing the Group’s business processes, accounting functions, financial reporting and internal controls, enhancing the independence of the external and internal functions, ensuring effective an ethics programme is implemented and monitoring the compliance of the Group’s established policies and procedures.</p> <p>Through the Governance and Risk Management Committee (“<b>GRMC</b>”), the Board looks to effectively address the Group’s risk exposure. The GRMC’s roles and responsibilities also encompass reviewing and assessing risk exposures across economic, environmental, social and governance matters. This includes the viability of the investment and divestment proposals, acquisitions, mergers, and funding options.</p> <p>The Board through the Nominating and Remuneration Committee (“<b>NRC</b>”) ensures that there is effective succession planning for the Board and that the Company’s remuneration plan is comparative to industry benchmarks.</p> <p>The Long Term Incentive Plan (“<b>LTIP</b>”) Committee assists the NRC/Board in overseeing the implementation of LTIP. The granting of the LTIP shares to eligible directors and employees took effect on 11 September 2020 based on the stipulated terms and conditions of LTIP which had been approved by Bursa.</p> <p>In ensuring the Group’s long-term profitability and sustainability, the Board has on a yearly basis reviewed, deliberated and considered the Group Business Plan for the next financial year and the projections for the subsequent 2 years thereafter. The Board and senior management have outlined the key strategic issues and set the broad goals and objectives for the implementation and execution of senior management. This included ensuring continued smooth operations of the water and energy operations post Covid-19 pandemic as both businesses are essential services and developing business planning for its new business sector i.e. engineering division. Board and senior management have in-depth reviews on the Group’s cost-effectiveness in ensuring the businesses would be properly executed within the budget and financing cost. This includes identifying mitigation plan to minimize loss and risk exposures and close monitoring of the Group’s performance through appropriate measures.</p> <p>In enhancing the corporate governance value within the Group, the Board ensured that the internal corporate governance framework had been appropriately set in place for implementation and adoption by the Group. The corporate governance framework would be updated from time to time as and when required to ensure the contents have incorporated with the latest updates on corporate governance practices and</p>
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	<p>statutory requirements. Key areas of corporate governance strengthened include anti-corruption, business ethics, corporate integrity and risk, and a high level of compliance with regulatory’s key performance indicators.</p> <p>The Board, in pursuant of its goal and responsibilities to the environmental, social, and governance (“<b>ESG</b>”) factors, acknowledges the contributions, capabilities, credibility, and role played by senior management in assisting the Board to achieve and meet the Company’s goal. The management’s contribution is part and partial of the key factors to the success of the Company. In pursuing the growth of the businesses of the Group, a well-structured and clear division of tasks, and job scopes as well as placing high potential key leaders at critical positions are significant to facilitate the execution of the task appropriately, effectively, and strategically.</p> <p>The Board had endorsed the Group Human Strategic Plan 2021-2026 for implementation by the Group. This would provide a clear plan on the Group’s human capital development and succession planning.</p> <p>The integrity of the Company towards effective communication and engagement with its shareholders and stakeholders lies on the Board and senior management. The Board had endorsed the Company’s Investor Relation Policy on 7 November 2019 for the adoption and guidance towards management and employees to effectively disseminate material information to shareholders, prospective investors and stakeholders. The policy is made available on Ranhill Intranet, an online platform for internal publication and dissemination of information to a group of employees.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In the FY2021, Tan Sri Azman Yahya was the Chairman of the Board. On 26 February 2022, Tan Sri Azman Yahya has tendered his resignation as Chairman and Independent Non-Executive Director of Ranhill due to his personal commitments. Tan Sri Azman Yahya held the position as Chairman of the Company from his date of appointment on Ranhill's Board on 1 September 2014. His leadership, counsel and guidance to the Board and Management of Ranhill during his tenure had provided invaluable contribution to the Board and Company and the Group as a whole.</p> <p>On the departure of Tan Sri Azman Yahya, Tan Sri Hamdan Mohamad was appointed as Chairman of the Company and assumed the position as Executive Chairman, President and Chief Executive ("<b>PCE</b>") replacing his previous designation as Executive Director ("<b>ED</b>") and the PCE. As of 14 April 2022, he was re-designated as Chairman and Chief Executive.</p> <p>Prior to his appointment as the Chairman of the Company, Tan Sri Hamdan Mohamad helmed the role of ED and the PCE of the Company since his appointment to the Board of Ranhill on 1 December 2015. He is very well versed in the Group's businesses and capable of leading and guiding discussion and briefing the Board promptly on issues and developments. He is responsible in providing the vision and strategic directions, formulating the appropriate corporate strategies, and developing the business in meeting the Company's objective and mission.</p> <p>The Nominating and Remuneration Committee ("<b>NRC</b>") and the Board have assessed and considered the independent directors, and are satisfied that they are capable to demonstrate objective and independent views, advice and judgement to contribute to the Board's decision making by bringing in the quality of detached impartiality.</p> <p>Given this, the independent Board members had made a collective and unanimous decision for Tan Sri Hamdan Mohamad to be appointed as the Chairman and viewed that this leadership structure would best serve the needs of Ranhill and the Group presently towards ensuring business and operational sustainability.</p>

	<p>Within the Group's Board Charter, the Chairman has prescribed roles that look to provide robust stewardship of the Group in line with ensuring corporate governance practices, leadership and effectiveness. Among the key responsibilities are:-</p> <ul style="list-style-type: none"> <li>• Providing leadership for the Board to ensure it executes its responsibilities effectively;</li> <li>• Helming the Board towards ensuring good corporate governance within the Group;</li> <li>• Representing the Board to shareholders;</li> <li>• Maintains regular contact with the respective Chief Officers of the Company who reports directly to the Executive Chairman;</li> <li>• Facilitates healthy discussion and deliberation at Board meetings and ensures all Board members participate actively; and</li> <li>• With the assistance of the Company Secretary, sets the Board agenda and ensures Board Members receive all required information promptly before the meetings.</li> </ul>			
<b>Explanation for departure</b>	:			
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### 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>In FY2021, the position of Chairman was held by Tan Sri Azman Yahya while the position of President and Chief Executive ("<b>PCE</b>") was held by Tan Sri Hamdan Mohamad. Hence, for FY2021, Ranhill has applied the practice of separation of roles or different individuals holding the positions of Chairman and CEO or Senior Executive.</p> <p>With the resignation of Tan Sri Azman on 26 February 2022, Tan Sri Hamdan was appointed as Executive Chairman with the support of the Board of Directors. As of 14 April 2022, Tan Sri Hamdan position has been redesignated as Chairman and Chief Executive ("<b>CE</b>") of Ranhill.</p> <p>In ensuring continued independence, the Board of Ranhill, especially independent directors have been tasked in playing an increased role in ensuring sufficient check and balance and that a strong degree of independent thinking and judgment is practiced for deliberation and decision making.</p> <p>Ranhill's present Board, which has been extended to nine sitting directors, comprising five Independent Non-Executive Directors, and four Non-Independent Executive Directors are highly experienced corporate leaders, with extensive skills, professional qualifications and capabilities.</p> <p>They remain independent and impartial in discharging their duties and to safeguard shareholders' interest including minority shareholders.</p> <p>The directors, especially Independent Directors will continue to diligently play their role in ensuring effective oversight of management as well as to support objective and strong independent deliberation, review, and decision making.</p> <p>Despite being Chairman, Tan Sri Hamdan remains accountable to the Board and shall continue to report to the Board on all company matters including strategic decision making on business and operational matters.</p> <p>The Board also views that the additional Chairmanship role would not hinder the Chief Executive in performing his duties as he is ably supported by an effective Senior Leadership team comprising the Chief Financial Officer, Chief Operating Officer,</p>

	Chief Corporate Services Officer, Chief Commercial Officer and Chief Merger and Acquisition Officer.			
<b>Explanation for departure</b>	:			
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## 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

*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'.*

<b>Application</b>	:	Applied						
<b>Explanation on application of the practice</b>	:	<p>Both Tan Sri Azman Yahya, the former Chairman of the Board in the FY2021, and the present Chairman, Tan Sri Hamdan Mohamad are not members of the Audit Committee ("<b>AC</b>") or the Nominating and Remuneration Committee ("<b>NRC</b>").</p> <p>The present AC and NRC members are as follows:-</p> <table border="1"> <tr> <td>(1)</td><td>AC -All are INED</td><td>Mr Lim Hun Soon @ David Lim (Chairman) Datuk Abdullah Karim (member) Encik Abu Talib Abdul Rahman (member)</td></tr> <tr> <td>(2)</td><td>NRC &amp; Long Term Incentive Plan Committee ("<b>LTIP</b>") (LTIP committee is a sub-committee under NRC for LTIP purposes) -All are INED</td><td>Datuk Abdullah Karim (Chairman) Encik Abu Talib Abdul Rahman (member) Ms Leow Peen Fong (member w.e.f 1 December 2021) Dr. Arzu Topal (member w.e.f. 15 April 2022)</td></tr> </table> <p>However, Tan Sri Hamdan Mohamad, the present Chairman is an invitee to both the AC and NRC prior to his appointment as Chairman, by virtue of his role as the PCE of the Company. His role and participation in both the Committees are to provide reporting on behalf of the Management of the Company to the Committees.</p>	(1)	AC -All are INED	Mr Lim Hun Soon @ David Lim (Chairman) Datuk Abdullah Karim (member) Encik Abu Talib Abdul Rahman (member)	(2)	NRC & Long Term Incentive Plan Committee (" <b>LTIP</b> ") (LTIP committee is a sub-committee under NRC for LTIP purposes) -All are INED	Datuk Abdullah Karim (Chairman) Encik Abu Talib Abdul Rahman (member) Ms Leow Peen Fong (member w.e.f 1 December 2021) Dr. Arzu Topal (member w.e.f. 15 April 2022)
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<b>Explanation for departure</b>	:							
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<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 Group employs the service of a qualified Chartered Company Secretary - Lau Bey Ling (MAICSA No: 7001523/PC No. 201908004064) who has over 20 years of experience providing secretarial services, including public listed companies.</p> <p>In addition, the Group employs an External Secretary - Leong Shiak Wan (MAICSA No: 7012855/PC No. 202008002757) to provide additional corporate secretarial support.</p> <p>Directors have unrestricted access to the advice and services of both Group Secretaries.</p> <p>Together, the expertise and experience of both individuals allow for effective facilitation of Board and Board Committee meetings as well as the performance of other necessary duties to support the Board pertaining to the Group's constitution and ensuring Board policies and procedures are by set rules and regulations.</p> <p>The Company Secretaries' functions include (but are not limited to):</p> <ul style="list-style-type: none"><li>• Advising the Directors of their duties and responsibilities;</li><li>• Advising the Directors of obligations to disclose their interest in securities, disclosure of any conflict of interest and related party transaction;</li><li>• Advising the Directors of the prohibition on dealing in securities during the closed period and restriction on disclosure of price-sensitive information;</li><li>• Prepare agendas of meetings for Board and Board Committees;</li><li>• Attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly;</li><li>• Ensuring the appointment of new Directors, re-appointment and resignation of Directors are in accordance with the relevant legislation;</li><li>• Ensuring execution of assessment for Directors, Board and Board Committees;</li><li>• Advise the Board on corporate disclosures and compliance</li></ul>

	<p>with company and securities regulations and listing requirements;</p> <ul style="list-style-type: none"> <li>• Monitor corporate governance developments and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations; and</li> <li>• Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</li> </ul> <p>The Company Secretary has been present at all Board and Board Committees' meetings. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their functions.</p>	
<b>Explanation for departure</b>	:	
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<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>Ranhill maintains a corporate calendar comprising meeting dates for the Board, Board Committees, the annual general meeting ("<b>AGM</b>") and other major appointments.</p> <p>The Board committee meetings are to be held and conducted separately from the Board meeting to enable objective and independent discussion during the meeting. Key deliberations of the Board Committees are to be tabled to the Board at the Board meeting and presented by the Chairman of the respective Board Committees, for the Board's deliberation and notation.</p> <p>The calendar also provides the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results. Notice of closed period is circulated via email to all Board members and senior management at least one week before commencement of the closed period, which is 30 days before the appointed board meeting date.</p> <p>The Board uses Diligent Board, an electronic meeting management system or Board portal, as an effective means to disseminate meeting materials to the Board of Directors. Diligent Board offers the administrative advantages to Directors and Company Secretary about Board meeting documentation, amongst of the advantages are; meeting materials can be accessed by Directors anytime and anywhere, accessible with multiple platforms such as PC, tablet, phone and website; keeps confidential Board meeting documentation and sensitive corporate data safe and secure; keeps past Board meeting documentation which can be easily retrieved; and uses paperless systems that are more environmentally friendly.</p> <p>Notice of Board meetings, Board papers, and other meeting materials are circulated to the Board at least five (5) business days in advance. This allows Board members time to review the information and prepare accordingly for meetings. There were few occasions where the Group was unable to meet the five-day timeline of circulating the agenda papers of the meeting in FY2021 caused by the unexpected delays in receiving the key information of the projects/contracts proposals. Overall, the</p>

	<p>Group has complied mostly with the five-day circulation timeline in FY2021. Where a particular subject matter requires further clarification before deliberation, the Board would adjourned the meeting to allow management to provide the clarifications sought and any additional materials to the Board. Management would also provide further materials requested by the Board during the meeting in a timely manner, with the materials sent to the Board via email, by hand and uploaded to the Diligent Board for easy access.</p> <p>The Board and management viewed that in the interest of the safety and security of the Board members and management post-Covid-19 pandemic, the Board and senior management were still pursuing the meetings in FY2021 via digital/virtual communication channel. A virtual meeting channel generates cost-savings on the meeting expenses as the Company will not incur any cost of travel, accommodation, transportation, and refreshment. It is also a time-saving meeting channel as the Board and management can join the meeting without needing to travel to the Company and/or limited by restrictions set by the government to minimise the spread of the Covid-19. They can devote their time effectively. The conduct of meetings via electronic means has complied with the provisions and requirements in the Company's Constitution.</p> <p>The Company Secretaries attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. Meetings of the Board and the Board Committees are carefully minuted and circulated to all Board members.</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 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 has established a Board Charter on 26 May 2016 which outlines the respective duties and authority of the Chairman, the individual Directors, the President and Chief Executive (“<b>PCE</b>”) and the respective Board Committees. The Charter also clear stipulates matters that are reserved for the Board’s deliberation and decision.</p> <p>The Board and Board Committees have revised the Board Charter and the Terms of Reference (“<b>ToR</b>”) of the various Board Committees to be in line with the new development of corporate governance practice MCCG 2021 and Bursa Main Market Listing Requirements.</p> <p>The revised Board Charter together with the ToR is available on Ranhill’s corporate website at <a href="http://www.ranhill.com.my">www.ranhill.com.my</a>.</p>
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group adopts and practices the Code of Conduct &amp; Business Ethics ("<b>CCBE</b>"). The Group's CCBE serves to guide expected good corporate conduct and practices for all employees and Directors of Ranhill to behave ethically and professionally at all times and beyond working hours as well. The Group also expects shareholders, consultants, vendors, agents, contractors, and/or any other parties having a business relationship with the Group to comply with the relevant parts of the CCBE.</p> <p>The CCBE is published at: <a href="http://www.ranhill.com.my">www.ranhill.com.my</a>.</p> <p>The CCBE governs all related areas for good governance and best practices such as matters of corruption, bribery transparency, no gift policy, abuse of power, accountability, conflicts of interest, breach of privacy/confidentiality, insider trading, fair dealing and anti-competition, improper use of company assets, a harmonious working environment, adapting Ranhill's 11 Rules of Life, compliance with laws, rules and regulations and so on. Supporting the CCBE is the Whistleblowing policy which is detailed under Practice 3.2.</p> <p>Communication on the CCBE is cascaded regularly across company communication channels as a reminder to all employees. For new employees, CCBE briefing sessions will be conducted for them during the onboarding program.</p> <p>In regards to the Corporate Liability Provisions under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("<b>MACC</b>"), the following were undertaken in the FY2021 by Group Legal &amp; Compliance ("<b>GLC</b>") and Group Corporate Assurance ("<b>GCAD</b>") divisions respectively:-</p> <p>GLC has continued to monitor Corporate Liability Programmes that have been commenced since June 2020 which are as follows:</p>



	<p>a. Corruption Gaps Analysis Exercise which identifies gaps in the existing Policies &amp; Procedures and to ascertain the level of compliance to the Guidelines on Adequate Procedures to achieve maximum compliance to Section 17A MACC Act 2009; and</p> <p>b. Bribery Risk Analysis which identifies, analyses, assesses and prioritises the internal bribery risk of the operation of the company and to evaluate and improve the process, existing systems and controls to mitigate specific bribery risk exposed to the company.</p> <p>GCAD has executed the following:-</p> <p>a. Addressed gaps identified by Tay &amp; Partners on the Risk Assessment as well as issues highlighted in Management Assurance, Risk Compliance Committee ("<b>MARCC</b>"). The progress report was shared with the GRMC;</p> <p>b. Held continuous briefing exercises on Section 17A of the MACC Act 2009 and our Policies and Procedures ("<b>P&amp;P</b>") relating to anti-corruption to all employees and Directors of Ranhill Group with compulsory attendance;</p> <p>c. Strengthened Ranhill's CCBE consistent with Section 17A; and</p> <p>d. Engaged an external assurance service provider to assess our achievement on Adequate Procedures Guidelines.</p>	
<b>Explanation for departure</b>	:	
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<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>Ranhill has a formal Whistleblowing Policy and Procedures in place since April 2016. The whistleblowing policy was updated in July 2019 to strengthen its processes and controls and to provide greater confidence to whistleblowers to use the mechanism, if required.</p> <p>Ranhill's whistleblowing policy comes under the oversight of Ranhill's Fraud and Whistleblowing Committee ("<b>F&amp;WBC</b>"). The F&amp;WBC's role is to assist the Board in managing any fraud or financial irregularity matters within the Group.</p> <p>The F&amp;WBC is chaired by Ranhill's Senior Independent Non-Executive Director ("<b>SINED</b>"), followed by the Head of Group Human Resources and Head of Group Legal &amp; Compliance as members.</p> <p>Under the Whistleblowing Policy and Procedures, any party who makes a report of improper conduct in good faith will not face any form of punitive measures such as retaliation, dismissal, victimisation, demotion, suspension, intimidation and discrimination.</p> <p>Employees or even external parties may whistleblow with their identities remaining confidential to <a href="mailto:whistle@we-care.my">whistle@we-care.my</a>. Ranhill continues to promote awareness among employees on the existence and role of the Whistleblowing Policy.</p>
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	

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

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board maintains oversight of sustainability at Ranhill via the Group's well-defined and comprehensive Sustainability structure. The structure can be viewed in both the Ranhill FY2021 Sustainability Report ("<b>SR2021</b>") and the Sustainability Statement of the Ranhill Annual Report 2021 ("<b>AR2021</b>").</p> <p>SR2021:<a href="https://www.ranhill.com.my/reports-presentations.php">https://www.ranhill.com.my/reports-presentations.php</a> AR2021:<a href="https://www.ranhill.com.my/reports-presentations.php">https://www.ranhill.com.my/reports-presentations.php</a> Refer to pages 56 to 91.</p> <p>Sustainability matters come under the purview of the Board level by Governance and Risk Management Committee ("<b>GRMC</b>"). At the working level, the Sustainability Working Group ("<b>SWG</b>") is tasked with executing sustainability strategies and action plans and providing timely reports and updates to the GRMC.</p> <p>Ranhill's Board is also guided by the Group's Sustainability Blueprint comprising of the following four pillars: Environmental Awareness &amp; Perseverance, Contribution Towards Social Wellbeing, Inspirational Workplace &amp; Culture and Enhancing Governance Across the Group.</p> <p>All material matters are presented to the GRMC in the form of a materiality matrix depicting the impact/importance of topics to stakeholders as well as value creation. The GRMC deliberates on the findings and recommends improvement and provides approval. The SR2021 is also reviewed by the GRMC and approved accordingly.</p> <p>The Group's ESG strategies, its decision making processes and other related information are provided in the SR2021.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Ranhill publishes on an annual basis, a standalone Sustainability Report that is aligned to best practice Environmental, Social and Governance ("<b>ESG</b>") reporting frameworks. Beyond the Global Reporting Initiative ("<b>GRI</b>") and Bursa Malaysia FTSE 4 Good frameworks, the 2021 report has been further enhanced with disclosures that are aligned to Task Force on Climate-Related Financial Disclosures ("<b>TCFD</b>"), Sustainability Accounting Standards Board ("<b>SASB</b>") and additional GRI and FTSE disclosures.</p> <p>In essence, the Sustainability Report provides a detailed account of the Group's ESG highlights including progress made, against key performance indicators and the contributions made to selected United Nations Sustainability Development Goals ("<b>UN SDGs</b>").</p> <p>The report is made available on Ranhill's corporate website. It is also provided to investors, analysts and other interested parties.</p> <p>In FY2021, Ranhill has also produced its first summary ESG report comprising several pages, providing key highlights and significant information. This is to be provided to 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Board training on sustainability and related topics i.e. climate change, corporate governance and more are frequently held towards ensuring all Board members are kept abreast of the current ESG issues and Ranhill's position and performance in relation to these issues.  ESG-related data such as data on occupational safety and health, Non-Revenue Water ("NRW"), talent management and development, the Covid-19 pandemic and anti-corruption and bribery are frequently brought to the attention of the Board, during meetings or via circulation of Board members.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The performance evaluation of the Board for FY2021 collectively and individually has taken into account how they have played their roles and responsibilities both collectively and individually in managing and addressing the material sustainability risks and opportunities in the Group.</p> <p>The Group has set a performance evaluation standard for all of senior management in addressing the Company's material sustainability risks and opportunities. The assessment is done annually at the end of the year to evaluate the result of each senior management personnel's performance towards the business acumen, sustainable growth and also on efficiency and productivity which is highlighted in the Core Competencies assessment for the senior management.</p> <p>In addition, senior management also should be able to identify key market drivers and emerging trends in technology, competition, pricing, customer needs and regulatory requirements, enthusiastically pursues profitable business ventures with the greatest potential for a competitive advantage and market penetration of targeted business opportunities in line with organizational priorities and resource realities while taking risks to introduce fresh new ideas and approaches to capture greater market share in our current business operation. All these are highlighted under Behavioural Competencies.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 4.5- Step Up

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>As mentioned prior, the execution of our sustainability strategy and action plans come under the purview of the SWG. In addition, the Chief Corporate Officer (“<b>CCO</b>”) is tasked to driving the Ranhill plan to achieve carbon neutrality by 2050.</p> <p>The CCO, supported by the SWG and Group Corporate Communications (“<b>GCC</b>”), which functions as the Secretariat for the SWG, are tasked to champion sustainability and ensure the effective execution of action plans. Results monitored by them and if necessary, matters are escalated to the GRMC and the entire Board to expedite implementation and progress.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Board refreshment is critical to enhancing the Director's performance collectively and individually. The Board ensures that the composition of the Board, skills, experience, and expertise of the Directors relates to the organization's strategies. Through the annual Board Assessment, Nominating and Remuneration Committee ("<b>NRC</b>") assesses and evaluates the strength and weaknesses of the Directors including Executive Directors collectively and individually. NRC will present the main findings and propose the appropriate actions plan to the Board.</p> <p>The annual Board assessment will include a review of tenures for each Independent Director and Non-Executive Director ("<b>INED</b>"). The performance evaluation results of Executive Directors will support the proposal on their contract terms for renewal. Tenures of INED shall follow the Board Charter and Bursa Main Market Listing Requirements and the latest applicable corporate governance practice. Under the Board Charter, the tenures of Audit Committee ("<b>AC</b>") members shall be reviewed every 3-year period. However, a Director could continue to serve as an AC member if the Board, upon an assessment, is satisfied with the Director's performance and the Director continues to meet the criteria for membership of the AC.</p> <p>NRC shall ensure a recommendation proposal for the annual re-election of the retiring Director at the forthcoming AGM should be contingent on the satisfactory evaluation of that Director's performance and contribution to the Board resulting from the annual Board assessment results.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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>In FY2021, the Board comprised more than half of the Independent Directors who are-</p> <ol style="list-style-type: none"><li>1. Tan Sri Azman Yahya (Chairman) (Independent Non-Executive Director)</li><li>2. Tan Sri Hamdan Mohamad (Executive Director / President and Chief Executive)</li><li>3. Dato Sri Lim Haw Kuang (Executive Director)</li><li>4. Datuk Abdullah Karim (Senior Independent Non-Executive Director)</li><li>5. Lim Hun Soon @ David Lim (Independent Non-Executive Director)</li><li>6. Leow Peen Fong (Independent Non-Executive Director)</li><li>7. Abu Talib Abdul Rahman (Independent Non-Executive Director)</li></ol> <p>Former Directors who had resigned are as follows:-</p> <table><tr><td>a.</td><td>Ms. Loong Mei Yin, Non-Independent Non-Executive Director</td><td>Resigned w.e.f 17 November 2021.</td></tr><tr><td>b.</td><td>Tan Sri Azman Yahya, Chairman, Independent Non-Executive Director</td><td>Resigned w.e.f 26 February 2022.</td></tr></table> <p>With new Board appointments, Board members continues to comprise more than half of the Independent Directors and the Board consists of the followings:-</p> <ol style="list-style-type: none"><li>1. Tan Sri Hamdan Mohamad (Chairman and Chief Executive/Non-Independent Executive Director)</li><li>2. Dato Sri Lim Haw Kuang (Non-Independent Executive Director)</li><li>3. Datuk Abdullah Karim (Senior Independent Non-Executive Director)</li><li>4. Lim Hun Soon @ David Lim (Independent Non-Executive Director)</li><li>5. Leow Peen Fong (Independent Non-Executive Director)</li></ol>	a.	Ms. Loong Mei Yin, Non-Independent Non-Executive Director	Resigned w.e.f 17 November 2021.	b.	Tan Sri Azman Yahya, Chairman, Independent Non-Executive Director	Resigned w.e.f 26 February 2022.
a.	Ms. Loong Mei Yin, Non-Independent Non-Executive Director	Resigned w.e.f 17 November 2021.						
b.	Tan Sri Azman Yahya, Chairman, Independent Non-Executive Director	Resigned w.e.f 26 February 2022.						

	<p>6. Abu Talib Abdul Rahman (Independent Non-Executive Director)</p> <p>7. Dr. Arzu Topal (Independent Non-Executive Director w.e.f. 15 April 2022)</p> <p>8. Amran Awaluddin (Executive Director and Chief Operating Officer/Non-Independent Executive Director w.e.f. 15 April 2022 )</p> <p>9. Zurina Abdul Rahim (Executive Director and Chief Commercial Officer / Non-Independent Executive Director w.e.f. 15 April 2022 )</p> <p>The Board viewed that the above Board comprises high calibre and proven captains of industry who bring a wealth of experience and an exceptional track record of excellent achievement within their respective individual capabilities.</p> <p>Furthermore, the Board practices an open and transparent discussion environment during meetings to ensure independent judgment is allowed to flourish in ensuring the best interest of the Group and shareholders is safeguarded.</p> <p>Going further, the independence of our INEDs are assessed during the annual Board Assessment Evaluation (“<b>BAE</b>”) via self and peer assessments and forms of declaration that the individual INED is free from any business or other relationship which could materially interfere with the exercise of their objective and independent judgments, decisions and reviews.</p> <p>The Board is satisfied that the INEDs have demonstrated the required level of independence in acting impartially and in the best interests of Ranhill.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has applied this practice which is provided for in the Board Charter. The Charter stipulates that the tenure of Independent Directors Non-Executive Director ("INED") is as follows:-</p> <ul style="list-style-type: none"><li>• The tenure of an INED shall not exceed a cumulative term of 9 years. Upon completion of the 9 years, an INED may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director;</li><li>• Any exception shall be subject to assessment by the NRC where the INED upon completion of 9 years can still remain as INED, subject to strong justification from the Board and annual approval by the shareholders at a general meeting;</li><li>• If the Board continues to retain an INED after the 12<sup>th</sup> year, the Board should seek annual shareholders' approval through a two-tier voting process. This shall also be subject to assessment by the NRC and strong justification from the Board prior to the annual shareholders' approval; and</li><li>• To justify retaining an INED beyond the cumulative term limit of 9 years, the Board should undertake a rigorous review to determine whether the 'independence' of the Director has been impaired. Findings from the review should be disclosed to the shareholders for them to make an informed decision.</li></ul> <p>The Board is of the view that the progressive refreshing of the Board is in the best interest of Ranhill in line with best corporate governance practice. Hence, to date, none of Ranhill's Independent Directors have reached the maximum 9-year tenure of service as stipulated under the Practice.</p> <p>However, should there be a need to retain the services of an Independent Director, in line with the MCCG 2021, the Group will seek to retain such Director (s) as a Non-Independent Director or will seek annual shareholder approval to retain them as Independent Directors.</p>

	The Board Charter is being revisited to address the new updates of Bursa Malaysia Listing Requirements which limits the tenure of the Independent Directors to 12 years and MCCG 2021.	
<b>Explanation for departure</b>	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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



## Intended Outcome

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

## Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In the selection of Directors, the Board looks to foster a diversity of views and perspectives that will facilitate a more objective and truly in-depth decision-making process. This is essential given the size and complexity of Ranhill's business operations and the dynamically evolving external environment.</p> <p>This is achieved by the NRC instituting an impartial assessment and selection process. The NRC identifies and assesses candidates based on qualifications, related experience, track record and professional achievements and whether their unique skill sets and competence is a good fit in line with Ranhill's requirements for good stewardship and corporate governance. This also includes the following:</p> <ul style="list-style-type: none"><li>• Candidate's independence in the case of the appointment of an Independent Non-Executive Director;</li><li>• The composition requirements for the Board and Committees (if the candidate is proposed to be appointed to any of the Committees);</li><li>• Any competing time commitments if the candidate has multiple Board representations.</li></ul> <p>Ranhill undertakes appropriate background and screening checks before nominating a Director for election by shareholders, and provides to shareholders all material information in its possession concerning the Director standing for election or re-election in the explanatory notes accompanying the notice of meeting.</p> <p>All newly appointed Directors will be given an induction program to acquaint them with the Group and its business operations and strategies, as well as ongoing activities and any potential issues or developments. This includes visits to the Group's significant places of operations, meetings with senior management and relevant staff.</p> <p>Based on the review of the Board composition with effect from 15</p>

	April 2022, the details of the Board's size, age, gender, nationality will be as follows:-						
			Age Group			Gender	
	Number of Directors	40-50	51-60	61-70	Male	Female	
		1	2	6	6	3	
			Race/Ethnicity			Nationality	
	Number of Directors	Malay	Chinese	Indian	Others	Malaysian	Foreigner
		5	3	0	1	8	1
	<p>The Board is of the view that this is the optimal size for its present requirements to ensure enable effective oversight, a delegation of responsibilities and productive discussions in the best interest of the Group and shareholders.</p> <p>The same applies to Senior Management. However, this process comes under the Group's Human Resources policy (rather than the NRC) which is administered by the Group Human Resources ("GHR") Division.</p> <p>Under GHR, all Senior Management's selection process will be done by interviewing several qualified candidates based on the criteria stipulated in the Job Description of the Senior Management's position. The vacant is normally to be advertised internally among employees. However, if the special skills or competencies require external candidates, GHR will use agencies to search for the right candidate.</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 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board manages its succession planning with the assistance of the Nominating and Remuneration Committee ("<b>NRC</b>"). The NRC annually reviews the size, composition and diversity of the Board and the mix of existing and desired competencies across members and reports its conclusions to the Board.</p> <p>The search for candidates is performed through various means which include recommendations from incumbent Directors, Management or external parties including leveraging on the Group's contacts in related industries, and finance, legal and accounting professions. The Group also considers the recommendations from past Board members as well as those of Directors of other public listed companies.</p> <p>Other available methods include utilising the services of executive recruiters or head-hunters, leveraging on personal relationships and networks and reviewing the women's register of Directors.</p> <p>The search for Directors by the NRC is based on the Group's skills matrix which enables Ranhill to identify gaps in its existing competences. Where the committee identifies existing or projected competency gaps, it recommends a succession plan to the Board that addresses those gaps. The Board does not currently consider that there are any existing or projected competency gaps.</p>
<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>As part of the process for appointment of new director and annual board effectiveness assessment via a Board Assessment Evaluation, each director is required to execute such declaration pursuant to applicable laws, to disclose any conflict of interest, relationship with director or major shareholders, contract or possession of property and others. In addition, at each quarterly Board meeting, the Secretary will table to the Board a report to notify on any such interest, position or relationship that has been notified by a director.</p> <p>Detailed profiles of newly appointed director(s) will be available on Ranhill's corporate website and Annual Report for shareholders' reference. Further clarification and information required could do through the inquiry section or box on Ranhill's corporate website.</p> <p>The same procedures and applications are applicable before nominating a Director for election or re-election by shareholders. All material information concerning the Director standing for election or re-election is available on the Directors' Profiles section of the Annual Report. The Board presents the findings of the overall Board evaluation including the performance of Directors seeking re-election at the annual general meeting in the Corporate Governance Overview Statements of the Annual Report to enable shareholders to make informed decisions. Statement Accompanying Notice for the forthcoming AGM will include the recommendation from the Board for the re-appointment of the Director.</p>
<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>	:	<p>Ranhill's Nominating and Remuneration Committee ("<b>NRC</b>") is chaired currently by Datuk Abdullah Karim, the Group's Senior Independent Non-Executive Director ("<b>SINED</b>").</p> <p>Datuk Abdullah Karim's selection for the position is based on his extensive experience and expertise as an established corporate leader who brings over 39 years of experience in the oil and gas industry with PETRONAS, and also taking into account his proven leadership capabilities as he holds directorships in three (3) public listed companies: Icon Offshore Berhad, Uzma Berhad and Yinson Holdings Berhad.</p> <p>His profile is given in the Board of Director's Profiles section of the 2021 Ranhill Annual Report. The specific responsibilities of the SINED are as set out in the Board Charter, which is available on <a href="http://www.ranhill.com.my">www.ranhill.com.my</a>.</p> <p>At the present moment, given the committee's effectiveness, the Board believes there is no requirement to have separate Board Committees for the Nominating and Remuneration function respectively.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>A departure of this practice in FY2021 because of the female representation on the Ranhill board has not made up the 30% requirement. During the year, Board had two (2) women Directors who are Ms Leow Peen Fong and Ms. Loong Mei Yin. However, Ms. Loong Mei Yin resigned from Ranhill board on 17 November 2021.</p> <p>Board had continuously sourced for suitable and qualified female candidates to meet with the 30% of women Directors on the Board. The Board believes in the capabilities and competencies of women Directors which will be valuable and bring contributions to the Board in enhancing and strengthening the Board's performance. The Board encourages gender diversity in its Board composition.</p> <p>The Board needs reasonable time to source for suitable and qualified female director candidates to fill in the projected gaps; such as skill, knowledge, diversity, cultural background and age.</p> <p>Two (2) women directors will be appointed to Ranhill Board with effect from 15 April 2022. With this appointment, the Company would meet with the requirement of 30% women Directors.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	



## Intended Outcome

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

## Practice 5.10

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

Application	:	Applied																					
Explanation on application of the practice	:	<p>The Board Charter stipulates that the composition of the Board shall be diverse in terms of age, skills, qualification, experience, cultural background, nationality, and gender to encourage enhanced decision making by harnessing different insights and perspectives. A statement on gender diversity is available on the Corporate Governance Overview Statement of the Annual Report 2021.</p> <p>Ranhill has continued to emphasize gender diversity in the hiring, promotion and training of staff by advocating an equal opportunity and equal environment in the workplace with HR establishing policies to that effect.</p> <p>With respect to Top Management and Senior Management, about 16% of positions are filled by women. Across the Group, women make up 20% of the workforce.</p> <table><tr><td rowspan="2">Ranhill Group Gender Diversity</td><td>Male</td><td>Female</td><td>Total</td></tr><tr><td>3,114 (80%)</td><td>795 (20%)</td><td>3,909</td></tr></table> <table><tr><td colspan="2">Women in Management</td><td>No</td></tr><tr><td colspan="2">Top Management (Vice President and above)</td><td>3</td></tr><tr><td colspan="2">Senior Management (Assistant General Manager, General Manager, Senior General Manager)</td><td>8</td></tr><tr><td colspan="2">Middle Management (Assistant Manager to Senior Manager)</td><td>79</td></tr></table>			Ranhill Group Gender Diversity	Male	Female	Total	3,114 (80%)	795 (20%)	3,909	Women in Management		No	Top Management (Vice President and above)		3	Senior Management (Assistant General Manager, General Manager, Senior General Manager)		8	Middle Management (Assistant Manager to Senior Manager)		79
Ranhill Group Gender Diversity	Male	Female	Total																				
	3,114 (80%)	795 (20%)	3,909																				
Women in Management		No																					
Top Management (Vice President and above)		3																					
Senior Management (Assistant General Manager, General Manager, Senior General Manager)		8																					
Middle Management (Assistant Manager to Senior Manager)		79																					
Explanation for departure	:																						
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																							
Measure	:																						
Timeframe	:																						

## Intended Outcome

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

## Practice 6.1

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

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

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

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

	<p><b>Criteria for Director evaluation:</b></p> <ul style="list-style-type: none"> <li>• Commitment in terms of time and effort.</li> <li>• Attendance at Board meetings.</li> <li>• Ability to participate actively and contribute, and ask tough questions.</li> <li>• Exposure to orientation, upgrading knowledge base.</li> <li>• Knowledge of company, industry.</li> <li>• Understanding company's mission, vision, strategic plans.</li> <li>• Bringing special expertise to the Board.</li> <li>• Level of preparation at meetings.</li> <li>• Team player. No conflict of interest.</li> </ul> <p>The results of each individual Director is provided to the individual and copied to the Chairman and tabled at the NRC. The reports on Board and committee performance are provided to all Directors and discussed by the Board.</p> <p>The performance of each Director retiring at the next AGM is taken into account by the Board in determining whether or not the Board should support the re-election of the Director. The directors seeking re-election will be asked to reconfirm that they consent to stand in for re-election.</p> <p>In 2021, the overall results of the BAE showed all Directors having performed well in the execution of their fiduciary duties and have achieved satisfactory scores for execution of responsibilities, time commitment and contribution to the running of the Board.</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 Group has established clear guidelines for the remuneration of both Executive and Non-Executive Directors. The main objective of the guidelines is to attract and retain required talent to provide necessary stewardship for Ranhill at the Board and senior management level.</p> <p><b><u>Directors' Remuneration</u></b></p> <p>Directors' Remuneration is to be approved at the Group's AGM by shareholders annually and is to be paid out on a quarterly basis.</p> <p>The Group's NRC is responsible for evaluating and setting competitive remuneration for Directors. This is performed on an interval of 2-3 years' basis with recommendations then submitted for Board approval.</p> <p>The NRC makes recommendations for remuneration for Independent Non-Executive Directors based on the following (but not limited to) criteria: expertise and experience, time commitment, workload and responsibilities assumed as well as the overall performance of the Group for the financial year.</p> <p>In the case of Independent Non-Executive Directors, as explained above, remuneration is a matter for the Board as a whole, with individual Directors abstaining from discussion of his / her own remuneration.</p> <p>The level of remuneration for the PCE and Executive Directors is determined by the NRC after giving consideration to the compensation levels for comparable positions among other similar Malaysian listed companies as well as overall achievement of individual KPIs as well as Group performance.</p>

	<b><u>Senior Management Remuneration</u></b> Group Human Resource will engage a consultant every three (3) years to conduct a salary study and review to ensure the company's remuneration package is compatible with market practices. The latest revision on remuneration package for Ranhill and Group of companies includes the remuneration package for the senior management which was conducted in respect of the financial year 31 December 2019. A new salary study is due in FY2021 but was postponed to FY2022 due to the Covid-19 pandemic.	
<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>Ranhill has established its Nominating and Remuneration Committee ("<b>NRC</b>") that is guided by its Terms of Reference ("<b>ToR</b>") which facilitates a formal and transparent process in setting and approving the remuneration of the Board and Board Committees, the President and Chief Executive ("<b>PCE</b>") and senior management.</p> <p>The ToR can be viewed at <a href="http://www.ranhill.com.my">www.ranhill.com.my</a>. The current NRC comprises of:</p> <ul style="list-style-type: none"><li>• Datuk Abdullah Karim (Chairman/Senior Independent Non-Executive Director)</li><li>• Abu Talib Abdul Rahman (Member/Independent Non-Executive Director)</li><li>• Leow Peen Fong (Member/Independent Non-Executive Director w.e.f 1 December 2021)</li><li>• Dr. Arzu Topal (Member/Independent Non-Executive Director w.e.f 15 April 2022)</li></ul> <p>The former Chairman of the Company, Tan Sri Azman Yahya had vacated his position as NRC member with effect from 1 December 2021 prior to his departure from the board of Ranhill.</p> <p>The Board is satisfied that the NRC has discharged its roles and responsibilities with effectiveness for both its nomination and remuneration functions. Hence, there is no requirement for separate Board Committees for the nomination and remuneration functions.</p> <p>Following the implementation of the Corporate Governance Code, our NRC's Terms of Reference, a copy of which is available on the Company's website, has been reviewed and</p>

	expanded to include the remuneration of senior executive management	
<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>	:	Ranhill provides a detailed breakdown on the remuneration of all directors, which includes fees, salary, bonus, benefits-in-kind and other emoluments as set out in the table below:-



No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Hamdan Mohamad	Executive Director	-	744	1,771	821	1,161	175	4,672	228	930	3,435.5	858.8	1,161	250.3	6,863.6
2	Dato Sri Lim Haw Kuang	Executive Director	-	122	3,881.9	-	-	-	4,003.9	-	122	3,881.9	-	-	-	4,003.9
3	Tan Sri Azman Yahya (resigned w.e.f. 26.02.2022)	Independent Director	340	33.5	-	-	50	-	423.5	340	33.5	-	-	50	-	423.5
4	Datuk Abdullah Karim	Independent Director	230	40.5	-	-	-	-	270.5	338	45	-	-	-	-	383
5	Lim Hun Soon @ David Lim	Independent Director	190	36	-	-	-	-	226	190	36	-	-	-	-	226
6	Leow Peen Fong	Independent Director	180	36	-	-	-	-	216	475	56	-	-	-	-	531
7	Abu Talib Abdul Rahman	Independent Director	230	49	-	-	-	-	279	374	55	-	-	-	-	429
8	Loong Mei Yin (resigned w.e.f. 17.11.2021)	Non-Executive Non-Independent Director	130	10	-	-	-	-	140	130	10	-	-	-	-	140
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
10	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
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input	Input	Input	Input	Input	Input	Input	Input	Input	Input	Input	Input	Input	Input

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### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>While the Board is cognisant on the importance of transparency, due to the intense competition and scarcity for C-level talent, more so for those who have the required mix of skills and experience that is uniquely suited to Ranhill’s business operations, the Group believes that individual disclosure on a named basis for the remuneration of the top five senior management personnel is not in the best interest of the Group.</p> <p>The profiles of Key Senior Management (“<b>KSM</b>”) are set out on the KSM section of the Ranhill Annual Report 2021. The Company believes that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the KSM’s remuneration.</p> <p>Compensation is based on accepted industry benchmarks for the relevant positions based on expertise and experience. Additional remuneration such as year-end bonuses or performance rewards is based on merit in relation to the achievement of individual KPIs and Group’s achievement of specific goals.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board will continue to evaluate the implications of such disclosure and consider such disclosure in future.	
<b>Timeframe</b>	:	Others	The Company intends to maintain the current practice to preserve confidentiality of such information.

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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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
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### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>As mentioned earlier, the Chairman of the Board for FY2021 was Tan Sri Azman Yahya. The Board's Audit Committee ("<b>AC</b>") Chairman is Lim Hun Soon @ David Lim, an Independent Non-Executive Director.</p> <p>Mr Lim holds a Bachelor of Arts in Economics from the University of Leeds and is a member of the Chartered Institute of Taxation, UK. He is also a Chartered Accountant and is a member of the Institute of Chartered Accountant in England and Wales and the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.</p> <p>Based on the above, Mr Lim is well qualified to hold the AC Chairman position and has been active in fulfilling his duties as AC Chairman during the financial year. The work done by the AC Chairman and AC Committee is given in the AC Report in the Ranhill Annual Report 2021.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.2

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

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



### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

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

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors including Audit Committee ("<b>AC</b>") members continue to undergo regular training during the financial year, based on individual learning requirements as well as to stay abreast of financial or corporate developments.</p> <p>The AC members are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>The Chairman and members of the AC are financially literate, competent and have carried out their duties in accordance with the Terms of Reference of the AC.</p> <p>The list of training as well as learning events / programmes that AC members and all Directors have attended in 2021 is extensive. Hence, it is listed in the Corporate Governance Overview Statement ("<b>CG Overview</b>") of the Ranhill Annual Report 2021.</p> <p>Based on the outcome of the AC effectiveness assessment of the BAE 2021, the Board is satisfied with the AC's performance as its Chairman and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Ranhill has established a robust risk management and internal control framework. With this, the framework is based on an established and structured process that allows for effective identification, prioritisation and mitigation of risk. This includes all strategic risk such as business, operational, financial, regulatory and so on.</p> <p>The analysis and evaluation of risks are guided by approved risk criteria. The Group also has risk management tools to support the risk management process and reporting as guided by the Corporate Governance Model shown in the Governance Framework section of Ranhill Corporate Governance Overview Statement.</p> <p>Full details of the Group's risk management framework and internal controls are given in the Statement on Risk Management and Internal Controls in the Ranhill Annual Report 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 10.2

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

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

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

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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



### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group Corporate Assurance Division (“<b>GCAD</b>”) performs the Group’s internal audit function.</p> <p>GCAD brings an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.</p> <p>GCAD has a functional reporting line to the Audit Committee (“<b>AC</b>”) and administratively reports to the President and Chief Executive (“<b>PCE</b>”).</p> <p>Internal audit reports on control effectiveness and efficiency are submitted to the AC in line with the agreed audit plan.</p> <p>The AC approves the annual audit plan and receives reports produced by GCAD throughout the year. The AC had reviewed the annual assertion on Internal Auditing Standards for financial year 2021 and was satisfied that the Internal Auditors were free from any relationship or conflict of interest that could impair their objectivity and independence.</p> <p>GCAD conducts risk based internal audit reviews at both operational and corporate levels. Plans and tools for corrective action and improvements are identified with operations management to address any issues or deficiencies identified. GCAD follows up on the implementation of its recommendations and reports the outcome to the AC.</p> <p>GCAD had also engaged a third party to perform a Quality Assurance Review exercise to gauge the effectiveness of its internal audit functions against the International Professional Practices Framework (“<b>IPPF</b>”) and International Standards for the Professional Practice of Internal Auditing (Standards).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

## Intended Outcome

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

## Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has disclosed the following in its Audit Committee (“<b>AC</b>”) Report for FY2021:</p> <ul style="list-style-type: none"><li>• The AC had reviewed the annual assertion on Internal Auditing Standards for FY2021 and was satisfied that the Internal Auditors were free from any relationship or conflict of interest that could impair their objectivity and independence.</li><li>• There are eight internal auditors in the Group Corporate Assurance Division (“<b>GCAD</b>”) and the majority of them are members of relevant professional bodies such as the Institute of Internal Auditors Malaysia and Malaysia Institute of Accountants.</li><li>• The AC is assisted by GCAD in discharging its duties and responsibilities. GCAD is independent of business operations and reports functionally to the AC.</li><li>• GCAD is headed by Mr. Shariz Puteh, who holds a bachelor’s degree in Accounting and Financial Management from the University of Essex, United Kingdom and is a Certified Financial Services Auditor (“<b>CFSA</b>”). He is also a Chartered Member of the Institute of Internal Auditors Malaysia (“<b>CMIA</b>”).</li><li>• All internal audit activities undertaken are guided by the International Professional Practices Framework (“<b>IPPF</b>”) of Internal Auditing, the Corporate Governance Guide, Bursa Malaysia’s Listing Requirements, the Internal Audit Charter as well as the Internal Audit policy and procedures.</li></ul>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

There is 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 Group continues to actively and regularly engage stakeholders which comprise investors, analysts, regulators, shareholders, the media, and the general public.</p> <p>However, in FY2021, due to the pandemic, communication and engagement were affected through digital communication channels. Physical engagements were minimised in compliance with SOPs.</p> <p>All physical engagements were conducted in compliance with SOPs.</p> <p>Communication initiatives include sharing the Group's quarterly interim performance and full-year financial results which are disclosed to regulatory authorities and the media as well as on Ranhill's Investor Relations website at <a href="http://www.ranhill.com.my">www.ranhill.com.my</a>.</p> <p>In addition, the Group issues press releases, holds media conferences, interviews, or analyst briefings, and participates in industry roadshows and other stakeholder engagement activities. Both Board members and Senior Management are involved in these engagements.</p> <p>Working together with corporate communications, the investor relations department provides strategic support in the planning and organisation of stakeholder engagement and communications across the year.</p> <p>Management is guided by the Investor Relations Policy as approved by the Board on 7 November 2019.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

Application	:	Applied	
Explanation on application of the practice	:	The Company had complied with the 28 days' notice for the issuance of the 7 <sup>th</sup> Annual General Meeting ("7 <sup>th</sup> AGM") of the Company. The 7 <sup>th</sup> AGM notice was issued on 28 May 2021 and was scheduled to convene the Company's 7 <sup>th</sup> AGM on 28 June 2021 (31 days).	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		



**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All the Board of Directors attended and participated in the virtual 7th AGM of the Company held on 28 June 2021 except for Ms. Loong Mei Yin, Non-Independent Non-Executive Director who was absent due to unavoidable circumstances.</p> <p>During live streaming of the 7<sup>th</sup> AGM, Board and shareholders have participated and engaged through Remote Participation and Voting (“<b>RPV</b>”) application. Shareholders were able to submit their questions even prior to the start of the AGM. The shareholders had been given an ample opportunity to ask questions and to seek clarifications on the proposed resolutions by submitting their questions via Query Box on the RPV. Comprehensive answers were provided by the Chairman, PCE and the Chief Financial Officer (“<b>CFO</b>”) to attendees’ queries.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>With the use of digital channels, specifically the Remote Participation and Voting (“<b>RPV</b>”) facilities during the virtual AGM, Ranhill has complied with the practice of enabling remote meeting participation and voting. Ranhill had engaged a reputable service provider, Tricor Investor &amp; Issuing House Services Sdn Bhd (“<b>TIIH</b>”/“<b>Tricor</b>”), which has good track records to host Ranhill's virtual AGM.</p> <p>Shareholders were provided with the Administrative Guide to facilitate them in registering and accessing the RPV facilities and the Administrative Guide was made available on the Company's website for shareholders' reference. The RPV facilities were made available on the Tricor's online website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>Voting was set at a specified time to enable shareholders to cast their votes online and until the Chairman announced at the close of the session. Prior to the voting session, the Chairman of the meeting, explained to the shareholders the procedures of online remote voting through the RPV facilities.</p> <p>Tricor was appointed as Poll Administrator to conduct the poll by RPV facilities and Mega Corporate Services Sdn Bhd as Scrutineers to verify the poll results. Upon verification of the poll results, the Chairman declared whether the resolutions were carried. The poll results of the 7th AGM were also announced at Bursa Malaysia and posted on Ranhill's corporate website after the 7<sup>th</sup> AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

### Practice 13.4

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board views the Annual General Meeting ("<b>AGM</b>") of the Company is important and a platform of communication and engagement with the shareholders. It brings an opportunity to shareholders to engage with the Board and management on the performance of the business they own. Besides the Board being present, key senior management personnels were also present during the AGM.</p> <p>The Company's 7<sup>th</sup> AGM was convened virtually and facilitated by Remove Participation and Voting ("<b>RPV</b>") application provided by Tricor Investor &amp; Issuing House Services Sdn Bhd ("<b>Tricor or TIIH</b>") and the RPV accessed through TIIH's website was regarded as an online meeting platform of the 7<sup>th</sup> AGM. The RPV application enabled shareholders' participation during the virtual meeting (including posing questions to the Board via real-time submission of typed text via a designated Query Box). The RPV has also enabled the shareholders to submit their questions through e-login services before the 7<sup>th</sup> AGM.</p> <p>During the AGM, the Board had scheduled in a Q&amp;A session for shareholders. The Board and management had ensured the 7<sup>th</sup> AGM provided a meaningful engagement with the shareholders.</p> <p>During the Q&amp;A session, the questions posted were made visible to the shareholders in batches, where the Chairman would read out the said question and answer accordingly. The Tricor's platform, enabled the Board and senior management to keep track of all the questions posted. Board viewed all questions received were pertinent and answered accordingly including requested for door gift/e-voucher/e-gift and particularly those relating to financial, non-financial, operations, business strategy, project status, governance and legal areas. Unanswered questions had been addressed and responded to the shareholders via email by the Investor Relations team as soon as practicable after the 7<sup>th</sup> AGM concluded ("<b>post Q&amp;A</b>").</p>

	Minutes of the 7 <sup>th</sup> AGM including live Q&A and post Q&A available on the Ranhill's corporate's website, for shareholders' reference.	
<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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As mentioned in Practice 13.4, the 7<sup>th</sup> AGM of the Company was conducted on a fully virtual basis via live streaming via RPV provided by Tricor.</p> <p>Tricor was engaged as a service provider to conduct the fully virtual 7<sup>th</sup> AGM. Tricor was also engaged as a Special Share Registrar for the 7<sup>th</sup> AGM to facilitate the arrangement and compilation of registration of proxies and attendance of the shareholders/proxies to the said meeting.</p> <p>The Tricor team had demonstrated their capabilities such as their infrastructure and tools in place, in handling the virtual AGM of Ranhill. Prior to the 7<sup>th</sup> AGM, Board and management were satisfied with their performance during Ranhill's first ever virtual AGM (6<sup>th</sup> AGM) held on 21 April 2020. The year 2020 was a challenging year for listed companies to convene AGM due to various restrictions and new regulations imposed by the authorities to curb the spread of Covid-19 virus including various movement control order ("MCO"). Ranhill was the first listed company to conduct the AGM virtually in Malaysia in 2020 with the 1<sup>st</sup> MCO restriction. Despite the constraints, Tricor together with Management were able to arrange Ranhill's first virtual AGM effectively. Due to this, Ranhill agreed to engage with Tricor as RPV service provider for its virtual 7<sup>th</sup> AGM.</p> <p>A well-structured and comprehensive meeting feature of the RPV, TIIH Online has ensured a virtual 7<sup>th</sup> AGM is effective and efficient. The RPV manages the registration up to the voting process effectively. The flow of the 7<sup>th</sup> AGM was not interrupted by any major technical and non-technical problems.</p> <p>The Q&amp;A session was effectively conducted through the RPV. Shareholders posted their questions / queries through the Query Box on the RPV. The selected questions were visible on the</p>

	<p>screen. Chairman read the questions that were posted on the screen before responding the inquiry for the shareholders.</p> <p>The measures and actions as set out in Practice 13.4 that had been taken by Board and management have ensured effective engagement between the Board and shareholders during the virtual 7<sup>th</sup> AGM.</p>	
<b>Explanation for departure</b>	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.6**

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 7 <sup>th</sup> Annual General Meeting and Extraordinary General Meeting of the Company both held on 28 June 2021 were confirmed by the Chairman of the meetings and have published and made available accordingly in the Shareholders section of Ranhill's corporate website for shareholders' access.
<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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

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