CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	6076
COMPANY NAME	**:**	Encorp Berhad
FINANCIAL YEAR	**:**	December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board is responsible for the strategic direction of the Company and its subsidiaries (the "Group") and the overall management of the Company ("Encorp" or "the Company"). The Board has the following principal responsibilities, which facilitate the discharge of the Board's stewardship in the pursuit of the best interest of the Company: • Setting, reviewing and approving the business plan and overall strategic plan of the Company that supports long term value creation which includes strategies on environmental, economic, social considerations which underpins sustainability for the Company; • Review, challenge and decide on management's proposals for the Company and monitor its implementation by management; • Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed; • Together with senior management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behavior; • Identifying principal financial and non-financial risks and ensuring the implementation of appropriate risk management framework to identify, analyse, evaluate, manage and monitor these risks and to set the risk appetite; • Succession planning, includes appointment, training, fixing compensation of and where appropriate, replacing key management; • Ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management; • Developing and implementing an investor relations programme or shareholders' communications policy for the Company and

	encouraging the use of information technology for effective dissemination of information; • Reviewing the adequacy and integrity of the Company's internal control systems and management information systems for compliance with applicable laws, regulations, rules, directives and guidelines; and • Ensuring that the Company has appropriate corporate governance structures in place including standards and ethical, prudent and professional behaviour and working with senior management in promoting a culture of good corporate governance and corporate responsibility. The Board established clear functions reserved for the Board and those delegated to management. The Limits of Authority of the Company specify the parameters within which the management decisions are to be made whilst the matters which are specifically reserved for the Board include, amongst others, the approval of business strategies, major acquisitions and disposals, financial results and Board appointments.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, co-ordinates the work of the Board and its committees and ensures that the Board members are provided with timely information relevant to perform their duties and responsibilities. The roles and responsibilities of the Chairman is as outlined in Paragraph 4.8(a) of the Board Charter, which is available at the Company's website at www.encorp.com.my.	
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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	The role of the Chairman and the Group Chief Executive Officer ("GCEO") are distinct and separate to ensure that there is a balance of power and authority. Tuan Haji Sr. Mohd Ali Bin Abd Karim, the Chairman of the Company is responsible for the leadership, effectiveness, conduct and governance of the Board. En Hazurin Bin Harun the GCEO of the Company who in charge to run the day-to-day management of Group business within the limits of authority delegated by the Board. The GCEO acts as a conduit between the Board and the Management in ensuring the success of the Company's governance and management functions. Notwithstanding that, the GCEO is also responsible to achieve goals and decisions made by the Board, ensure effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group. The distinct roles and responsibilities of the Chairman and GCEO are clearly stated in Paragraph 4.8 of the Board Charter, which is available at the Company's website at www.encorp.com.my.
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 1.4

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'.		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of the board is not a member of Audit, Risk And Governance Committee and also Nominating and Remuneration Committee. The Board acknowledge the importance of Practice 1.4 and had limit the risk of self-review which may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees. The Chairman of the Board understands that he should not be involved in these Committees to ensure there is check and balance as well as objective review by the Board.
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 1.5

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

Application	:	Applied
Explanation on application of the practice	:	Ms Lee Lay Hong has legal qualification and is qualified to act as Company Secretary under Section 235(2) of the Companies Act, 2016. Ms Lee plays an advisory role to the Board, particularly with regard to the Company's constitution, Board policies and procedures, and its compliance with regulatory requirements, codes, guidance and legislation for the affairs of the Board. The Board is regularly updated by the Company Secretary on new statutory and regulatory requirements. In discharging her role as counsel to the Board, the Company Secretary also ensure the proper supply of relevant information as well as the accuracy and adequacy of meeting materials, recording of meeting minutes and resolutions of the Board and Board Committees. The Company Secretary also serves as a focal point for stakeholders' communication and engagement on corporate. Besides playing an advisory role, the Company Secretary serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares so as to ensure that all dealings and disclosures by Directors and Principal Officers are in adherence to Chapter 14 of the Main Market Listing Requirements. The Company Secretary constantly keeps herself abreast of the evolving capital market environment, regulatory changes and development in corporate governance through attending relevant conferences and training programmes. She has also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or MAICSA for practising Company secretaries. Detailed information on the functional accountabilities of the Company Secretary is encapsulated in the Board Charter available on the Company's website at www.encorp.com.my. The Board is satisfied with the performance and support rendered by the Company Secretary who play a vital role to the Board in discharging its function and duties.
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 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	The notice and agenda of Board meetings are sent to the Directors via email at least 7 days prior to the meetings. The Company utilises a secured application to disseminate meeting papers to the Directors electronically. This serves to ensure that the Directors are able to have access to meeting materials more efficiently and expeditiously. Upon conclusion of the Board meetings, the Company Secretary will circulate the minutes to the Chairman of meeting within a reasonable period of time for his review.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 2.1
The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

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

Application	:	Applied
Explanation on application of the practice	:	The Board Charter primarily sets out the Board's strategic intent and outlines the Board's roles and responsibilities, to ensure that all Board members are aware of their fiduciary duties and responsibilities, legislations and regulations affecting their conduct. The Board Charter aims to promote highest standards of corporate governance within the Group, so that the interests of the shareholders, customers and other stakeholders are safeguarded. The Board reviews the Board Charter regularly, to keep it up to date with changes in regulations and best practices. The Board Charter is available at the Company's website at www.encorp.com.my.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board had adopted and implemented a Code of Conduct and Business Ethics to promote the corporate culture which engenders ethical conduct that permeates throughout the Group. The conduct of the Directors, management and employees of the Group are governed by the Code of Ethics and Conduct which provides clear direction on conduct of business and general workplace behavior. It includes, amongst others, guidance on health and safety, disclosure of conflict of interest, maintaining confidentiality and gift and business courtesies. The Group communicates its Code of Conduct and Business Ethics to all Directors, management and employees, copy of which is also available at the Company's website at www.encorp.com.my.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	The Whistle Blowing Policy and Guideline is established in order to support one of Encorp's core values on Ethics and Governance requirements. Encorp places high value of trust to ensure that all business operations and decision making are carried out with Encorp's high standards of integrity and good governance to avoid any misconduct that may affect the organisation. The framework on whistle blowing policy and guidelines forms one of the key mechanisms to ensure that Encorp business practices and operations is in-line with relevant rules and regulation and to encourage the reporting of misconduct and address issues of vulnerability, integrity and governance. The framework on whistle blowing policy and guideline was formalised to encourage and enable staff and others to raise legitimate and genuine concerns to be objectively investigated and addressed within Encorp prior to seeking resolution outside of the Encorp. All reports of misconduct are characterised and classified as confidential. Content of the report may not be disclosed to any party other than the party entitled to know such as law enforcement agencies, Investigation Team, Members of the Board for investigation, assessment and decision making. The identity of the complainant will be kept confidential and protected and shall not be expressed in any document or statement.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

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

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board determine Encorp's strategic direction and ensures the Company compliance to law, internal regulations, risk management and control. Sustainability is a component of the Company's corporate strategy. The Sustainability committee is led by the GCEO supported by Head of Departments. Decisions on the long-term alignment of sustainability-related areas of action are endorsed at Board level, whereby they would convene to discuss and assess Encorp's progress on economic, environmental and social issues as well as the degree to which sustainability principles have been integrated into the various divisions.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	Encorp define all stakeholders as groups whom the business has a significant impact on and those with a vested interest in Encorp operations. Encorp believes that actively engaging and working in partnership with our stakeholders is crucial to addressing sustainability concerns. The Board perceives sustainability as a never-ending quest that requires the participation of all stakeholders, internally and externally, at every level. In an effort to contribute to global and national initiatives towards sustainable development, Encorp seeks to continuously refine its strategic approach to the UN 17 SDGs.. The Company has been practising the following methods in communicating sustainability matter with its stakeholders: • Town hall and Employee Get Connected programme • Conduct relevant programmes in creation of employee's awareness on the Company's Environment, Social and Governance commitments • Public Statements, media engagement and Marketing • Corporate Social Responsibilities ("CSR") activities • Annual General Meeting For more information on the Company sustainability strategies, priorities, targets and performance, please refer to the Encorp Sustainability Report which is available on the Company's website at www.encorp.com.my
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

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

Practice 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board has been regularly update by the Company Secretary and Head of Risk and Governance, on the changes of the Listing Requirements via Bursa Securities Circular, which are relevant to the Company on the corporate disclosure and compliances related to the Sustainability issues. The company will upskill the board and senior management on sustainability issues knowledge through training and seminars.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board and senior management have yet to undertake performance evaluations to address the Company and its unlisted subsidiaries' on the risks and opportunities related to sustainability. Key Performance Indicators on sustainability will be incorporated for year performance appraisal.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board is mindful that setting sustainability targets require the Company to carefully examine the attainability of the targets, which should be weighed against the Company's ambitions and goals.	
Timeframe	:	Others	5 years (to be determined)

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

Practice 4.5- Step Up
The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Adopted
Explanation on adoption of the practice	:	The Head of Risk and Governance has been identified as the designated to provide focus and co-ordination on managing sustainability within Encorp. Key Sustainability matter are discussed in the Sustainability Committee in reviewing sustainability efforts in Encorp.

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

Practice 5.1
The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	The Nominating and Remuneration Committee ("NRC") has discharged its function in ensuring that the Board composition and tenure of each director are reviewed periodically. An annual evaluation was conducted and reviewed by the NRC to assess the performance, contribution and tenure of each Director before recommending nomination of the retiring Director for re-election at the forthcoming Annual General Meeting ("AGM"). The Board Charter has clearly stated that the tenure of an Independent Director is limited to nine (9) years and he/she may continue to serve on Board subject to redesignation as Non-Independent Director. Otherwise, the Board must justify and seek shareholders' approval at the AGM in the event it retains the Director as an Independent Director. In this respect, the Board takes into consideration the appropriate mix and diversity of skills, knowledge, experience, age, gender and ethnicity that fit the Company's objectives and long term plan.
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 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board comprises one (1) Independent Non-Executive Chairman, two (2) Non-Independent Non-Executive Directors, and two (2) Independent Non-Executive Directors. The Independent Directors make up the majority of the composition of the Board.	
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 5.3
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

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

Application	:	Applied
Explanation on application of the practice	:	The NRC had performed an annual review on the independence of the Independent Directors. The Board views the number of Independent Directors as well-positioned in providing the necessary check and balance to the Board's decision-making process. The Independent Directors have fulfilled their roles as Independent Directors through active and objective participation in Board deliberations and the exercise of unbiased and independent judgement. At present, there are no Independent Directors whose tenure exceeds a cumulative term of nine (9) years in the Company.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 5.4 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

Application	:	Applied
Explanation on application of the practice	:	The Company has adopted a Board Diversity Policy to set out the approach to diversity on the Board. When appointing a Director or senior management, the NRC and the Board will consider the background, gender, age, experience, skill, competency, knowledge and potential contribution of the candidate. The NRC recommends suitable candidate for appointment to the Board, the appointment of which will be decided upon by the Board as a whole to ensure a balanced mix of experience and expertise amongst its members. Thereafter, the Board carries out its own assessment based on the recommendations made by the NRC and determines the appointments to be made. All the Directors has declared their directorship and none of them are holding more than 5 directorship in listed issuers. The NRC is satisfied with their performance as they are able to devote sufficient time and attention to the matters of the Company in discharging their obligations and duties towards the Company. The appointment of Senior Management is also based on predetermined criteria of skill sets and leadership qualities, driven by their respective job descriptions. The diversity of the Board is set out in the Corporate Governance Overview Statement of the Company's Annual Report 2022.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

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

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	When appointing a Director or senior management, the NRC and the Board will consider the background, gender, age, experience, skill, competency, knowledge and potential contribution of the candidate. The NRC recommends suitable candidate for appointment to the Board, the appointment of which will be decided upon by the Board as a whole to ensure a balanced mix of experience and expertise amongst its members. Thereafter, the Board carries out its own assessment based on the recommendations made by the NRC and determines the appointments to be made. The NRC reviewed and recommended the candidate for Non-Independent Non-Executive Director namely Dato' Dr Suzana Idayu Wati Binti Osman, in replacement of Datuk Shireen Ann Zaharah Binti Muhiudeen who had retired on 29 June 2022. Dato' Dr Suzana Idayu Wati Binti Osman was appointed to our Board on 3 November 2022. The above appointments were recommended by the Company's major shareholder during candidate selection. The NRC scrutinised the suitability and qualification of the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC assessed the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.
		The NRC is responsible for identifying candidates and reviewing all nominations for the appointment of Directors, In recommending new Directors, the NRC relies on the contacts and network of the entire Board. However, the NRC may engage the external recruitment services provider (independent sources), if necessary.

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	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 5.7
The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	The NRC is responsible to evaluate and recommend to the Board the re-appointment of any non-executive director at the conclusion of his specified term of office, re-election of any director under the retirement by rotation provision in the Company's Constitution having regard to their performance and contributions to the Board before tabling the same for the shareholders' approval. Shareholders are kept informed on the Board's decision in respect of appointment of director via announcements to Bursa Malaysia Securities Berhad. During the financial year ended 31 December 2022, the Board has not recommended any appointment of new director and re-appointment of director for retention as Independent Non-Executive Director to the shareholder for approval except the re-election of Directors. A statement by the Board and NRC being satisfied with the performance and effectiveness of the retiring Directors was stated in the notes accompanying the 23rd Notice of Annual General Meeting.
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 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The NRC is Chaired by Datuk Haji Jaafar Bin Abu Bakar, who is an Independent Non-Executive Director. In discharging his duties as the Chairman of the NRC, he undertakes to lead an annual assessment of the effectiveness of the Board and Board Committees; ensuring that the performance of the Board, Board Committees and each Director is assessed objectively and holistically; and leads the succession planning and appointment of the Board members.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.9
The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	With Dato' Dr Suzana Idayu Wati Binti Osman's appointment to the Board, the Company has achieved a 20% female representation.	
		The Board recognises that a gender-diverse Board could offer greater depth and breadth whilst the diversity at key senior management would lead to better decision-making. Women representation on the Board and in senior management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Company's strategic objectives.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	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	:	The Board has established a Board Diversity Policy to ensure that through the NRC, selection and appointment of new board member take into the consideration the candidates from a wide variety of background, without discriminating based on gender, age, ethnic, marital status and religion but on the required mix of skill, knowledge and professional experience which the new director should bring to the Company. The Board is committed to provide fair and equal opportunities regardless of gender but will nevertheless consider appointing more female directors and senior management where suitable to be in line with the Code.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

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

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.		
Application :	Applied	
Explanation on application of the practice :	The Board implemented an evaluation process, for assessing the effectiveness and competencies of the Board as a whole. The process is carried out via customised evaluation forms sent to directors pertaining to Board Effectiveness, Board Committees Effectiveness and Directors' Self Competencies. The results of the self-assessment by Directors and the Board's effectiveness as a whole as compiled by the Company Secretary were presented to NRC for review before submitting to the Board for discussion and determine areas for improvement to enhance the Board's effectiveness. The Board was satisfied with the results of the annual assessment and that the current size and composition of the Board is appropriate and well-balanced with the right mix of skills. The Board was also satisfied with the Board composition comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.1

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

Application :	Applied	
Explanation on application of the practice :	The Directors' Remuneration Policy was adopted by the Board on 26 November 2015, which aims to attract, develop, retain and motivate high performing Directors and Senior Management with a competitive remuneration package. The remuneration package for Executive Directors and Senior Management are structured to link rewards to corporate and individual performance while Non-Executive Directors' remuneration reflects that experience and level of responsibilities undertaken by individual Non-Executive Directors. A copy of Directors' Remuneration Policy is available at the Company's website at www.encorp.com.my	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The NRC is entrusted by the Board to review the remuneration packages for executive director, chief executive officer and senior management. The NRC also reviews and recommend to the Board the annual increments and bonuses of executive director and senior management. The NRC has written terms of reference ("TOR") which deals with its authority and duties, and these TOR are disclosed on the Company's website at www.encorp.com.my.	
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 assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	A detailed disclosure on named basis for the remuneration of each director can be found under the Corporate Governance Overview Statement in the Company's Annual Report 2022.

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	Tuan Haji Sr. Mohd Ali Bin Abd Karim	Independent Director	120	24	Input info here	Input info here	Input info here	Input info here	144	156	35	Input info here	Input info here	Input info here	Input info here	191
2	Datuk Haji Jaafar Bin Abu Bakar	Independent Director	120	20	Input info here	Input info here	Input info here	Input info here	140	120	20	Input info here	Input info here	Input info here	Input info here	140
3	Mahadzir Bin Mustafa	Non-Executive Non-Independent Director	72	15	Input info here	Input info here	Input info here	Input info here	87	92	17	Input info here	Input info here	Input info here	Input info here	109
4	Dato' Dr Suzana Idayu Wati Binti Osman (appointed on 3.11.2022)	Non-Executive Non-Independent Director	6	2	Input info here	Input info here	Input info here	Input info here	8	6	2	Input info here	Input info here	Input info here	Input info here	8
5	Tuan Haji Lukman Bin Abu Bakar	Independent Director	96	20	Input info here	Input info here	Input info here	Input info here	116	116	22	Input info here	Input info here	Input info here	Input info here	138
6	Datuk Shireen Ann Zaharah Binti Muhiudeen (Retired on 29 6.2022)	Non-Executive Non-Independent Director	30	5	Input info here	Input info here	Input info here	Input info here	35	30	5	Input info here	Input info here	Input info here	Input info here	35

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

Practice 8.2
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the view that the disclosure on a name basis will give rise to recruitment and talent retention issues.	
		The remuneration component including salary, bonus, benefits in kind and other emoluments for the top five (5) Senior Management for the financial year ended 31 December 2022, are disclosed in bands of RM50,000 under the Corporate Governance Overview Statement in the Company's Annual Report 2022.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit, Risk and Governance Committee, Datuk Haji Jaafar Bin Abu Bakar is not the Chairman of the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	The Audit, Risk and Governance Committee ("ARGC") take note of Practice 9.2 of the MCCG 2021 that the cooling-off period shall be at least three (3) years before a former partner is appointed as member of the Audit Committee. Currently, no former key audit partner of the external auditors of the Company is appointed to the ARGC.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied	
Explanation on application of the practice	:	The Company has established an External Auditors Policy to assess and monitor the external auditors. The External Auditors, Messrs Ernst & Young PLT has indicated to the ARGC that they are independent throughout the audit of the Group and of the Company and remain in compliance with the By-Laws of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants' independence requirements.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

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

Application	:	Applied
Explanation on application of the practice	:	The ARGC comprises of members with diverse qualification, expertise and experience ranging from accounting, finance, banking, auditing, taxation and treasury. Collectively, the ARGC has the necessary skills and a wide range of experience and expertise in areas such as accounting and auditing, taxation and finance. Based on the outcome of the performance assessment on the ARGC by the NRC, the NRC was satisfied that the ARGC has been effective in discharging their stewardship responsibilities in meeting the needs of the Company during the period under review. All ARGC members have attended the training, seminars and conferences during the financial year to acquire relevant knowledge that enables them to discharge their duties effectively. Trainings attended by the ARGC members are outlined under the ARGC Report in the Company's Annual Report 2022.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	The Risk Management Committee comprises of the Heads of Department and GCEO which would report to the Audit, Risk and Governance Committee ("ARGC") on a quarterly basis in respect of its identification, evaluation and management of significant risks impacting the Group. The ARGC assists the Board in preventing oversight over the Group's management of risk and reviews the adequacy of compliance and control throughout the Group. The Board recognises the role of a strong internal control system in keeping the Group on course toward its goal of maximising shareholders' value. To this extent, the need for a strong internal control environment has been embedded into the culture of the Group by the Board and Management. The statement on Risk Management and Internal Control (SORMIC) furnished in the Annual Report 2022 provides an overview of the internal control within the Group during the financial year under review.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The statement on Risk Management and Internal Control as included in Annual Report 2022 provides an overview of the internal control framework adopted by the Company during the financial year ended under review.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 10.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	The Audit, Risk and Governance Committee is supported by an in-house Internal Audit function in the discharge of its duties and responsibilities. The Internal Audit Unit which is under the Risk and Governance Department undertakes regular reviews of the adequacy and effectiveness of the Group's system of internal controls and risk management process, as well as appropriateness and effectiveness of the corporate governance practices based on procedures approved by the respective Audit, Risk and Governance Committees. Details of the Internal Audit function are set out in the ARGC Report in the Company's Annual Report 2022.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<u>From January to June 2022- Outsourced Internal Audit Service Provider – BDO Governance Advisory Sdn Bhd</u> From January to June 2022, the internal audit function of the Company has been outsourced to an independent professional firm BDO Governance Advisory Sdn Bhd to assist the Audit, Risk and Governance Committee ("ARGC") in discharging its duties and responsibilities. They act independently and with due professional care and report directly to the ARGC. Name and qualification of the persons responsible for internal audit are as summarised below: 1. Karthigayan Supramaniam – Executive Director, Advisory **Education/Qualification** • Bachelor of Accounting (Hons), University Kebangsaan Malaysia • Associate Chartered Management Accountant, United Kingdom (ACMA) • Member of the Malaysian Institute of Accountants (MIA) • Certified Information Systems Auditor (CISA) • Certified Internal Auditor (CIA) <u>From July to December 2022 – Established In-house Internal Audit Unit</u> Subsequently, effective from July 2022, the in-house internal audit unit was established. The Head of Internal Audit Unit reports functionally to the Audit, Risk and Governance Committee and administratively to the GCEO to ensure impartiality and independence in execution of the role. Rahimahtul Akmam Binti Hassan is an Assistant Manager, Internal Audit leading the Internal Audit Unit. She holds a Bachelor of Accountancy (Honours), Universiti Teknologi Mara. She has over 15 years' experience in internal audit, compliance and risk Management. Prior to joining Encorp Berhad, Rahimahtul was attached as an Internal Audit Assistant Manager at IOI Properties Group Berhad. She has extensive working

	experiences in audit and compliance related to the construction, properties, automotive and trading sector. She is supported by an Internal Audit Executive, Nur Farina Mat Said with background and discipline in analytical economics The conduct of Internal Audit Activities is also guided by established policy and procedures and guidelines and COSO internal control framework, a comprehensive, structured and widely used audit approach. Details of the Internal Audit function are set out in the ARGC Report in the Annual Report 2022.)	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	The Company recognises the importance of effective communication with shareholders, investors and the public in general. In this respect, the Company keeps shareholders, investors and the public informed through announcements, release of quarterly financial results, annual reports, circulars and general meetings. The Company has also implemented a Stakeholders' Communication Policy to handle the process of handling queries from its stakeholders. The Company maintains regular and effective communication with its shareholders and stakeholders by attending to shareholders' and investors' e-mails and phone calls enquiries, Company's general meetings and other Company events. The Notice for the Company's AGM provides information to the shareholders regarding the details and attendance at AGM and rights to appoint proxy(ies). The Company's website has a dedicated section that provides all relevant information on the Company which is accessible to the public. While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company is mindful of the legal and regulatory framework governing the release of material information.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
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 13.1

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 Notice of Twenty- Second Annual General Meeting ("22nd AGM") of the Company was circulated to the shareholders 28 days prior to AGM. This goes above and beyond Section 316(2) of Companies Act 2016 and Paragraph 7.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which call for a 21-days' notice period for public companies or listed issuers respectively. The additional time given to shareholders allows them to make the necessary arrangements to attend and participate the 22nd AGM remotely by using the Remote Participation and Voting ("**RPV**") facilities in person or through corporate representatives, proxies or attorneys. In addition, the shareholders are accorded with sufficient time to consider the resolutions that will be discussed and decided upon at the AGM. The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the matters that will be decided at the AGM. In order to achieve the widest possible dissemination, the notice of AGM is placed both in a nationally circulated newspaper and the Company's website at www.encorp.com.my besides being dispatched to shareholders.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	All directors attended the 22nd AGM held on 29 June 2022 at Broadcast Venue. The Directors present at the 22nd AGM presented opportunities for the shareholders to engage with each Director and also allowed the shareholders raised questions and concerns directly to the Directors.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 13.3
Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	In year 2022, the Company had leveraged on technology to facilitate remote shareholders' participation and online remote voting as part of the precautionary measures amid COVID-19 pandemic. The Company held its 22nd AGM on a virtual basis through live streaming and online remote participation via Remote Participation and Voting facilities ("RPV") provided by Securities Services e-Portal of SS E Solutions Sdn. Bhd. at https://www.sshsb.net.my/login. The voting procedures were conducted by poll administrator at which an independent scrutineer was appointed to validate all votes cast at the 22nd AGM. The outcome of all resolutions proposed at 22nd AGM was announced to Bursa Malaysia Securities Berhad on the same day of meeting, and was also made available on the Company's website. Due to the constant evolving COVID-19 situation in Malaysia and as a measure to curb the spread of COVID-19, the Company will conduct its 23nd AGM virtually through live streaming and online remote participation via RPV. The RPV will enable remote shareholders' participation via real time submission of typed texts and online remote voting. The RPV facilitates is in compliance with good cyber hygiene practices including data privacy and security to prevent cyber threats.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

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

Practice 13.4

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.		
Application :	Applied	
Explanation on application of the practice :	During the AGM, the Board encourages participation from shareholders by having question-and-answer session ("Q&A") during the AGM (inclusive of the Chairman of the Board, ARGC and NRC) were available to provide meaningful responses to queries raised. Shareholders had direct access to the Board during the AGM proceedings and to participate in the Q&A session on the resolutions being proposed or on the Group's operations in general. Shareholders who are unable to participate in the virtual AGM are allowed to appoint proxies to participate and vote on their behalf in accordance with the Company's Constitution. The GCEO, Board members in attendance and the external auditors, if so required, will endeavor to respond to shareholders' questions during the meeting. All questions posed by shareholders during the AGM were well attended by the Board and/or the Management.	
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 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.			
Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board had ensured that the required infrastructures and tools were in placed to enable the smooth broadcast of the 22nd AGM and meaningful engagement with the shareholders. The Company Secretary read the questions posed by the shareholders and the Chairman answered the questions accordingly. The questions posed by the shareholders were responded by the Chairman but not made visible to the participants of the 22nd AGM. The Board would consider this for future general meetings.	
		The shareholders and proxy holders can rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given in the live stream portal. The Chairman of the Company had actively responded to all questions posted by shareholders.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Practice 13.6
Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Applied	
Explanation on application of the practice	:	The 22nd AGM minutes and summary of Q&A dialogues had been published on the Company's corporate websites for public viewing within 30 business days. The outcome of all resolutions proposed at 22nd AGM was announced to Bursa Malaysia Securities Berhad on the same day of meeting, and also made available on the Company's website at www.encorp.com.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Not Applicable