CORPORATE GOVERNANCE REPORT

STOCK CODE : 5401
COMPANY NAME : Tropicana Corporation Berhad
FINANCIAL YEAR : December 31, 2020

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 of Directors ("**Board**") is accountable and responsible for the performance and governance activities of Tropicana Corporation Berhad ("**Tropicana**") and its group of companies ("**Tropicana Group**" or "**Group**") with a view of protecting shareholders' value and recognising the interests of all other stakeholders namely, customers, suppliers, contractors, employees, regulators, members of the communities and all others with whom Tropicana interfaces. The principal responsibilities of the Board in stewarding Tropicana Group are as follows: *(a) Reviews and adopts the strategic plan for the Group.* The strategic business plan for the Group is presented to the Board for deliberation and approved on an annual basis and the milestones achieved and progress of the strategic plan and financial targets are reported to the Board on a quarterly basis. *(b) Constantly oversees the Group's business conducts to ensure the business is being properly managed.* In order to strengthen the Board's oversight of Management, the Board has the following agenda items in its quarterly meetings:- • review of the operations of the Group (Northern, Central and Southern regions) by senior management; • review reports of the status of marketing and sales of the Group prepared by the Managing Director ("**MD**") of Marketing & Sales and Group Procurement (Non-Board member of Tropicana); and

	• review reports on the development of material litigation(s) and/or any new material litigation of the Group by the Executive Director of the Group Legal (Non-Board member of Tropicana). *(c) Identifies the principal risks and ensure the implementation of appropriate systems to manage these risks.* The Board recognises that risk is an integral and unavoidable component of its businesses and is characterised by threats and opportunities. The Board is committed to managing risks in a proactive manner and to safeguard stakeholders' interests and the Group's assets. Hence, the Risk Management department and the Enterprise Risk Management programme were formalised in year 2012. In addition, the Group has implemented an on-going process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in its achievement of the business goals and objectives in consideration of the change in the business environment and regulatory requirements. This on-going review process has been in place for the entire financial year under review to ensure that adequate and effective Group risk management and internal controls systems have been embedded in all aspects of the Group's activities. *(d) Establish a succession plan for the Group.* The Group has a well-defined organisational structure with clearly defined lines of accountability, authority and responsibility of the Board and each of its operating units. The Board has established the key Standard Operating Procedures to ensure proper succession planning is in place and consistent works are constantly being delivered. *(e) Oversee the development and implementation of an investor relations programme or Shareholder Communications Policy for the Group.* Tropicana Group recognises and practices transparency and accountability to its shareholders and investors. The Group is committed to engaging and conducting constructive conversations with stakeholders that focus on Tropicana's values, best practices, transformation strategies, performance goals and long-terms growth in order to create value for stakeholders and shareholders, both for the short and long-term. These sessions allow Tropicana to build and sustain market confidence, help the Group to make informed decisions, strengthen the relationships and ensure the delivery of Tropicana's commitments, both financial and non-financial.

	The Group worked in partnership with the investing community, who consisted mainly of existing and potential shareholders, employees, customers and analysts, by providing them with timely, transparent, accurate and open communication on Tropicana's business performance. Tropicana also has an Investor Relations site at https://www.tropicanacorp.com.my/investor-relations/ir-home that acts as an additional communication platform for stakeholders, shareholders and the general public to obtain information about Tropicana Group. Tropicana continues to be a member of the Malaysian Investor Relations Association (MIRA) as this keeps us informed on industry's best practices and builds relationships with the community. *(f) Review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.* The Board established an in-house Group Internal Audit department ("**GIAD**") where the functions of GIAD are guided by its Internal Audit Charter which defines the authority, independence and objectivity, duties & responsibilities, audit planning, periodic assessment and independence of all members of the GIAD. GIAD reports directly to the Audit Committee and maintains its impartiality, proficiency and due professional care. The principal responsibilities of GIAD are to provide independent and objective assurance and advisory services designed to add value and improve the operations of the Group. This includes the continuous review and evaluation of the adequacy and effectiveness of the Group's risk management, internal control and governance processes. *(g) Ensure that the Group's financial statements are true and fair and conform to the laws.* The Board is responsible for ensuring that the financial statements of the Company and of the Group are drawn up in accordance with the Financial Reporting Standards and the Companies Act 2016 so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2020 and of their financial performance and cash flows for the year then ended. The Board is committed to providing a clear, balanced and comprehensive meaningful assessment of the Group's financial performance and prospects, primarily through the annual financial statements and quarterly announcements on financial results to shareholders. The Group's audited financial statements for the financial year ended 31 December 2020 ("**FY2020**") are presented on pages 151 to 292 in the Company's Annual Report 2020.

	(h) Ensure that the Company adheres to high standards of ethics and corporate behaviour. The Board acknowledges the importance in its leadership role to create ethical values and observe ethical conduct. The Board adopts and observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, as the Board is fully supportive of the principles of the said Code of Ethics and finds it pertinent for the Company to uphold the same principles. The Code of Ethics for Company Directors is annexed as "Appendix I" to the Board Charter which is available on the Company's website at www.tropicanacorp.com.my/corporate-governance. .	
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 Company is led by Tan Sri Dr Lim Wee Chai, who was re-designated as Non-Independent Non-Executive Chairman of the Company on 24 January 2019. Prior to the re-designation, Tan Sri Dr Lim Wee Chai was a Non-Independent Non-Executive Deputy Chairman. Tan Sri Dato' Tan Chee Sing was appointed as Group Executive Vice Chairman on 24 January 2019. Tan Sri Dato' Tan Chee Sing is assisting the Chairman in performing the latter's duties and responsibilities. In the absence of the Chairman, the Group Executive Vice Chairman will take on the role as the Acting Chairman until the Chairman resumes his normal duties. The profile of Tan Sri Dr Lim Wee Chai and Tan Sri Dato' Tan Chee Sing are set out in the Directors' Profile in the Company's Annual Report 2020. The Chairman carries out a leadership role in his conduct of the Board and in his relations with shareholders and other stakeholders. The key roles and responsibilities of the Chairman as set out in the Board Charter of the Company, amongst others are as follows:- • to lead the Board and to ensure the effectiveness of all aspects of the Board's role; • to ensure the efficient organisation and conduct of the Board's functions and meetings; • to facilitate the effective contribution of all Directors at Board meetings; • to promote constructive and respectful relations among Directors, and between the Board and Management of the Group; and • to ensure effective communication with shareholders and relevant stakeholders.
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	:	In FY2020, Mr Yeow Wai Siaw, the Group Chief Executive Officer ("**CEO**") and Dato' Dickson Tan Yong Loong, the Deputy Group CEO had resigned from their respective positions and subsequently, the Board welcomed Mr Lee Han Ming as the new Group CEO who was appointed on 4 February 2021. The Group CEO, the Group MD and the Group Executive Director are fully responsible for the effective running of the Group's operations and the implementation of the Board's policies and decisions. The positions of the Chairman, the Group CEO and Group MD are held by three (3) different individuals namely, Tan Sri Dr Lim Wee Chai, Mr Lee Han Ming and Mr Dion Tan Yong Chien. The distinct and separate roles of the Chairman, the Group CEO and the Group MD are clearly defined in the Board Charter. The clear distinction of responsibilities between the Chairman, the Group CEO and the Group MD ensure a balance of power and authority, such that no individual or small group of individuals can dominate the Board's decision-making. The separation of roles also allows the Chairman, the Group CEO and Group MD to have sufficient time commitment in discharging their duties, meanwhile minimising the risk of conflicting interest and unfettered power in decision-making. The Chairman, Tan Sri Dr Lim Wee Chai represents the Board to the shareholders and is responsible for the effective running of the Board. The Chairman carries a leadership role in Board's conducts and focuses on relationship management with the stakeholders of the Company. The Group CEO, the Group MD and the Group Executive Director are fully responsible for the effective running of the Group's operations and the implementation of the Group's business plans and policies established by the Board and also managing the daily conduct of the businesses to ensure its smooth operation.
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 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	:	The Board is supported by three (3) Company Secretaries namely, Ms Laura Tan Gin Ling (in-house Company Secretary), Ms Chua Siew Chuan and Ms Chin Mun Yee (external Company Secretaries) who are experienced and qualified Chartered Secretaries under Section 235(2) of the Companies Act 2016. The key roles of the Company Secretaries are to provide unhindered professional advices and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance. The other primary responsibilities of the Company Secretaries include:- • to advise the Board and Management on governance issues; • to ensure compliance of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") Main Market Listing Requirements ("**MMLR**") and related statutory obligations; • to attend the Board, Board Committees and general meetings as well as to ensure that the Board meeting procedures are followed and also proper recording of minutes; • to ensure the proper maintenance of statutory registers and records; • to assist the Chairman in the preparation and conduct of meetings; • to update the Directors on any new changes and developments to the statutory or regulatory requirements concerning their duties and responsibilities as well as those concerning the Company; • regularly update and keep the Board and Management informed of the requirements in dealing with the securities of the Company during closed period and non-closed period; and • to assist the communications between the Board and Management. Apart from supporting the Board in corporate governance matters and advising on principles and best practices as set out above, the Company Secretaries also monitor the Board evaluation/effective assessment via the annual Directors' assessment in analysing and reporting results.

	The Company Secretaries also continue to monitor Directors' training programme to address training needs of the Directors. The roles and responsibilities of the Company Secretaries are set out in the Board Charter.	
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

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 Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs to enable them to discharge their duties. All Directors are provided with reports and other relevant information on a timely manner, covering various aspects of the Group's operations and performance. As best practices, notices of Board meetings are to be given in writing at least seven (7) days prior to the meetings, unless there are matters requiring urgent attention. The Directors are also provided with the agenda and a set of board papers prior to the Board meetings to allow sufficient time for the Directors to peruse, review, consider and deliberate on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision-making. Management is responsible for furnishing to the Board the meeting materials and relevant information that may assist the Board in discharging its responsibilities and to facilitate informed decision-making. Senior Management of the Group, external auditors and advisors are also invited to attend Board meetings on specific items on the agenda which require clarification and professional advice. The Board is also briefed on the latest updates on the Group's business activities. The in-house Company Secretary attends all Board meetings and ensures all proceedings of the meetings such as issues raised, deliberations and decisions of the Board including the Directors who were abstained from deliberating or voting, are properly minuted. The draft minutes of meetings are circulated to Management and/or Directors for review and comment in a timely manner upon conclusion of the meetings.
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 has formally adopted a Board Charter, which serves as a reference point for Board's activities, particularly in relation to the role, structure and processes related to key governance activities of the Board. The Board Charter which has been revised in March 2021, outlines, among others, the following salient items: (i) Duties and responsibilities of the Board; (ii) Matters reserved for the Board; (iii) Beneficial ownership; (iv) Ethics and conduct; (v) Board composition and balance; (vi) Role of Chairman, Deputy Chairman, Group CEO, Group MD, individual Director, Senior Independent Director, Company Secretary and other top Senior Management of the Company; (vii) Board processes and Board meetings; (viii) Board Committees and their defined terms of reference; (ix) Stakeholder communication; and (x) Accountability and audit. The Board Charter will be periodically reviewed by the Board as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities. In order to ensure that the direction and control of the Group is firmly in its hands and have an oversight of Management, the matters reserved for the Board's decisions are as follows: • to approve corporate plans and strategic issues of the Company; • to approve annual budgets of the Company; • to approve material acquisitions and disposals of undertakings and assets as well as major investments of the Group; • to approve new ventures of the Group;

	• to approve changes to the control structure of the Company including key policies, capital expenditures, authority levels, treasury policies and risk management policies; • to approve material borrowings of the Company; and • to review the financial statements of the Company and the Group on a consolidated basis. A copy of the Board Charter is available on the Company's website at www.tropicanacorp.com.my/corporate-governance.	
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 acknowledges its leadership role in creating ethical values and observing ethical conduct. In ensuring that all Directors commit to upholding ethical values and conduct that promotes sincerity, integrity, responsibility and corporate social responsibility, the Board adopts and observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia. A copy of the Code of Ethics for Company Directors is annexed as "Appendix I" of the Board Charter and is available on the Company's website at www.tropicanacorp.com.my/corporate-governance. The Company is committed to conducting business transparently, honestly and with integrity and in place a separate Code of Conduct to govern the conduct and discipline of Tropicana's employees, which is under the administration of the Group Human Resource. The Code of Conduct is also available on the Company's website at www.tropicanacorp.com.my/corporate-governance. The Company will abide by the Anti-Bribery and Anti-Corruption Policy under the new corporate liability provision, Section 17A of the Anti-Corruption Commission (Amendment) Act 2018, which was launched by the Malaysian Anti-Corruption Commission (MACC) together with the Department of Standard Malaysia and laws countering bribery and corruption in all of the jurisdiction in which the Company operates or conducting its businesses. This includes, and is not confined to, those countries where the Company has branch offices.
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	:	A formal Whistleblowing Policy ("**WBP**") was adopted by the Company. The WBP is to provide an avenue for all employees of Tropicana Group and members of the public to disclose any improper conduct within Tropicana Group in accordance with the procedures as provided in the WBP and to provide protection to the employees and members of the public who report such allegations. The WBP is also included in the Group's Employee's Handbook. The WBP is available on the Company's website at www.tropicanacorp.com.my/corporate-governance.	
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 4.1

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	:	As at 31 December 2020, the Board comprises eleven (11) members of which seven (7) are Independent Non-Executive Directors. The Independent Non-Executive Directors are as follows: 1) Encik Mohd Najib Bin Abdul Aziz 2) Encik Hafez Mohd Hashim Bin Razman Md Hashim 3) Datuk Wira Lye Ek Seang 4) Datuk Michael Tang Vee Mun 5) Ms Alice Dora Boucher 6) Tan Sri Dato' Sri Mohamad Fuzi Bin Harun 7) Madam Vivienne Cheng Chi Fan As of the date of this CG Report dated 19 May 2021 and following the appointment of Datuk Siw Chun A/P Eam and resignation of Encik Hafez Mohd Hashim Bin Razman Md Hashim as Independent Non-Executive Directors on 4 February 2021 as well as the appointment of Dato' Dr Teo Tong Kooi and Dato' Sri Badrul Hisham Bin Abdul Aziz as Independent Non-Executive Directors on 25 March 2021 and 11 May 2021 respectively, the Board comprises nine (9) Independent Non-Executive Directors out of fourteen (14) Board members. As part of the Nomination Committee's ("**NC**") functions as set out in its terms of reference, the NC shall undertake annual review of the independence status of the Independent Non-Executive Directors and table its findings to the Board. The NC had upon their assessment for the financial year under review concluded that all the Independent Non-Executive Directors have satisfied the independence test under the MMLR of Bursa Malaysia Securities.
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 4.2
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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years.
Explanation on application of the practice	:	The Board Charter indicates a restriction for the tenure of an Independent Non-Executive Director to a cumulative term of nine (9) years, unless otherwise approved by shareholders for tenure beyond nine (9) years. An Independent Non-Executive Director may continue to serve on the Board upon reaching the nine (9) year-term limit subject to the Independent Non-Executive Director's re-designation as a Non-Independent Non-Executive Director. However, in the event of a proposal to retain him as an Independent Non-Executive Director, the NC must conduct assessments and make recommendations to the Board to justify and seek shareholders' approval. At the Forty-First Annual General Meeting of Tropicana ("**41st AGM**") held on 9 September 2020, the shareholders of Tropicana had approved the retention of Datuk Michael Tang Vee Mun, a Director who served for more than nine (9) years, as an Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance ("**MCCG**"). The Board took note of the requirements under Practice 4.2 of the MCCG which stipulates that if the Board continues to retain an Independent Non-Executive Director after serving the twelfth (12^{th}) year with the Board, the Board is required to seek annual shareholders' approval for such retention through a two (2)-tier voting process.
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 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to 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 4.4
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.

Application	:	Applied.
Explanation on application of the practice	:	The NC established by the Board, is entrusted with the responsibility of recommending new appointments to the Board, Board Committees and Senior Management who hold the key pivotal positions in Tropicana Group. The duties of the NC are detailed in its terms of reference, which is annexed to the Board Charter as "Appendix IV" and is accessible for reference on the Company's website at www.tropicanacorp.com.my/corporate-governance. The selection criteria of members of the Board and Senior Management are primarily based on the skills, knowledge, expertise and experiences, professionalism, ability to commit, contribute and perform, character, integrity and competence and taking into consideration the gender, ethnicity and age as well as the ability to discharge the responsibilities/functions as expected. Currently, the Board comprises members from diverse backgrounds ranging from property development, investments, finance and accounting, banking, audit, risk management, legal, business and general management, information technology, public administration, chemical and civil engineering, police force as well as food and beverages, all of which provide the Group with diverse views and a wealth of expertise, experiences and networks to draw upon.
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 4.5
The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Applied.
Explanation on application of the practice	:	The Company adopted a Diversity and Inclusion Policy on 28 November 2019. This Policy provides framework for Tropicana Group to promote and create a diverse culture at the workforce and at Board level for growth and competitiveness of the Group. In order to pursue the objective of diversity; the following measures will be taken: (a) Management shall ensure that the recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates in terms of skill, knowledge, experience, gender, age, ethnicity, race, religion and cultural background are considered. (b) In assessing suitable candidate for appointment to the Board and Senior Management who hold key pivotal position in Tropicana Group, the Board shall accord due consideration to gender diversity, age, required mix of skills, knowledge and experience, cultural background and other qualities, including core competencies and integrity. Nevertheless, to avoid any mismatch and ineffective appointment of the female Directors, the Company does not set any specific target for female Directors in this Policy, but will actively work towards having more female Directors on the Board. In cognisant of the importance to promote gender diversity, the Company is committed to putting its efforts in getting more suitable female candidate to join the Board and Senior Management positions. The Company has taken its initiative in fulfilling its corporate governance goals on gender diversity by appointing Madam Vivienne Cheng Chi Fan and Datuk Siw Chun A/P Eam as Independent Non-Executive Director on 7 December 2020 and 4 February 2021 respectively.

	The Board is supportive of gender diversity in the Board composition as recommended by MCCG and will endeavour to continuously identify and assess suitably qualified female candidates for nomination.	
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 4.6
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.

Application	:	Applied.
Explanation on application of the practice	:	Pursuant to the terms of reference of the NC, for new appointment to the Board, the NC shall consider candidates for directorships proposed by any Director or shareholder of the Company or, within the bounds of practicality, by the Group CEO, Group MD or any other senior management. Apart from this, the Board will also source for new Directors via different directors' recruitment agencies, or referrals from internal and external parties. During the FY2020 and up to 19 May 2021, the NC, after due consideration on the potential candidates that were nominated by existing board member as well as referrals from external parties had recommended to the Board, the appointments of the following seven (7) Directors:- (1) Mr Jared Ang Tzer Shen (2) Tan Sri Dato' Sri Mohamad Fuzi Bin Harun (3) Madam Vivienne Cheng Chi Fan (4) Mr Lee Han Ming (5) Datuk Siw Chun A/P Eam (6) Dato' Dr Teo Tong Kooi (7) Dato' Sri Badrul Hisham Bin Abdul Aziz
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 4.7

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

Application	:	Applied.
Explanation on application of the practice	:	The NC is chaired by an Independent Non-Executive Director. The members comprise solely of Independent Non-Executive Directors. The present composition of the NC is as follows: (1) Datuk Wira Lye Ek Seang (Chairman) (Independent Non-Executive Director) (2) Datuk Michael Tang Vee Mun (Member) (Senior Independent Non-Executive Director) (3) Encik Mohd Najib Bin Abdul Aziz (Member) (Independent Non-Executive Director) (4) Datuk Siw Chun A/P Eam (Member) (Independent Non-Executive Director) (5) Ms Alice Dora Boucher (Member) (Independent Non-Executive Director)
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 5.1
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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied.
Explanation on application of the practice	:	During the FY2020, the NC had conducted annual assessment in the following aspects:- (i) the effectiveness of the Board as a whole; (ii) the effectiveness of the Board Committees; (iii) the contributions of each individual Director and each member of the Audit Committee; and (iv) the independence of the Independent Non-Executive Directors. The criteria on the evaluation of effectiveness of the Board as a whole related to, amongst others, the appropriate composition and Committees in correspondence to the Board's oversight duties and the development of the Company's strategy, the right mix of skills and experience to optimise performance, and the clear definition of the roles and responsibilities of the Board and individual Director. The criteria on the evaluation of effectiveness of the Board Committees related to, inter alia, the right composition of each Board Committee in terms of number and expertise, whether each Board Committee properly discharges its duties and responsibilities, and whether each Board Committee provides useful information and recommendations that assist the Board makes better decision. The criteria on the evaluation of the contributions of each individual Director related to, such as, whether the Director shares his insights, adds value to the Board, applies analytical and conceptual skills to the decision-making process, provides realism and practical advice to Board's deliberation, as well as assesses and links short-term issues to the long-term strategy of the Company. In terms of the assessment on the independence of the Independent Non-Executive Directors, each Independent Non-

	Executive Director conducted a self-evaluation of his/her independence based on the criteria of independence as defined under Paragraph 1.01 of the MMLR of Bursa Malaysia Securities, and signed-off a confirmation slip accordingly. In addition, each Independent Non-Executive Director self-checked his/her ability to advise the Board on matters relating to any existing transactions where conflict of interests exist and on matters requiring deliberation by Independent Non-Executive Directors such as related party transactions. Each Independent Non-Executive Director also verified and declared his/her tenure of service as Independent Non-Executive Director in the Company in the confirmation slip. Thereafter, the said confirmation slips were reviewed by the NC. All assessments and evaluations carried out by the NC were properly documented. The outcome and summary results of the evaluations on Board Effectiveness, Board Committees, Directors' Self and Peer Evaluation and Independent Directors' Self Evaluation for the FY2020 were tabled to the NC before reporting on the summary outcome to 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

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 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied.	
Explanation on application of the practice	:	The Company had on 22 August 2019, adopted a Remuneration Policy for Directors and Senior Management to ensure that adequate, fair and competitive compensation and benefits for Directors and Senior Management are set to enable Tropicana Group to attract, retain and motivate suitable and high calibre individuals needed to support and drive its business strategies and long-term objectives. This Policy is available on the Company's website at www.tropicanacorp.com.my/corporate-governance.	
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 6.2
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 Board has established a Remuneration Committee to implement its policy framework and procedures on the compensation and benefits of the Executive Directors, Non-Executive Directors, Group CEO, Group MD and Senior Management who hold key pivotal positions in Tropicana Group (collectively referred to as "**Senior Management**") including reviewing and recommending matters relating to the remuneration of the Board and Senior Management. The objective of the Remuneration Committee is to recommend to the Board, the compensation and benefits including bonuses and severance payments to the Directors and Senior Management to ensure adequate, fair and competitive compensation and benefits thereby enabling the Group to attract, retain and motivate high calibre Directors and Senior Management. The Remuneration Committee is operated within its defined terms of reference and a copy of which is annexed as "Appendix V" of the Board Charter which is available on the Company's website at www.tropicanacorp.com.my/corporate-governance.
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 7.1

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

Application : Applied.

Explanation on application of the practice :

The Directors' remuneration for the FY2020 is as below:

1) Non-Executive Directors [1]

	Directors' Fees (RM)	**Board Committees' Fees [2] (RM)**	**Meeting Allowances [3] (RM)**
Tan Sri Dr Lim Wee Chai	192,000.00	4,800.00	8,000.00
Datuk Michael Tang Vee Mun	120,683.00	25,600.00	13,000.00
Encik Mohd Najib Bin Abdul Aziz	120,000.00	37,889.00	13,000.00
Datuk Wira Lye Ek Seang	120,000.00	17,600.00	10,000.00
Ms Alice Dora Boucher	120,000.00	8,067.00	10,000.00
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun *(Appointed w.e.f. 27 October 2020)*	21,639.00	-	2,000.00
Madam Vivienne Cheng Chi Fan *(Appointed w.e.f. 7 December 2020)*	8,197.00	1,421.00	-
Mr Loh Chen Peng *(Resigned w.e.f. 5 December 2020)*	120,000.00	20,800.00	9,000.00
Encik Hafez Mohd Hashim Bin Razman Md Hashim *(Resigned w.e.f. 4 February 2021)*	120,000.00	33,600.00	13,000.00

Note:
[1] The remuneration of Non-Executive Directors was approved by the shareholders at the 41st AGM of the Company.
[2] Fees for being the Chairman and/or members of the Board Committees.
[3] Meeting allowances for attendance of meetings of the Board and Board Committees.

2) Executive Directors

	Salary (RM)	Bonus (RM)	Defined Contribution Plan (RM)	Other Emoluments (RM)	Total (RM)
Tan Sri Dato' Tan Chee Sing	3,762,000 4,800,000*	1,686,575 -	218,537 -	- 1,200,000*	5,667,112 6,000,000*
Mr Dion Tan Yong Chien	1,023,906	432,480	182,893	60,000	1,699,279
Mr Jared Ang Tzer Shen *(Appointed w.e.f. 13 October 2020)*	134,430 543,821*	- 174,840*	16,286 87,014*	- -	150,716 805,675*
Dato' Dickson Tan Yong Loong *(Resigned w.e.f. 6 October 2020)*	687,830 -	223,320 -	112,725 30,539*	25,000 250,000*	1,048,875 280,539*
Mr Yeow Wai Siaw *(Resigned w.e.f. 31 October 2020)*	-	201,400	-	1,677,297	1,878,697

Note
* Remuneration received from other subsidiaries within Tropicana Group.

(The above disclosures include all Directors who held office during the FY2020)

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 7.2

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.

<table>
<tr><td>Application :</td><td colspan="2">Departure.</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td>Explanation for departure :</td><td colspan="2">For the FY2020, the Board disclosed the remuneration of Mr Lee Han Ming, who is a Senior Management of the Company in bands width of RM50,000.00. The remuneration of Mr Lee Han Ming is shown below:-

<table><tr><th>Remuneration Range</th><th>Name of Key Senior Management</th></tr><tr><td>1,600,001 – 1,650,000</td><td>Mr Lee Han Ming</td></tr></table>
The remuneration of the other top four (4) senior management personnel namely, Tan Sri Dato' Tan Chee Sing, Mr Yeow Wai Siaw, Dato' Dickson Tan Yong Loong and Mr Dion Tan Yong Chien, who are also Executive Directors of the Company, are disclosed under the Practice 7.1 section above.

The Board is of the view that it is not to the Company's advantage or business interest for detailed disclosure considering the highly competitive market for talents.

The Board through the Remuneration Committee will ensure that the remuneration of the Senior Management commensurate with their key performance achievements and the performance of the Company.</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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 7.3 - 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	:	

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 8.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied.
Explanation on application of the practice	:	The positions of the Chairman of the Board and the Audit Committee are held by two (2) different individuals. The Chairman of the Board is Tan Sri Dr Lim Wee Chai while the Chairman of the Audit Committee is Encik Mohd Najib Bin Abdul Aziz. Encik Mohd Najib Bin Abdul Aziz was appointed as the Chairman of the Audit Committee on 13 July 2016. Tan Sri Dr Lim Wee Chai was appointed as the Chairman of the Board on 24 January 2019. Encik Mohd Najib Bin Abdul Aziz is an accountant by profession and graduated with a Bachelor of Commerce (Accounting) Degree from the University of New South Wales, Australia. He is a member of the Institute of Chartered Accountants in Australia (ICAA) as well as a member of the Malaysian Institute of Accountants (MIA). He is also an Independent Non-Executive Director of the Company.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
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 8.2
The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

Application	:	Applied.	
Explanation on application of the practice	:	In line with the recommendation of the MCCG, the terms of reference of the Audit Committee were revised in August 2018 to include a cooling-off period of at least two (2) years before any former key audit partner could be appointed as Audit Committee member of the Company. This is to safeguard the independence of the audit of the Company's financial statements. The terms of reference of the Audit Committee is available on the Company's website at www.tropicanacorp.com.my/corporate-governance. To-date, the Company has not appointed a former audit partner to be a member of the Audit Committee.	
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 8.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied.	
Explanation on application of the practice	:	In assessing the independence of the external auditors, the Audit Committee will take into consideration of the competency, audit quality and manpower resource capacity of the external auditors, the nature and extent of the non-audit services rendered and the appropriateness of the level of fees. In addition, the external auditors had given their confirmation to the Audit Committee that they were independent throughout their conduct of the audit engagement with the Company for the FY2020 in accordance with the independence criteria as set out under the By Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.	
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 8.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted.
Explanation on adoption of the practice	:	The Audit Committee comprises solely of Independent Non-Executive Directors. The present composition of the AC is as follows: (1) Encik Mohd Najib Bin Abdul Aziz (Chairman) (2) Ms Alice Dora Boucher (Member) (3) Madam Vivienne Cheng Chi Fan (Member) (4) Dato' Dr Teo Tong Kooi (Member)

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 8.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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	:	All members of the Audit Committee are financially literate and have necessary skills and knowledge as well as understanding of the Group's businesses to discharge their duties effectively in accordance with the terms of reference of the Audit Committee. All Audit Committee members have undertaken and will continue to undertake continuous professional development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules. These include briefings by the external auditors on the development or changes in accounting, financial and auditing standards and the practicable rules under the Malaysian Financial Reporting Standards, International Financing Reporting Standards and the Companies Act 2016. The training programmes attended by the Audit Committee members are stated in the Corporate Governance Overview Statement of the Company's Annual Report 2020.
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 9.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied.
Explanation on application of the practice	:	The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system as well as reviewing its adequacy and effectiveness for the Group. The Board is satisfied that the Group has implemented an on-going process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group amidst its endeavour to achieve business goals and objectives in consideration of the change in the business environment and regulatory requirements. This on-going review process has been in place for the entire financial year under review to ensure that adequate and effective Group risk management and internal control systems have been embedded in all aspects of the Group's activities. Due to limitations that are inherent in any systems of risk management and internal control, these systems adopted by the Group are designed to manage rather than to eliminate the risk of failure to achieve business objectives. These systems can only provide reasonable but not absolute assurance against any material financial misstatement, fraud or loss. However, the extent of responsibility does not extend to include that of the Group's associated companies for the purpose of this 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 9.2
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 Board, through the Risk Management Committee oversees the risk management matters of the Group, with the main responsibility of risk oversight, amongst others, to set out the objectives, strategies and scope of risk management activities for Tropicana Group and to ensure that the Group's risk management strategy and methodology have been implemented and consistently applied. The Risk Management Committee is governed by its defined terms of reference, which is annexed to the Board Charter as "Appendix VI" and is available on the Company's website at www.tropicanacorp.com.my/corporate-governance. The key features of the risk management and internal control framework, together with its adequacy and effectiveness are set out in the Statement on Risk Management and Internal Control as presented in the Company's Annual Report 2020.
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 9.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted.
Explanation on adoption of the practice	:	The Board recognises that a proper risk management and internal control are important aspects of the Company's governance, management and operations. The Board had established a Risk Management Committee that is responsible to oversee the Company's risk management framework and policies. The Risk Management Committee consists of five (5) members, of which four (4) members are Independent Non-Executive Directors. The present composition of the Risk Management Committee is as follows:- 1) Tan Sri Dato' Sri Mohamad Fuzi Bin Harun – Chairman (Independent Non-Executive Director) *(Appointed w.e.f. 25 March 2021)* 2) Mr Dion Tan Yong Chien - Member (Group MD) 3) Datuk Michael Tang Vee Mun - Member (Senior Independent Non-Executive Director) 4) Ms Alice Dora Boucher – Member (Independent Non-Executive Director) *(Appointed w.e.f. 10 June 2020)* 5) Madam Vivienne Cheng Chi Fan - Member (Independent Non-Executive Director) *(Appointed w.e.f. 7 December 2020)*
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 10.1

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 Committee is supported by an independent and adequately resourced in-house GIAD in the discharge of its duties and responsibilities. The function of the GIAD is guided by its Internal Audit Charter which defines the authority, duties, responsibilities and independence of all GIAD members. The GIAD is accountable and functionally report to the Audit Committee while maintaining its impartiality, proficiency and due professional care. The GIAD is responsible to provide independent and objective assurance and advisory services designed to add value as well as improve the operations of the Group. This includes the continuous examination and evaluation of the adequacy and effectiveness of the Group's risk management, internal control and governance processes. The audit approaches and objectives are based on the guidance of the Institute of Internal Auditors' International Professional Practices Framework and the Committee of Sponsoring Organisation of the Treadway Commission (COSO) Internal Control – Integrated Framework (an effective internal control system).
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 10.2

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	:	The Audit Committee is supported by an independent and adequately resourced in-house GIAD in the discharge of its duties and responsibilities. The function of GIAD is guided by its Internal Audit Charter which defines the authority, duties, and responsibilities and independence of all members of the GIAD. There are seven (7) internal auditors within the GIAD including the Head of Internal Audit, all of whom possess professional qualifications and are members of The Institute of Internal Auditors Malaysia. All internal audit staff are encouraged to continuously enhance their knowledge, skills and competencies through relevant professional courses, seminars, training courses and on-the-job training. None of the internal audit personnel has any relationships or conflict of interests that could impair their objectivity and independence in conducting their internal audit functions. GIAD is headed by Ms Rachel Ng Kim Gek, an associate member of The Institute of Internal Auditors Malaysia, a member of CPA (Australia) and a member of Malaysian Institute of Accountants (MIA). GIAD reports functionally to the Audit Committee and maintains its impartiality, proficiency and due professional care. The principal responsibilities of GIAD are to provide independent and objective assurance and advisory services designed to add value and improve the operations of the Group. This includes the continuous examination and evaluation of the adequacy and effectiveness of the Group's risk management, internal control and governance processes. The audit approach and objectives are based on the guidance of the Institute of Internal Auditors' International Professional Practices Framework (IPPF) and the Committee of Sponsoring Organisations of the Treadway Commission Internal Control – Integrated Framework (COSO). Reference is made to the frameworks in assessing and reporting on the adequacy and effectiveness of the internal control, governance and risk 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

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 11.1

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

Application	:	Applied.
Explanation on application of the practice	:	Tropicana Group recognises and practices transparency and accountability to its shareholders and investors. As such, the Group ensures timely dissemination of information through appropriate channels of communications to shareholders and investors to ensure that they are properly informed of major developments of the Group. Such information is communicated to them through the Company's annual reports, press releases and various disclosures and announcements made to Bursa Malaysia Securities from time to time, including the quarterly and annual results. These information and documents are accessible on Bursa Malaysia Securities' website at www.bursamalaysia.com and also the Company's website at www.tropicanacorp.com.my/bursa-announcements. The Company attends to the requests of analysts and fund managers for briefings from time to time. The Group worked in partnership with the investing community, who consisted mainly of existing and potential shareholders, employees, customers and analysts, by providing them with timely, transparent, accurate and open communication on Tropicana's business performance. Tropicana's website at www.tropicanacorp.com.my also provides an avenue for shareholders and members of the public to access information pertaining to Tropicana Group, which is updated regularly.
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 11.2
Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not classified as "Large Company" and hence, has not adopted integrated reporting based on a globally recognised framework.	
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 12.1

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 Annual Report, which contains the Notice of 41st AGM, was sent to the shareholders at least twenty-eight (28) days prior to the date of the Annual General Meeting ("**AGM**") to give sufficient time to the shareholders to schedule their time to attend the Company's AGM and to consider the resolutions discussed at the AGM. The Notice of the 41st AGM was sent on 30 June 2020 and the date of the AGM was on 9 September 2020. The Notice of AGM, which set out the businesses to be transacted at the AGM, was also published in a major local newspaper. The notes to the Notice of AGM also provided detailed explanations for each resolution proposed as special business to enable shareholders to make informed decisions in exercising their voting rights.	
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 12.2
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 fully virtual 41st AGM of the Company held on 9 September 2020. Dato' Dickson Tan Yong Loong and Mr Loh Chen Peng joined the fully virtual 41st AGM remotely.	
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 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied.	
Explanation on application of the practice	:	The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions tabled at the AGM for the first time at its fully virtual 41st AGM held on 9 September 2020. The entire 41st AGM proceedings were held through Securities Services ePortal. The Administrative Details of the 41st AGM as well as the Securities Services ePortal user guide with detailed registration and voting procedures were sent to the shareholders and the same were also published in the Company's website.	
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.

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