

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0206
COMPANY NAME : GAGASAN NADI CERGAS BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>To ensure that the Board of Directors ("Board") of Gagasan Nadi Cergas Berhad ("Gagasan Nadi Cergas" or "the Company" or "the Group") effectively discharge its duties and responsibilities, the Board meets regularly to review the corporate strategies, operations and performance of the Company. All Board members bring their independent judgement to bear on issues of strategy, performance, resources and standards of conduct.</p> <p>The Board has oversight on matters delegated to the Management whereby updates are periodically reported. All Board authority conferred on Management is delegated through the Group Managing Director ("GMD") so that the authority and accountability of management are considered to be the authority and accountability of the GMD so far as the Board is concerned.</p> <p>The Board also assumes its principal responsibilities which include reviewing and implementing strategic plans, overseeing the conduct of business, succession planning, shareholders communication policy and procedures, and reviewing the adequacy and effectiveness of the Group's risk management and internal controls. Towards this, the Board has delegated the specific responsibilities to the following Board Committees: -</p> <ul style="list-style-type: none">(i) Audit & Risk Management Committee ("ARMC")(ii) Nomination Committee ("NC")(iii) Remuneration Committee ("RC") |

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| | <p>The Board Committees review all matters within their Terms of Reference (“TOR”) and make their recommendations to the Board for approval. The Board is kept apprised of the activities of the Board Committees through the circulation of minutes of Board Committee meetings and update on meeting deliberations and decisions by the respective chairmen of the Board Committees at each Board meeting.</p> <p>With the help of the Board Committees, the Board is able to discharge its roles and responsibilities more effectively. However, the ultimate responsibility of the Board Committees’ decisions and recommendations still lies with the entire Board.</p> <p>The key roles and responsibilities of the Board and Board Committees are set out in the Board Charter and Board Committees’ TORs respectively, which are available on the Company’s corporate website: www.nadicergas.com.</p> | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 1.2

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Chairman is an Independent Non-Executive Director of the Board and is primarily responsible for matters pertaining to the Board and the overall conduct of the Group. He is committed to good corporate governance practices and to lead the Board towards high performing culture. The other key responsibilities of the Chairman are as follows:</p> <ul style="list-style-type: none">• leading the Board in the adoption of good corporate governance practices;• ensuring Board meetings are effective, including setting Board agenda and that Board members receive complete and accurate information in a timely manner;• leading Board meetings and ensuring that no Board member, whether Executive or Non-Executive dominates the discussions;• encouraging active participation among the Directors and allowing constructive deliberations and dissenting views to be freely expressed; and• ensuring appropriate steps are taken to provide effective communication with stakeholders. <p>On 20 December 2021, the Chairman together with other non-executive directors had a meeting to discuss on strategic, governance and operational issues affecting the Group. The various issues raised by the non-executive directors were recorded and presented to the management to address it.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 1.3

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The positions of the Chairman and the GMD in the Company are held by different individuals with clear and distinct roles which are formally documented in the Board Charter of the Company to ensure a check and balance of power and authority between the Chairman and the GMD.</p> <p>The Chairman of the Board, Ir. Dr. Muhamad Fuad Bin Abdullah leads and manages the board by focusing on strategy, governance and compliance, whereas the GMD, Hj Wan Azman Bin Wan Kamal oversees the day-to-day operations of the Company and the implementation of the Board's decisions and policies.</p> <p>The key roles and accountabilities of the Chairman and GMD are set out in the Board Charter, which is available on the corporate website: www.nadicergas.com.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 1.4

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

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| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> | | |
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>Ir. Dr. Muhammad Fuad Bin Abdullah, the Independent Non-Executive Chairman of the Company is the Chairman of NC, and a member of the RC and ARMC.</p> <p>The Board took cognisance that having the same person assume the position of chairman of the Board and member of other board committees gives rise to the risk of self-review and may impair the objectivity of the chairman and the Board when deliberating on the observations and recommendations put forth by the board committees.</p> <p>However, Ir. Dr. Muhammad Fuad Bin Abdullah is not involved in management and operational matters of the Company, and he always provides constructive ideas and opinions to the Board and Board Committee respectively based on different perspectives as a Board Chairman and member of Board Committees.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. |
| Timeframe | : | Choose an item. |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group is currently outsourcing the corporate secretarial function to Tricor Corporate Services Sdn Bhd.</p> <p>The Board is supported by three (3) qualified and competent Company Secretaries who are members of the Institute of Chartered Secretaries and Administrators and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("the Act"). The Company Secretary plays a significant role in supporting the Board to ensure that all governance matters and Board procedures are followed and that the applicable laws and regulations and the Code are complied with. These include obligations of Directors relating to disclosure of interests and disclosure of any conflicts of interest in transactions with the Group.</p> <p>The Company Secretaries also assist the NC to lead the annual evaluation process to assess the effectiveness of the Board, Board Committees and individual Directors, by facilitating Board and Board Committees performance evaluations, self-assessments and peer reviews.</p> <p>The key roles of the Company Secretaries are set out in the Board Charter, which is available on the corporate website: www.nadicergas.com.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 1.6

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>To facilitate Directors' time planning, the annual meeting calendar which provides details of scheduled dates for meetings of the Board, Board Committees and Annual General Meeting is prepared and circulated to the Board at the beginning of the year.</p> <p>The Board meets at least 4 times annually with additional Board meetings to be convened as and when necessary. The Notice of meetings are sent to the Board and Board Committees via email and hard copy at least 5 business days prior to a meeting.</p> <p>The Board and Board Committees are provided with appropriate information and comprehensive meeting papers at least 5 business days prior to the meetings to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.</p> <p>The Management is invited to attend Board and Board Committee meetings to brief and provide explanations on issues relating to the meeting agenda. The deliberations and decisions at the Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberations. Upon conclusion of the meetings, the minutes are circulated in a timely manner.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 2.1

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

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

| Application | : | Applied | | | | | | | | | | | | |
|---|---|---|------|-------------------------------|---------|----------------------------|--|--|----------------------------|--|------------|--|---|-------------|
| Explanation on application of the practice | : | <p>The Company has a Board Charter which serves as a primary reference for prospective and existing Board members on fiduciary duties as directors of Gagasan Nadi Cergas. Apart from setting out the roles and responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, the Board Charter also outlines Board structure, procedures for Board Meetings, Directors' remuneration policy, and shareholders' communication policies.</p> <p>The Board Charter is periodically reviewed and updated in accordance with the needs of the Company or as required by any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the corporate website: www.nadicergas.com.</p> <p>To fulfil the roles and responsibilities as set out in the Board Charter, Directors are required to update their knowledge and enhance their skills through attendance at relevant training programmes, so as to enable them to sustain their active participation in Board deliberations.</p> <p>In accordance with Rule 15.08(3) of the ACE Market Listing Requirements ("ACE LR") of Bursa Securities, the Directors have attended various training programmes in 2021 which include the following: -</p> <table><tr><th>Name</th><th>Programme title and Organiser</th><th>Date(s)</th></tr><tr><td colspan="3">Executive Directors</td></tr><tr><td>Hj Wan Azman Bin Wan Kamal</td><td>ICDM Advocacy Dialogue for the Launch of the 2020 Malaysia Board Practices Review Report (<i>Institute of Corporate Directors Malaysia ("ICDM")</i>)</td><td>8 Jul 2021</td></tr><tr><td></td><td>Whistle-blower's Vital Role to Stem Corruption in the Workplace (<i>Center to Combat Corruption and Cronyism & Promise of Integrity Alliance</i>)</td><td>11 Aug 2021</td></tr></table> | Name | Programme title and Organiser | Date(s) | Executive Directors | | | Hj Wan Azman Bin Wan Kamal | ICDM Advocacy Dialogue for the Launch of the 2020 Malaysia Board Practices Review Report (<i>Institute of Corporate Directors Malaysia ("ICDM")</i>) | 8 Jul 2021 | | Whistle-blower's Vital Role to Stem Corruption in the Workplace (<i>Center to Combat Corruption and Cronyism & Promise of Integrity Alliance</i>) | 11 Aug 2021 |
| Name | Programme title and Organiser | Date(s) | | | | | | | | | | | | |
| Executive Directors | | | | | | | | | | | | | | |
| Hj Wan Azman Bin Wan Kamal | ICDM Advocacy Dialogue for the Launch of the 2020 Malaysia Board Practices Review Report (<i>Institute of Corporate Directors Malaysia ("ICDM")</i>) | 8 Jul 2021 | | | | | | | | | | | | |
| | Whistle-blower's Vital Role to Stem Corruption in the Workplace (<i>Center to Combat Corruption and Cronyism & Promise of Integrity Alliance</i>) | 11 Aug 2021 | | | | | | | | | | | | |

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| | | Revised Malaysian Code on Corporate Governance (MCCG) by Mr Chng Boon Huat (<i>Gagasan Nadi Cergas Berhad</i>) | 22 Sep 2021 |
| | Dato' Sri Subahan Bin Kamal | Revised Malaysian Code on Corporate Governance (MCCG) by Mr Chng Boon Huat (<i>Gagasan Nadi Cergas Berhad</i>) | 22 Sep 2021 |
| | | Conversation with Audit Committees (<i>Audit Oversight Board ("AOB"), SC</i>) | 6 Dec 2021 |
| | Independent Non-Executive Directors | | |
| | Ir. Dr. Muhamad Fuad Bin Abdullah | FutureProof Masterclass - How to Uncover Your True North with Anthony Willoughby (<i>Future Proof</i>) | 19 Jan 2021 |
| | | 1 Day IEM Outcome Based Professional Interview Training and Certification Workshop (<i>The Institution of Engineers, Malaysia ("IEM")</i>) | 30 Jan 2021 |
| | | Talk on Engineering Asset Management (<i>IEM</i>) | 5 Mar 2021 |
| | | 16th KL Islamic Finance Forum (KLIFF) (<i>Centre for Research and Training ("CERT")</i>) | 11 & 12 Mar 2021 |
| | | 14th Muzakarah of Shariah Scholars in Islamic Finance (<i>CERT</i>) | 13 Mar 2021 |
| | | Corporate Exercises Mastery (<i>Bursa Malaysia</i>) | 17 Mar 2021 |
| | | Building the Mindset of Tomorrow (<i>ICDM</i>) | 23 Mar 2021 |
| | | APAC Corporate Earnings FY2020 (<i>Refinitiv</i>) | 24 Mar 2021 |
| | | Zakat Financial Reporting Standard (<i>Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI")</i>) | 22 Apr 2021 |
| | | Updates on MCCG 2021 (<i>Azmi & Associates</i>) | 17 May 2021 |
| | | Convergence of Islamic finance and Sustainability (<i>Refinitiv</i>) | 8 Jun 2021 |

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| | | Amendments to MCGG 2021 by Dr Elsa Satkunasingam (<i>Financial Institutions Directors' Education ("FIDE")</i> , Asia School of Business (<i>"ASB"</i>)) | 14 Jun 2021 |
| | | Shariah Investing by Shane Choo (<i>Bursa Malaysia</i>) | 18 Jun 2021 |
| | | Waqf Features in Islamic Funds: Regulatory, Structuring and Shariah Issues (<i>Redmoney</i>) | 21 & 22 Jun 2021 |
| | | National Anti-Corruption Plan (NACP) & AntiBribery Management System ISO37001:2016 (<i>Board of Engineers Malaysia ("BEM")</i>) | 22 Jun 2021 |
| | | Finance for Change - Opening by BNM Governor Talks and Panel Discussions on Sustainability as a Business Strategy of FI (<i>Bank Negara Malaysia ("BNM")</i> & <i>Securities Commission Malaysia ("SC")</i>) | 23 Jun 2021 |
| | | Finance for Change - Insurance and Takaful Track Talks and Panel (<i>BNM & SC</i>) | 23 Jun 2021 |
| | | JC3 Outcomes and Implications for Malaysian FIs Talks and Panel Discussions (<i>BNM & SC</i>) | 24 Jun 2021 |
| | | Sustainable finance for the private sector Talks and Panel Discussions (<i>BNM & SC</i>) | 25 Jun 2021 |
| | | ICIFE's Roundtable Discussion Series Shariah Governance Policy Document (<i>International Council of Islamic Finance Educators ("ICIFE")</i>) | 26 Jun 2021 |
| | | Muzakarah Cendekiawan Syariah 2021 (<i>International Shari'ah Research Academy ("ISRA")</i>) | 7 & 8 Jul 2020 |
| | | Principles of Accounting & Finance (<i>The Association of Shariah Advisors in Islamic Finance ("ASAS")</i>) | 12 & 13 Jul 2021 |
| | | Shariah Investments via ETFs and Robo Advisors (<i>Wahed Invest</i>) | 26 Jul 2021 |

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| | | SC-HDC Forum 2021-Enabling Growth Through The Islamic Capital Market (SC & Halal Development Corporation (" HDC ")) | 6 Aug 2021 |
| | | Theory of wealth circulation and risk sharing by Datuk Dr Mohd Daud Bakar (Universiti Sains Islam Malaysia (" USIM ")) | 9 Aug 2021 |
| | | ASAS Level 2 CSA/CSP Module: Jami'ul Fiqh (ASAS) | 17 & 18 Aug 2021 |
| | | Maqasid Shariah in Takaful (AIA-Public Takaful Bhd (" APT B")) | 18 Aug 2021 |
| | | Covid is AIRBORNE: What do we do now? (University of Strathclyde Alumni Malaysia and Intrix) | 26 Aug 2021 |
| | | Ethics and Shariah Governance for Contemporary Islamic Finance (AAOIFI and Bank Nizwa of Oman) | 1 Sep 2021 |
| | | The Role of Malaysian Judiciary in Islamic Finance (ASAS) | 9 Sep 2021 |
| | | Revised Malaysian Code on Corporate Governance (MCCG) by Mr Chng Boon Huat (Gagasan Nadi Cergas Berhad) | 22 Sep 2021 |
| | | SMEs, Entrepreneurship and Islamic Finance in the age of Technology (AAOIFI and Bank Nizwa of Oman) | 23 Sep 2021 |
| | | 16th International Shariah Scholars Forum (ISRA) | 6 & 7 Oct 2021 |
| | | Updates on MS ISO37000:2016 Anti-Bribery Management System (Standards Malaysia) | 13 Oct 2021 |
| | | Engineering Ethics: The Guiding Conscience to Shape Tomorrow's Exemplary Engineers (UTM Centre of Engineering Excellence) | 27 Oct 2021 |
| | | Islamic Finance: Latest Developments and Drivers For Growth in a Post-Pandemic World (The Malaysian Institute of Accountants (" MIA ")) | 27 & 28 Oct 2021 |

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| | | Post Budget 2022 - Rebuilding National Resilience (<i>Malaysian Institute of Management ("MIM")</i>) | 16 Nov 2021 |
| | | Conversation with Audit Committees (<i>Audit Oversight Board ("AOB"), SC</i>) | 6 Dec 2021 |
| | | Fintech in Islamic Capital Market: Shariah and Legal Issues (<i>CERT</i>) | 8 Dec 2021 |
| | | Maqasid Shariah and Sustainability (<i>ASAS & Malaysian Takaful Association ("MTA")</i>) | 14 & 15 Dec 2021 |
| | | Maqasid Shariah in Takaful (<i>ASAS & MTA</i>) | 16 Dec 2021 |
| | Professor Emerita Siti Naaishah Hambali | Water And Environment (<i>Universiti Islam Malaysia</i>) | 18 Jun 2021 |
| | | Way Of Technology: From Lab to Market (<i>Universiti Kebangsaan Malaysia</i>) | 29 Jul 2021 |
| | | China's Co-operation with The Muslim World (<i>University Malaya</i>) | 18 Aug 2021 |
| | | Revised Malaysian Code on Corporate Governance (MCCG) by Mr Chng Boon Huat (<i>Gagasan Nadi Cergas Berhad</i>) | 22 Sep 2021 |
| | Chng Boon Huat | Overview & Impact on MFRS – For non-financial professionals (<i>Tricor Corporate Services Sdn. Bhd.</i>) | 20 Jan 2021 |
| | | The Four Elements of Wellbeing on How to Reduce Stress and Improve Your Performance (<i>The Association of Chartered Certified Accountants ("ACCA")</i>) | 21 Jan 2021 |
| | | Launch of the Malaysia Board Diversity Study & Index (<i>ICDM</i>) | 7 April 2021 |
| | | Implementing Amendments in The Malaysian Code on Corporate Governance (<i>ASB</i>) | 1 Jun 2021 |
| | | Rethinking Risks as Businesses Strive for Recovery (<i>ACCA</i>) | 23 Jun 2021 |
| | | ESG Webinar: FTSE4Good Bursa Malaysia Index (<i>Bursa Malaysia</i>) | 6 Jul 2021 |

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| | | Launch of Malaysian Board Practices Review Report (<i>ICDM</i>) Climate Governance: Directors' Duties and Climate Change (<i>Climate Governance Malaysia</i>) Path to Climate Change (<i>ACCA</i>) SME Sustainable Development Goals Conference (<i>UN Global Compact Network</i>) Conversation with Audit Committees (<i>AOB, SC</i>) | 8 Jul 2021 22 Jul 2021 12 Aug 2021 8 Nov 2021 6 Dec 2021 |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board is committed to maintain a corporate culture which engenders ethical conduct. The good business conduct adopted by the Group is formalised through the Company’s Code of Ethics and Conduct, which summarises what the Company must endeavour to do proactively in order to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any related risks that may occur.</p> <p>The Code of Ethics and Conduct is periodically reviewed and is available on the Company’s corporate website: www.nadicergas.com.</p> | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board has adopted a Whistle-Blowing Policy which sets out to foster a culture of integrity and ethical behaviour among all employees and stakeholders by allowing for the exposure of any violations or improper conduct or wrongdoing within the Group.</p> <p>The Whistle-Blowing Policy provides an avenue for employees or any external parties to report any breach or suspected breach of any laws or regulations, including business principles and Group’s policies and guidelines, in a safe and confidential manner.</p> <p>The Whistle-Blowing Policy is periodically reviewed and is available on the Company’s corporate website: www.nadicergas.com.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |
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Intended Outcome

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

Practice 4.1

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

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

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

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | The Board, together with the Management, recognises the importance of ensuring sustainability risks and opportunities are considered in the development of our business strategies and plans. | |
| | | Although the Board has set the sustainability strategies and priorities in planning and managing sustainability risks and opportunities, the sustainability targets will only be set in 2022 as the Group needs time to evaluate its business operations and set relevant science-based emissions reductions target to support cleaner and sustainable growth. | |
| | | The Group's sustainability governance structure, sustainability matters and initiatives are described in the Sustainability Statement as included in the Company's Annual Report. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

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.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | As explained under Practice 4.1, Gagasan Nadi Cergas has not set any sustainability targets for 2021, and therefore the performance against these targets is not available to communicate to our internal and external stakeholders for the year under review. | |
| | : | <p>However, the Board and Management communicates the Company's sustainability strategies, priorities and performance to our internal and external stakeholders through the following channels:</p> <p>Internal stakeholders</p> <ul style="list-style-type: none">• Internal Management Meetings• E-mail communication <p>External and internal stakeholders</p> <ul style="list-style-type: none">• Company's Sustainability Statement and Annual Report• Annual general meeting <p>For more information on Group's sustainability strategies, priorities and performance, please refer to the Company's Annual Report 2021 which is available on the Company's corporate website: www.nadicergas.com.</p> | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board is committed to staying abreast with sustainability issues associated with the ever-evolving operating environment, which are relevant to the Company. This may include, but is not to be limited to internal and external training and development programmes to be provided for the Board.</p> <p>The Board has set the Group's sustainability core values with a "4D" acronym; Durable, Do It Right, Diligence, and Dynamic. These values guide us in integrating sustainable practices in our business operation upon which we have established the Group's Sustainability Strategy.</p> <p>Our sustainability strategy has been instrumental in providing direction for the planning and implementing sustainability initiatives within the Group.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | Following the issuance of the revised Malaysia Code on Corporate Governance ("MCCG"), the NC will review the responsibility of the Board and Senior Management in addressing material sustainability risks and opportunities, and to set appropriate performance targets to adopt this best practice. This will include a performance evaluation of the Board and Senior Management on how well they have performed their roles in addressing the Group's material sustainability risks and opportunities. | |
| | | <p>The Board's priorities for FY2022 will include:</p> <p>a) Sustainability related KPI for the Board: The Board Effectiveness Assessment moving forward will incorporate the evaluation on the Board's performance in addressing the Company's material sustainability risks and opportunities.</p> <p>b) Sustainability related KPI for the Senior Management: The Management is looking to introduce a sustainability related KPI framework for Senior Management and will present it to the Board for approval in FY 2022.</p> | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

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 | : | 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 5.1

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>In line with the MCCG, the Board through the NC reviews the Board composition to determine if the Board has the optimum size, diversity, mixed of skills and experiences to drive the Company's business objectives and strategic goals.</p> <p>To give an unbiased perspective on the Director's performance and his ability to contribute effectively to the Board, the Board decided to appoint Tricor Axcelasia Sdn Bhd, an independent leadership consulting firm to assess the effectiveness of the Board for FY 2021.</p> <p>The assessments were conducted using peer and self-assessments questionnaires to determine the effectiveness of the Board, Board Committees and each individual Director.</p> <p>Based on the above independent party's review, the Board was satisfied with the contribution and performance, calibre and personality of all the Directors as they have demonstrated effective oversight and delegation of responsibilities, and no key weaknesses were identified from the assessments.</p> <p>The NC which is responsible for recommending to the Board, the Directors who are standing for re-election at the forthcoming Annual General Meeting, also ensures that the Director's annual re-election is subject to the satisfactory evaluation of the Director's performance and contribution to the Board.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |

| | | | |
|------------------|---|--|--|
| Timeframe | : | | |
|------------------|---|--|--|

Intended Outcome

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

Practice 5.2

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board currently consists of five (5) members comprising three (3) Independent Non-Executive Directors and two (2) Executive Directors.</p> <p>The Independent Directors make up more than half of the Board as recommended by the MCCG, while their number exceeds the minimum as prescribed by the ACE LR.</p> <p>The Board which comprises members from various professions with individual personalised quality, expertise, skills and relevant market and industry knowledge, will ensure that the Group has the necessary financial and human resources to meet its strategic objectives. The Board will continue to monitor and review the Board size and composition as may be needed.</p> <p>All the three (3) Independent Non-Executive Directors satisfy the independence test under the ACE LR.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 5.3

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

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

| | | | |
|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The NC assessed the independence of the Independent Directors and monitors their tenure annually.</p> <p>Currently, none of the existing Independent Directors of the Company has exceeded the tenure of a cumulative term of nine (9) years in the Company.</p> <p>Therefore, this does not apply to the Company at this juncture.</p> | |
| Explanation for departure | : | | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.4 - Step Up

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

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

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

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

Practice 5.5

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

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognises the importance and benefits of providing fair and equal opportunities and nurturing diversity within the Group. Therefore, the Board is committed to ensure that diversity (including diversity in skills, experience, age, cultural background and gender) is in place at the Board and Senior Management level.</p> <p>The NC is entrusted to develop the policies and procedures in formalising the approach in the recruitment process and annual assessment of Directors, which serve as guides for the NC in discharging its duties in the areas of nomination, evaluation, selection and appointment process of new Directors.</p> <p>The appointment of any additional Director is made as and when it is deemed necessary by the existing Board upon recommendation from the NC. All nominees and candidates to the Board are first considered by the NC taking into consideration, inter-alia, the competency, knowledge, expertise and experience, professionalism, integrity, time commitment of the candidates, including, where appropriate, the criteria on assessing the independence of candidates' appointment as Independent Non- Executive Directors.</p> <p>The appointment of Senior Management is also based on objective criteria and merit, and with due regard for diversity in skills, experience, age, cultural background and gender.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.6

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

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>There was no new appointment to the Board during the year under review.</p> <p>The Board has delegated the responsibility to establish a formal and transparent procedure for the nomination and appointment of new Directors to the NC. Such responsibilities include screening, conducting initial selection of candidates, performing requisite evaluation and assessment on the candidate's ability to discharge their duties effectively and efficiently, prior to making any recommendations to the Board for its approval.</p> <p>The NC will ensure the selected candidates possess the appropriate skills, core competencies, experience and integrity to effectively discharge his or her role as a Director.</p> <p>The NC will utilise independent sources to identify suitable candidates for future directorship, whenever necessary.</p> | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.7

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 Board has included a statement in the Notes Accompanying the Notice of AGM 2022 that the Board has supported the NC’s recommendation for the proposed re-election of the two (2) Directors retiring at the upcoming AGM, along with a statement on the reasons why the Board supports the re-election of Hj Wan Azman Bin Wan Kamal and Dato’ Sri Subahan Bin Kamal. | |
| 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 | : | <p>The NC is chaired by Ir. Dr. Muhammad Fuad Bin Abdullah, who is an Independent Non-Executive Chairman of the Company. The NC which comprises exclusively of Independent Non-Executive Directors, is as follows:</p> <p>Chairman Ir. Dr. Muhammad Fuad Bin Abdullah <i>Independent Non-Executive Chairman</i></p> <p>Members Professor Emerita Siti Naaishah Hambali <i>Independent Non-Executive Director</i></p> <p>Chng Boon Huat <i>Independent Non-Executive Director</i></p> <p>The primary responsibilities of the NC are set out in its Terms of Reference, which is available on the Company's corporate website: www.nadicergas.com.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

| | | |
|--|---|--|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>In 2021, the Board had one (1) female Director, forming 20% of the total Board composition.</p> <p>The NC and the Board regularly reviews the Board's composition to improve its diversity including its gender diversity.</p> <p>To meet the 30% women directors composition target, the NC and the Board are always on the look out to expand the pool of potential women candidates for Board candidacy. The NC reviews and recommends the criteria for appointment of Directors based on the competency, knowledge, expertise and experience, professionalism, integrity, time commitment of the candidates.</p> <p>The Board endeavours to take incremental steps to achieve the gender diversity requirement of MCCG and the NC is tasked to identify suitable women candidates with the required skills, qualification and experience including using independent sources.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| 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 | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | <p>Currently, the Company has a Board diversity policy of having at least one (1) women director on the Board.</p> <p>Following the revised practices of MCCG, the Board is to establish a new gender diversity policy for both the Board and Senior Management but was unable to establish it during the financial year under review, as the management needs more statistical information to determine the appropriate numerical targets for the gender diversity policy of its Senior Management, especially in the construction industry where the males are the prominent gender.</p> <p>The Board's current priority is to establish an appropriate gender diversity policy for both the Board and Senior Management during the current financial year.</p> | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

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

Practice 6.1

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

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

| | |
|--|--|
| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : <p>The NC undertakes a formal and objective evaluation to determine the effectiveness of the Board, Board Committees and each individual Director on an annual basis.</p> <p>Tricor Axcelasia Services Sdn Bhd was appointed to assist the NC in conducting the annual assessments of the Board, Board Committees, individual Directors' contributions, as well as assessment of Independent Directors for the financial year ended 31 December 2021.</p> <p>The annual assessments were conducted by way of questionnaires which include Board and Board Committees effectiveness assessments, Directors' and Board Committee members' self and peer assessments.</p> <p>Based on the assessments conducted for the financial year under review, the NC was satisfied with the performance of its existing Board and Board Committees and its composition, and was of the view that with the current mix of skills, knowledge, experience and strength, the Board and the Board Committees as a whole are able to discharge their duties effectively.</p> <p>The NC concluded that all the Directors have attained satisfactory ratings and was satisfied with the independence and performance of the Independent Directors of the Company. All assessments and evaluations carried out by the Nomination Committee were properly documented.</p> |
| Explanation for departure | : |

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

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 7.1

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has established a formal and transparent process for approving the remuneration of the Group Managing Director, Executive Director, Non-Executive Directors and Senior Management.</p> <p>The remuneration policy is reviewed by the RC on an annual basis. Any changes made would be recommended to the Board for approval. The RC in reviewing the remuneration policies, is of the view that the guidelines and procedures to determine the remuneration packages of Directors and Senior Management are fairly and appropriately formulated in line with market practices and industry benchmarks, and remain competitive for talent attraction and retention.</p> <p>The remuneration to be paid to the Non-Executive Directors shall be tabled to the shareholders at the forthcoming Annual General Meeting for approval.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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 | : | <p>The RC which comprises exclusively of Independent Non-Executive Directors, is as follows:</p> <p>Chairman Professor Emerita Siti Naaishah Hambali <i>Independent Non-Executive Director</i></p> <p>Members Ir. Dr. Muhammad Fuad Bin Abdullah <i>Independent Non-Executive Chairman</i></p> <p>Chng Boon Huat <i>Independent Non-Executive Director</i></p> <p>The primary responsibilities of the RC are set out in its Terms of Reference, which is available on the Company's corporate website: www.nadicergas.com.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 8.1

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

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | The details of the Directors' remuneration of the Group on a named basis for the financial year ended 31 December 2021 are tabulated as follows: |

| 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 | Hj Wan Azman Bin Wan Kamal | Executive Director | - | - | - | - | - | - | - | - | - | 1,644.0 | - | 28.0 | 198.0 | 1,870.0 |
| 2 | Dato' Sri Subahan Bin Kamal | Executive Director | - | - | - | - | - | - | - | - | - | 840.0 | - | - | 101.7 | 941.7 |
| 3 | Ir. Dr. Muhamad Fuad Bin Abdullah | Independent Director | 126.0 | 6.5 | - | - | - | - | 132.5 | 126.0 | 6.5 | - | - | - | - | 132.5 |
| 4 | Professor Emerita Siti Naaishah Hambali | Independent Director | 114.0 | 6.5 | - | - | - | - | 120.5 | 114.0 | 6.5 | - | - | - | - | 120.5 |
| 5 | Chng Boon Huat | Independent Director | 120.0 | 6.5 | - | - | - | - | 126.5 | 120.0 | 6.5 | - | - | - | - | 126.5 |
| 6 | - | Choose an item. | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | - | Choose an item. | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | - | Choose an item. | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | - | Choose an item. | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | - | Choose an item. | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | - | Choose an item. | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | - | Choose an item. | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | - | Choose an item. | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | - | Choose an item. | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | - | 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 8.2

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

| | | | |
|--|---|---|--|
| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | <p>The Company is of the view that it would not be in its best interest to make such disclosure on a named basis in view of the competitive nature of human resource market and the Company also wants to maintain the confidentiality on employees' remuneration packages.</p> <p>The retention of Senior Management is critical to the successful implementation of our Company's strategy plan. The Company is of the view that disclosing the remuneration of Senior Management will be a detriment to our Company as it may lead to other competitor companies attempting to 'poach' our experienced Senior Management as well as putting upward pressure on executive remuneration packages as lesser paid senior executives will demand remuneration comparability.</p> <p>The aggregate amount of remuneration paid to the top three (3) Senior Management for FY2021 was RM920,067 and the component of the remuneration includes salary, allowances, bonus, benefit-in-kind and other emoluments.</p> | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| 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 | - | - | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 2 | - | - | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 3 | - | - | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 4 | - | - | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 5 | - | - | 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 | : | <p>The ARMC is chaired by Mr. Chng Boon Huat, who is an Independent Non-Executive Director. He is not the Chairman of the Board.</p> <p>Having the positions of the Board Chairman and ARMC Chairman assumed by different individuals, allow the Board to objectively review ARMC findings and its recommendations, and the ARMC Chairman is also able to provide full commitment and devote adequate time to review all matters under the responsibilities of the ARMC.</p> | |
| Explanation for departure | : | | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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 | : | With the amendment to the MCGG, the ARMC's TOR was updated on 23 November 2021 to require a former key audit partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. Our AC did not have any member who is a former key audit partner of the Company's external audit firm. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company has established an External Auditor Policy to assess the suitability, objectivity and independence of the external auditors. A performance review of the external auditors, Messrs Crowe Malaysia PLT will be conducted annually by the ARMC.</p> <p>As set out in the External Auditor Policy, the ARMC has conducted an annual assessment on the suitability, objectivity, performance and independence of the EA as well as the effectiveness of the audit process, by taking into consideration the following:-</p> <ul style="list-style-type: none">• calibre of EA firm;• adequacy of resources;• quality of audit services;• effectiveness of recommendations to addressing weaknesses observed during the audit;• adequacy of audit scope;• appropriateness of audit fees;• communication and interaction with Management and the Internal Auditors;• timeliness in escalating audit issues to the ARMC; and• the information as presented in its Annual Transparency Report. <p>Following the assessment, the ARMC and the Management were satisfied that the external auditors have been independent and professional throughout the conduct of the audit process, and the audit services rendered have met the quality expected by the ARMC and the Management.</p> <p>The ARMC is satisfied in its review that the provision of non-audit services by the external auditors to the Group for the financial year did not has any way impaired their objectivity and independence.</p> <p>Messrs Crowe Malaysia PLT have confirmed to the ARMC that they have continuously complied with the relevant ethical requirements regarding their independence throughout the conduct of the audit</p> |

| | | |
|--|---|--|
| | engagement with the Group, in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants By-Laws (on Professional Ethics, Conduct and Practice). | |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| | | |
|--|---|--|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | <p>The ARMC which comprises solely of Independent Non- Executive Directors, is as follows:</p> <p>Chairman Chng Boon Huat <i>Independent Non-Executive Director</i></p> <p>Members Ir. Dr. Muhammad Fuad Bin Abdullah <i>Independent Non-Executive Chairman</i></p> <p>Professor Emerita Siti Naaishah Hambali <i>Independent Non-Executive Director</i></p> |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The ARMC is chaired by Chng Boon Huat who is a qualified accountant. The qualifications, skills, experience and expertise vary among the ARMC members who are from diverse fraternities such as finance, law, engineering, audit and public service/management. With their knowledge/vast experience, they are not only capable of understanding matters under the ARMC's purview but also be able to provide sound advice to the Board in term of governance, regulatory compliance, financial reporting, internal and external audit reports as well as other matters to be considered by the ARMC.</p> <p>The Board is satisfied with ARMC's existing performance and is of the view that the ARMC's current mix of skills, knowledge, experience and strength would enable the ARMC and hence the Board to discharge their duties and responsibilities effectively.</p> <p>During the financial year, all ARMC members have undertaken continuous professional development by attending various conferences, seminars and training programmes relevant to their role as ARMC members, to enhance their knowledge in order to efficiently discharge their duties.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |

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|------------------|---|--|--|
| Timeframe | : | | |
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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.

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|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has established and implemented an effective risk management and internal control framework based on the Internal Control Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO").</p> <p>Risk management function is carried out by the Quality Assurance and Quality Control ("QA/QC") Department (previously known as Internal Audit and Compliance Unit), with the results thereof communicated to the Board by the ARMC to ensure that an effective risk management framework is in place.</p> <p>The Board based on the recommendation of the ARMC, has engaged Sterling Business Alignment Consulting Sdn Bhd as the Company's internal auditor, to independently assess the adequacy, efficiency and effectiveness of the Group's internal control system.</p> <p>The Group's internal control system which encompasses risk management practices as well as financial, operational and compliance controls is assessed by the outsourced internal auditor who reports directly to the ARMC on a quarterly basis, where the risk areas and controls are identified, evaluated, monitored and managed to ensure that adequate and effective internal controls are in place.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 10.2

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 key features of the risk management and internal control system together with its adequacy and effectiveness are set out in the statement on Risk Management and Internal Control, which is included in the Company’s 2021 Annual Report. | |
| Explanation for departure | : | | |
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| 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.

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|--|---|-------------|
| 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.

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|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is fully aware of the importance of the internal audit function and has engaged Sterling Business Alignment Consulting Sdn Bhd, an independent internal audit firm (“Internal Auditor”) to provide independent assessment on the adequacy, efficiency and effectiveness of the Group’s internal control system.</p> <p>The Internal Auditor works closely with the QA/QC Department to carry out the internal audit activities and presents its internal audit reports directly to the ARMC on a quarterly basis.</p> <p>The results and the proposed corrective actions to be taken as disclosed in internal audit report were reviewed by the ARMC, and the management personnel were responsible for ensuring that the agreed corrective actions on weaknesses identified were implemented within the agreed timeframe.</p> <p>The QA/QC Department conducted follow-up audits to ensure that the proposed corrective actions were implemented accordingly, and the follow-up audit reports were presented to the ARMC on a quarterly basis for review. In the respect, the QA/QC Department has added value by giving assurance to the ARMC that the Group’s risk management and internal control processes are adequate and effective.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 11.2

The board should disclose—

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The internal audit function is outsourced to Sterling Business Alignment Consulting Sdn Bhd, an independent internal audit firm (“Internal Auditor”) to assess and report on the adequacy and effectiveness of the system of internal control of the Group. The Internal Auditor works closely with the Company’s QA/QC Department to ensure that independent and objective reviews on the state of internal controls of the Group’s major business segments are reported to the ARMC.</p> <p>The Principal Consultant of the independent internal audit firm is Ms. So Hsien Ying, who holds a Master of Business Administration (MBA) Degree specializing in Finance from the University of Hull, UK. She is also a Certified Internal Control Professional (CICP) from the Internal Control Institute, USA and has 27 years of experience in Internal Control Review, Internal Audit, Risk Management and Business Process Improvement.</p> <p>The Internal Auditor and the QA/QC Department report directly to the ARMC to preserve their independence and objectivity, and their audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence.</p> <p>The risk management framework and the internal control system put in place are based on internationally recognised Internal Control Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”).</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

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| 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.

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|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognises the importance of effective, transparent, regular and timely communication with the shareholders and other stakeholders to keep them informed on the Group's latest financial performance, its businesses and corporate developments.</p> <p>Presently, the Board and Management of the Company communicate regularly with its shareholders and other stakeholders through the following channels of communication:</p> <p>(i) Bursa Malaysia Securities Berhad The Company releases all material announcements via Bursa LINK, and the shareholders and the public in general may obtain such announcements and financial information from the website of Bursa Malaysia Securities Berhad.</p> <p>(ii) Corporate Website The Company's corporate website, www.nadicergas.com incorporates an "Investors" section which provides information such as Group's businesses, corporate information, corporate governance and Board Charter, terms of references, governance policies as well as other corporate information under the 'CORPORATE INFO' section for easy reference, and it is accessible by shareholders and other stakeholders.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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 | : | The Board is mindful of the benefits of integrated reporting which is applicable for Large Companies. As Gagasan Nadi Cergas Berhad is not under the category of Large Companies, the Company has not adopted the integrated reporting framework. | |
| | | However, the Annual Report of the Company which includes a Management Discussion and Analysis Statement as well as other comprehensive financial and non-financial information disclosures, should be able to promote the desired level of transparency and accountability to all our stakeholders. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| 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 13.1

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

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|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board ensures that the dispatch of its Notice of Annual General Meeting ("AGM") is done at least 28 days prior to the meeting.</p> <p>The Notice of the 4th AGM for the Company was issued on 31 May 2021 for the AGM held on 13 September 2021.</p> <p>The Board is mindful that the sufficient notice and time given would allow the shareholders to make the necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.</p> <p>In order to facilitate informed decision-making by the shareholders, the Notice of the AGM was also accompanied by explanatory notes for each resolution proposed, so as to enable the shareholders to properly consider the resolutions that would be discussed and decided at the meeting.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |
| | | |

Intended Outcome

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

Practice 13.2

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>All Directors attended the 3rd AGM held on 13 September 2021.</p> <p>The presence of all Directors including the Chairmen of the ARMC, NC and RC provided opportunities for the shareholders to engage directly with the Directors.</p> <p>The proceedings of the 3rd AGM include the Chief Financial Officer ("CFO")'s presentation of the Group's business segments and the financial performance for 2020, and a Questions & Answers session during which the Chairman invited shareholders to raise questions pertaining to the Company's financial statements and the resolutions proposed for approval, before putting the resolutions to vote.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |
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Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>At the 4th AGM held on 15 September 2021, the Company had leveraged on technology to facilitate voting in absentia and remote shareholders' participation. The following measures were taken by Company to encourage attendance and participation from the shareholders at the fully virtual AGM:</p> <ul style="list-style-type: none">▪ Comprehensive Administrative Notes were circulated to shareholders to facilitate remote participation and e-Voting;▪ Electronic lodgement of Proxy Forms was enabled;▪ The AGM proceedings was broadcasted live via a web portal and mobile application;▪ Electronic submission of questions by shareholders either via e-mail or via the virtual AGM platform was enabled; and▪ The CFO presented the Group's performance during the AGM and all questions received from shareholders were meaningful answered. <p>Participation at the 4th AGM was strictly based on registration via the RPV only and the qualification of the shareholders and proxies was verified against the Record of Depositors by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd. Shareholders were provided with the Administrative Guide to guide the process of registration, participation and voting. All user IDs were password protected.</p> <p>Tricor Malaysia has implemented an IT policy and Information Security policy, endpoint controls, data classification for cyber hygiene practices of the staff. In addition to this, the TIIH Online is hosted in a secure cloud platform and the data centre is certified by ISO27001.</p> <p>The Company appointed Asia Securities Sdn Bhd as the scrutineers to verify and announce the poll results for each resolution. Based on the poll results as announced, the Chairman declared that all the resolutions as tabled under the agenda of the meeting were carried. The poll results were also announced via Bursa LINK on the same day for the benefit of all shareholders.</p> |

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| Explanation for departure | : | | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | |
| Measure | : | | | |
| Timeframe | : | <table border="1"> <tr> <td></td> <td></td> </tr> </table> | | |
| | | | | |

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.

| | | |
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| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i> | | |
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Chairman of the 4th AGM ensured that sufficient opportunities were given to shareholders to raise questions relating to the affairs of the Company by providing ample time for the Q&A session during the AGM.</p> <p>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.</p> <p>The Directors together with the Management responded to all questions addressed to them during the 4th AGM. The partner of Crowe Malaysia PLT, Mr. Jimmy Ung also attended the 4th AGM to answer questions relating to external auditors if there were questions raised by the shareholders.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |
| | | |

Intended Outcome

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

Practice 13.5

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

| | |
|--|---|
| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i> | |
| Application | : Applied |
| Explanation on application of the practice | <p>The 4th AGM was successfully conducted by way of live streaming (fully virtual) on 13 September 2021 without any disruption. The Board considered the stability and capacity of the meeting platform to be paramount importance and measures were taken to ensure a seamless experience for shareholders and proxies who participated the meeting remotely.</p> <p>The Company also worked with its share registrar, Tricor Investor & Issuing House Services Sdn Bhd, to ensure that there was adequate back-up plan to mitigate risk of inability to access the meeting platform which was hosted on TIIH Online website at https://tiih.online.</p> <p>During the proceedings of the 4th AGM, participants were given opportunity to pose questions in the form of typed texts on https://tiih.online. Questions received prior to meeting were shared with all participants during the Q&A session. The Board together with the Management responded meaningfully to all the questions received including the live questions which were made visible to all the meeting participants during the meeting.</p> |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |

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| Timeframe | : | | |
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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.

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| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i> | | |
| Application | : | Applied |
| Explanation on application of the practice | : | Minutes of the 4th AGM held on 13 September 2021 were published on the Company's website on 12 October 2021. |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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

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

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