

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7241
COMPANY NAME : NEXTGREEN GLOBAL 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.

Application	:	Applied
Explanation on application of the practice	:	The Board assumes full responsibilities of the overall performance of the Group in achieving its objectives and long-term goals, of the Group. The Group's values and standards and the Board's responsibilities including those matters reserved for the collective decision of the Board are set out in the Board Charter which are set out in the board Charter which is accessible on the Company's website at http://www.nextgreenglobal.com/ The Board focuses mainly on the strategic management, performance monitoring and measurement, risk management and internal controls, standards on conduct, shareholders' communication and critical business decisions.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman is responsible for instilling good governance practices, leadership and effectiveness of the Board through: • Chairing of board meetings, representing the Board to shareholders, and reviewing and approving together with the Board on the strategic issues of the Group; • Chairing Annual and Extraordinary General Meetings when appropriate and represented Board in communicating with shareholders during the general meetings; • Setting the board agenda in consultation with the Company Secretaries and ensures that board members receive complete and accurate information in a timely manner; and • Facilitating board discussion to ensure proper exchange of information and deliberation of issues to enable proper decision making.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The positions of the Chairman and Managing Director of the Company are held by two (2) different individuals. There is clear division of responsibilities between two roles, which is clearly defined in the Board Charter, to ensure that there is an appropriate balance of power and authority. The Chairman of the Company is Dato’ Dr. Haji Sohaimi Bin Shahadan, an Independent Non-Executive Chairman whereas the Managing Director of the Company is Dato’ Lim Thiam Huat.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	Dato' Dr. Haji Sohaimi Bin Shahadan, the Independent Non-Executive Chairman of the Company, is not a member of the Audit Committee, Nomination Committee or Remuneration Committee of the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	The Board is assisted by two (2) qualified and competent Company Secretaries. All Directors have unrestricted access to the advice and services of the Company Secretaries. The appointment and removal of Company Secretaries or Secretaries of the Board Committees can only be made by the Board. The Company Secretaries of the Group are experienced, competent and knowledgeable, play an important role in advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Group, as well as best practices of governance. The Company Secretaries advise the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving the Group, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information. The Company Secretaries also safeguard all statutory books and records of the Company and maintain the statutory registers of the Company. Company Secretaries also ensure all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded. In addition, the Company Secretaries ensure that any change in the Group's statutory information should be duly completed in the relevant prescribed forms and lodged with the Registrar of Companies within the required period of time.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	The supply, timeliness and quality of the information affect the effectiveness of the Board. Accordingly, the Board ensures that each Director is provided with timely notices and Board papers issued prior to the Board meetings, normally seven (7) days prior to the meeting, to enable Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations before the board meeting. The Board papers include the minutes of previous Board meeting, minutes of meetings and reports relevant to the issues of the meetings. Company Secretary ensures that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes are circulated to the Board members before the next meeting.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has formalised and adopted its Board Charter covering the respective roles and responsibilities of the Board, Board Committee, individual directors and management and the issues and decision reserved for Board's decision. The Bard has done a review on the Board Charter on 24 February 2022 with changes in regulations and best practices to ensure its effectiveness and relevance to the Board's objectives. The Board Charter is available at the Company's website at www.nextgreenglobal.com .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has defined its Code of Conduct and Ethics (“Code”) which applies to directors, management and employees covers the provisions on standards behavior and business conduct, managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. A copy of the Code is available at the Company’s website at www.nextgreenglobal.com.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	The Company has established a whistleblowing policy of which the Board Chairman or Audit Committee Chairman is tasked to receive reports with regards to allegations of misconduct or improper activities from employees and other stakeholders and investigate any complaint received from a whistle blower. He will meet with the Board to discuss the action/investigation required based on the report received and to take appropriate action to address such complaint. For internal whistle blowing, the whistle blower can refer his/ her matters to the immediate superiors, Managing Director, Audit Committee Chairman and Board Chairman. For external whistle blowing, the external whistle blower is advised to refer the matters to the same parties (except for immediate superior). Whistleblowing policy is set up by the Board to provide an avenue for all employees of the Group and members of the public to raise concerns or disclose any improper conduct within the Group. The Company's whistleblowing policy is accessible on the Company's website at www.nextgreenglobal.com.
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 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	The governance responsibilities of the Board in respect of sustainability issues include but not limited to: i. identify and priorities sustainability; ii. include sustainability as part of Board agenda in risk management process; iii. define and agree on criteria to access feasibility of sustainability projects and initiatives; iv. approve budget for sustainability initiatives; v. set management KPIs on sustainability; and vi. formalize sustainability reporting and communicate sustainability targets and metrics to stakeholders; and ix. Review result of assurance with management and identify areas for improvements. whereas, the main responsibilities of the management in sustainability management include ensuring alignment of Group's sustainability initiatives with the Company's overall strategy; identifying resources that are essential to achieve sustainability goals, clearly define persons-in-charge and their roles and responsibilities; updating job descriptions and key performance index; assessing feasibility of sustainability projects; reviewing key sustainability initiatives and recommend improvements; and reporting and recommending to the board on the course of action needed promote sustainability in business.
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Company’s comprehensive details of the engagements and targets as well the performance against these targets were as set out in the Corporate Sustainability Statements set out in the Annual Report 2021.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Board are provided with the opportunity for relevant training programmes on an ongoing basis in areas relating to the industry for them to keep abreast with the latest developments in the industry which strengthening the Board’s competencies in staying abreast including but not limited to understanding the sustainability, corporate governance, risk management and strategic issues relevant to the company and its business. During the financial year, the Board, collectively or on their own, attended seminars, courses and briefing organized by professional bodies and regulatory authorities as well as those conducted in-house as published in Annual Report 2021. Furthermore, frequent, and robust engagement with stakeholders via various methods of communication allows the Board to keep abreast of their needs and expectations and identify the areas that matter most to the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The NC had conducted the Board Effectiveness Assessment for financial year 2021 but it did not cover the performance evaluation of the Board and Senior Management in respect of the address of material sustainability risks and opportunities.	
		The NC and the Board will adopt the new MCCG 2021 recommendation to include a review of the performance of the Board and Senior Management in addressing the company’s material sustainability risks and opportunities and had resolved to implement the changes in financial year 2023.	
		To identify and incorporate the new ESG related goals and targets by 4Q2022, as part of the performance evaluations for Board and Senior Management, and to implement the changes in financial year 2023.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	Esther Teh is the Head of Sustainability of the Company which responsible for the oversight of the sustainability practices, policies and procedures in improving the sustainability performance.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	The nomination and assessment of new appointment of Directors by the NC are guided by a set of criteria and expectations based upon the competencies, commitment, experience and integrity of the candidates to secure the best Board composition and to meet the diverse objectives of the Company. The NC conducts annual Board Evaluation using a set of prescribed forms to assess the effectiveness and composition of the Board and Board Committees, as well as a review of the performance and contribution of each individual Director during the year. Based on the results of the Board Evaluation, the NRC will recommend to the Board for approval, to seek shareholders' approval for the re-election of the retiring Directors. The NC would also ensure that the Board has an appropriate balance of expertise and ability, through review on and on-going basis the required mix of skills, experience and other qualities including core competencies that each Directors should bring to the Board, identify areas for improvement, and review the succession planning of the Board. The NC is of the view that the tenure profile, represented by the Length of service of each of its directors, is appropriately balanced such that Board succession and renewal planning is managed over the medium to longer term. As at 31 December 2021, none of the Independent Directors had served the Company for more than 9 years as per the recommendations of MCCG.
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	:		
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Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	Half or 50% (4 out of 8) of the Board members is Independent Non-Executive Directors. The Board consists of eight (8) members, comprising four (4) Independent Directors, two (2) Non-independent Directors and two (2) Executive Directors.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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.

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

Intended Outcome

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

Practice 5.5

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

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

Application :	Applied																
Explanation : on application of the practice	The Nomination Committee considers diversity generally when making appropriate appointment to the Board and senior management, based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The strategic intent of the Company's Board Diversity is to attract, retain and develop a diverse team of skilled people who are increasingly engaged towards the delivery of the Company's strategies. This revolves around the following initiatives: • Identifying and balancing the different skills and industry experiences, backgrounds and gender of Directors; • Retaining Directors based on merit, in the context of skills, time commitment and experiences; and • Providing a safe and healthy environment for the views of Board members to be heard, their concerns attended to and where, bias, discrimination and harassment on any matter are not tolerated. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity and age) will be disclosed in the Company's Annual Report. The existing Directors' age distribution falls within the respective age group and are as follows: <table><tr><th>Age Group</th><th>29-30</th><th>31-40</th><th>41-50</th><th>51-60</th><th>61 & above</th></tr><tr><td>Number of Directors</td><td>0</td><td>1</td><td>1</td><td>4</td><td>1</td></tr></table>					Age Group	29-30	31-40	41-50	51-60	61 & above	Number of Directors	0	1	1	4	1
Age Group	29-30	31-40	41-50	51-60	61 & above												
Number of Directors	0	1	1	4	1												

	The current diversity in the race/ethnicity and nationality of the existing Directors are as follows:						
	Number of Directors	Race/Ethnicity				Nationality	
		Malay	Chinese	Indian	Others	Malaysian	Foreign
		2	5	0	0	8	0
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	:	The Nominating Committee will consider recommendations from existing board members, management, major shareholders and third-party sources to identify suitably qualified candidates, when necessary, before recommending to the Board for further deliberation. The Committees is open to referrals from independent external sources to identify suitable candidates when Board vacancies arise. Candidates for directorship are nominated based on their skills, knowledge, professionalism, character and experience in line with the needs of the Group. The detailed profiles of nominated directors will be presented to the Board by the Nominating Committee to assist the Board in making their selection decision.
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 performance of the retiring Directors recommended for re-election at the 15th AGM have been assessed through the annual Board Evaluation (including the independence of Independent Non-Executive Directors). During the financial under review, Dato' Dr Koe Seng Kheng, Dato' Mohd Yusof Bin Din, Dato' Zakaria Bin Arsad, Teh Chau Chin and Tan Meng Chai were recommended by the NC to the Board for re-election on 30 June 2021 in view of their satisfactory performance and contribution. To ensure shareholders have sufficient information on the reappointment of director, the profiles of the directors with details of background, qualification and experience of the directors, including the nature of interest with the Company, whichever applicable, were set out in the Company's Annual Report 2020. Their re-election was endorsed by the Board and subsequently approved in the 15th AGM held on 30 June 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	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Tan Meng Chai who is an Independent Non-Executive Director.	
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	:	The Board does not have a specific policy on gender diversity for candidates to be appointed to the Board. The Board is aware on the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. During the financial year ended 31 December 2021, there is one (1) female Director out of eight (8) Directors which represents 12.5% of the Board.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board does not have a specific policy on gender diversity for candidates to be appointed to the Board.	
		Despite the Company has not set specific policies on gender diversity, the Company strive to work towards achieving the appropriate boardroom diversity and promote diversity, inclusivity and equality regardless of gender, race and sexual orientation to encourage different groups of people to build positive relationships at the workplace.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Nomination Committee will consider recommendations from existing board members, management, major shareholders and third-party sources to identify suitably qualified candidates, when necessary, before recommending to the Board for further deliberation. The Committees is open to referrals from independent external sources to identify suitable candidates when Board vacancies arise. Candidates for directorship are nominated based on their skills, knowledge, professionalism, character and experience in line with the needs of the Group. The detailed profiles of nominated directors will be presented to the Board by the Nomination Committee to assist the Board in making their selection decision.
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The Remuneration Committee is authorised by the Board to establish a formal and transparent procedure for developing policy on remuneration packages of Directors and senior management. The policy is stated in the terms of reference of the Remuneration Committee which is made available on the Company's website. The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's offers a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors. The Remuneration Committee's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Directors that is fairly guided by market norms and industry practices. The Remuneration Committee also recommends the Directors' remuneration and benefits based on their individual performances and that of the Group.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	The present members of the Remuneration Committee are as follows. Chairman Dato' Dr. Koe Seng Kheng (Independent Non-Executive Director) Member Tan Meng Chai (Independent Non-Executive Director) Teh Chau Chin (Independent Non-Executive Director) The Remuneration Committee considers the principles recommended by the Code in determining the directors' remuneration, whereby, the remuneration of the executive directors is designed to link rewards to the Group's performance whilst the remuneration of the non-executive directors is determined based on their experience and the level of responsibilities assumed. The terms of reference of the Remuneration Committee are published on the Company's website at www.nextgreenglobal.com.
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	:		
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Intended Outcome

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

Practice 8.1

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 detailed disclosure on a named basis of the remuneration of individual directors is set out in the Annual report 2021.

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	Dato' Dr. Haji Sohaimi Bin Shahadan	Independent Director	120,000	-	-	-	-	-	120,000	-	-	-	-	-	-	-
2	Dato' Lim Thiam Huat	Executive Director	-	-	300,000	-	23,950	139,000	462,950	-	-	-	-	13,325	-	13,325
3	Lim Kah Yen	Executive Director	-	-	34,800	-	-	139,000	173,800	-	-	130,200	-	-	-	Input info here
4	Dato' Dr. Koe Seng Kheng	Independent Director	48,000	11,000	-	-	-	10,000	69,000	-	-	-	-	-	-	-
5	Dato' Zakaria Bin Arshad (Resigned on 24 February 2022)	Non-Executive Non-Independent Director	48,000	6,000	-	-	-	4,000	58,000	-	-	-	-	-	-	-
6	Dato' Mohd Yusof Bin Din	Non-Executive Non-Independent Director	118,000	6,000	-	-	-	10,900	134,900	--	-	--	-	-	-	-
7	Teh Chau Chin	Independent Director	48,000	11,000	-	-	-	6,000	65,000	-	-	-	-	-	-	-
8	Tan Meng Chai	Independent Director	48,000	10,000	-	-	-	6,000	64,000	-	-	-	-	-	-	-
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application :	Departure															
Explanation on application of the practice :																
Explanation for departure :	The disclosure of top five senior management personnel's names and various remuneration components (salary, bonus, benefits in-kind, and other emoluments) would not be in the best interest of the Group due to confidentiality and security concerns. The remuneration paid to the top five Senior Management including salary, bonus, benefits-in-kind and other emoluments in band of RM50,000 is as follows: <table border="1"><tr><td></td><td></td></tr><tr><td>Below RM50,000</td><td></td></tr><tr><td>RM50,001 – RM150,000</td><td></td></tr><tr><td>RM150,001 – RM250,000</td><td></td></tr><tr><td>RM250,001 – RM350,000</td><td></td></tr><tr><td>RM350,001 – RM450,000</td><td></td></tr><tr><td>RM450,001 – RM550,000</td><td></td></tr></table> The Board is of the view that such disclosure would have adverse effect on the Company's talent retention in the highly competitive industry. The disclosure of Key Management's (as defined therein) remuneration has been made in the financial statements for the financial year ended 31 December 2021.				Below RM50,000		RM50,001 – RM150,000		RM150,001 – RM250,000		RM250,001 – RM350,000		RM350,001 – RM450,000		RM450,001 – RM550,000	
Below RM50,000																
RM50,001 – RM150,000																
RM150,001 – RM250,000																
RM250,001 – RM350,000																
RM350,001 – RM450,000																
RM450,001 – RM550,000																
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																
Measure :																
Timeframe :																

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The positions of the Chairman of the Board and Audit Committee are held by separate individuals. The Chairman of Audit Committee is Teh Chau Chin, an Independent & Non-Executive Director and he is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The policy is reflected in the Terms of Reference of Audit Committee. None of the members of the Audit Committee were former audit partners of the Company’s external auditors. Nonetheless, when considering the appointment of former key audit partner from its current External Auditor’s firm, the Audit Committee is mindful of the minimum three (3) years cooling off period best practice under the MCCG before appointment of former audit partner as a member of the Audit Committee.	
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	:	As part of the Audit Committee review processes, the Audit Committee has obtained written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit Committee also reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for reappointment in the AGM on an annual basis. The Audit Committee also monitored and reviewed the performance of external auditor and was satisfied that the external auditor has been independent throughout the conduct of the audit process and audit services rendered have met the quality expected by the Audit Committee.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The members of Audit Committee comprising solely of Independent Non-Executive Directors and the Chairman of the Audit Committee is not the Chairman of the board.

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	:	All the Audit Committee members are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. The external auditors will brief the Board on the amendment and update of accounting standards and policies during the audit planning review session. The members of Audit Committee undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board as a whole responsible for the overall and oversight of risk management in the Group covering the system of risk management and internal control for financial, operational and compliance while the Executive Directors together with the senior management team are primary responsible for managing risks in the Group. The Statement on Risk Management and Internal Control is set out in the Annual Report detailing the state and fundamentals of the risk management and internal control systems in the Group as well as the review mechanism of the Board. The Board are satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control. Going forward, the Board will implement and enhance its risk management framework covering the risk policy, risk appetite, risk assessment and define the oversight structure and review processes.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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 details of the internal control feature as well as the Board review of the adequacy and effectiveness of the risk management and internal control frameworks are explained in the Statement on Risk Management and Internal Control on pages 52 and 54 of the Annual Report. The Audit Committee regularly evaluates the adequacy and effectiveness of the Group's internal control systems by reviewing reports provided by the internal and external auditors as well as their recommendations and management responses to these recommendations to ensure that they are working adequately and promptly. It is reported in the above Statement that going forward, the Board will also deliberate the options for the international risk management framework and adopt a suitable framework for the Group in the coming financial year.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	The internal audit function of the Company is carried out by the in-house Internal Audit Department and outsourced professional service firm, which reports to the AC and assists the AC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives. The Internal auditor provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the AC. It is the responsibility of the Internal Auditors to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	The in-house Internal Audit Department was led by Mr David Teh. He is a Fellow member of the Association of Chartered Certified Accountants, Chartered Certified Accounts, United Kingdom and Chartered Member of the Institute of Internal Auditors Malaysia and a Certified Anti Money Laundering Specialist. There are 2 personnel in the in-house Internal Audit Department. Mr David Teh would report to the AC that all reviews and internal audit assignment conducted were conducted objectively and independently free from any conflicts of interest and relationships and was in accordance with the Group's Frameworks. The Group has also appointed an established external professional Internal Audit firm namely GovernanceAdvisory.com Sdn. Bhd. ("GA"), a firm registered under corporate member of Institute of Internal Auditors Malaysia ("IIAM"), which has 5 personnel with relevant qualifications and/or experience in internal auditing. GA's engagement director in charge of the Group's internal audit is led by Mr Jason Tee who holds a B.C. (Hon) in Accounting and he is a member of IIAM. Further details are disclosed in the Audit Committee Report of the Annual Report 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	:		
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Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board ensures that disclosures made to shareholders and investors are accurate, clear, timely and comprehensive in order to build and maintain corporate credibility and investor confidence. The Board promotes transparency and regular communication with its shareholders and stakeholders through timely releases of quarterly financial results, circulars, Annual Reports, corporate announcement and press releases via the website of Bursa Malaysia Securities Berhad at http://announcements.bursamalaysia.com. The Group has also leveraged on its corporate website to communicate, disseminate and add depth to its communication with the public. The Board communicates with stakeholders by way of: i. the Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements; ii. various announcements made to the Bursa Securities, which include announcements on quarterly results; iii. the Company website at http://www.nextgreenglobal.com/; iv. meetings with research analysts and fund managers if required to provide them with insight of business in Group and the industry; and shareholders interaction during the general meetings.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has adopted the recommendation of the MCCG for the Notice of the 15th AGM to be given to the shareholders at least twenty-eight (28) days prior to the meeting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	The Chairman and the respective Chairmen of the Board Committees will respond to all questions raised by the shareholders during the meeting of members of the Company. Shareholders will be provided with the opportunity to seek clarification on the Group's strategy, performance and major developments during the general meetings. Accordingly, shareholders are also encouraged to interact and feedback to the Chairman for opinions or concerns. The Board will ensure its full attendance in the general meeting. The respective Chairmen of the Board Committees will attend to questions raised pertaining to their duties. In the last AGM, all Board members attended the general meeting. The shareholders questions were also fully answered and responded.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	Due to the constant evolving COVID-19 situation in Malaysia and as a measure to curb the spread of COVID-19, the Company will conduct its 15th AGM virtually through live streaming and online remote participation via RPV provided by Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIH Online website at https://tiah.online. The RPV will enable remote shareholders' participation via real time submission of typed texts and online remote voting. The conduct of meeting by way of fully virtual also strongly encouraged by the Securities Commission Malaysia. The virtual 15th AGM is in compliance with the Company's Constitution, Companies Act 2016 and other legal requirements.
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 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Chairman is committed to ensure that shareholders were given the opportunity to raise questions during the 15th Annual General Meeting ("AGM") and Extraordinary General Meetings ("EGM") held on 30 June 2021 respectively. The Shareholders were allowed to submit questions for the Board prior to the AGM and EGM via TIH Online website at https://tiih.online by selecting "e-Services". The Q&A session was kept open allowing members/proxies the opportunity to pose questions real time (in the form of typed text) throughout the AGM and EGM via the query box facility. The Chairman ensured that all questions raised pre-AGM and pre-EGM and during the AGM and EGM for the Company's financial and non-financial, and the strategic plan were answered during AGM and EGM and the details of the responses were recorded in the minutes of the AGM and EGM and published to the corporate website after the AGM and EGM.
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	:	The 15th AGM was held at the broadcast venue virtually via live streaming and online remote voting on 30 June 2021. The Broadcast Venue of the 15th AGM was strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be at the main venue. No shareholders/ proxy(ies) were allowed to be physically present at the Broadcast Venue on the day of the 15th AGM. The Chairman of the 15th AGM also encouraged shareholders to pose questions during the meeting by using query box provided in the live-streaming platform. At the “Questions and Answers” session in the meeting agenda, the online platform had the facilities to live broadcast the questions/remarks and answers; and the shareholders had experienced real time interaction with the Board during the AGM. Questions posed by shareholders had been made visible to all meeting participants during the meeting itself via RPV facilities.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	Minutes of the 15th AGM held on 30 June 2021 has been made available to shareholders no later than 30 business days after the AGM on the Corporate website.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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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