

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7277  
**COMPANY NAME** : DIALOG GROUP BERHAD  
**FINANCIAL YEAR** : June 30, 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is the ultimate decision-making body of the Group, with the exception of matters requiring shareholders' approval. The Board assumes, amongst others, leadership, due care and fiduciary duties under Companies Act 2016 and applicable laws, and have the following duties and responsibilities:-</p> <ul style="list-style-type: none"><li>(i) together with senior management, promote a culture of good corporate governance within the Company which reinforces ethical, prudent and professional behaviour;</li><li>(ii) review, challenge and decide on Management's proposal(s) for the Company and monitor the implementation by Management;</li><li>(iii) review and adopt the overall strategic and sustainability plans and programmes for the Company and the Group, to ensure long-term value creation. This includes setting performance objectives and policies where economic, environment and social considerations underpinning sustainability are substantively incorporated;</li><li>(iv) supervise and assess Management's performance to determine whether the business is being properly managed;</li><li>(v) understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;</li><li>(vi) set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;</li><li>(vii) review the adequacy and integrity of the internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;</li><li>(viii) establish a succession plan for Board and Senior Management, including appointing, training and fixing the responsibilities and remuneration of the Chief Executive Officer and Executive Directors of the Group;</li></ul>

	<p>(ix) ensure that Senior Management has the necessary skills and experience;</p> <p>(x) develop and implement an investor relations programme or shareholder communication policy for the Company;</p> <p>(xi) ensure the integrity of the Company's financial and non-financial reporting;</p> <p>(xii) oversee and monitor work health and safety processes, performance and issues;</p> <p>(xiii) promote ethical values and standards in the workplace;</p> <p>(xiv) implement gender diversity policies by taking steps to ensure that women candidates are sought as part of the recruitment exercise; and</p> <p>(xv) carry out or perform such other functions necessary for the discharge of its fiduciary duties under the relevant laws, rules and regulations.</p> <p>The Board has delegated specific responsibilities to six (6) Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee, Management Committee, Risk Management Committee and Employees' Share Option Scheme ("ESOS") Committee. These Board Committees operate under clearly defined roles and responsibilities as set out in its respective terms of reference. They have the authority to deal with particular issues and report to the Board with their respective recommendations, if any.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The roles and responsibilities of the Chairman of the Board have been clearly stated in the Board Charter, which is available on the Company's website at <a href="http://www.dialogasia.com">www.dialogasia.com</a>.</p> <p>The Board ensures that the roles of the Executive Chairman, Executive Deputy Chairman and Chief Operating Officer are distinct and separate to ensure there is a balance of power and authority.</p> <p>The Executive Chairman provides leadership in corporate services &amp; strategies, stakeholder relationships, human capital and development whilst the Executive Deputy Chairman deals with business strategies and new ventures.</p> <p>The key roles and accountabilities of the Executive Chairman, amongst others, are as follows:-</p> <ul style="list-style-type: none"><li>(i) The Chairman shall preside at all Board and general meetings unless he so delegates;</li><li>(ii) To lead the Board to ensure smooth functioning of the Board, the governance structure and inculcating a positive culture in the Board;</li><li>(iii) To develop corporate strategies for the Group;</li><li>(iv) To facilitate the effective contribution by encouraging Directors to take an active role at the Board meetings;</li><li>(v) To promote constructive and respectful relations between Directors, and between the Board and Management;</li><li>(vi) To ensure that information is delivered to Board members on a timely basis to facilitate decision-making; and</li><li>(vii) To ensure effective communication with shareholders and all stakeholders.</li></ul> <p>The key roles and accountabilities of the Executive Deputy Chairman, amongst others are as follows:-</p> <ul style="list-style-type: none"><li>(i) To develop business strategies for the Group;</li><li>(ii) To assess and pursue new ventures and business opportunities which are of potential benefit to the Group; and</li><li>(iii) To provide directions in the implementation of short and long term business plans.</li></ul>

	<p>The key roles and accountabilities of the Chief Operating Officer, amongst others, are as follows:-</p> <ul style="list-style-type: none"> <li>(i) To implement corporate and business strategies for the Group;</li> <li>(ii) To supervise heads of divisions for both the Malaysian and International operations of the Group;</li> <li>(iii) To ensure the efficiency and effectiveness of the operations, and adequacy of internal controls as well as risk management systems of the Group; and</li> <li>(iv) To keep the Board fully informed of all important aspects of the Group's operations on a timely basis.</li> </ul>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The separation of positions of Executive Chairman, Executive Deputy Chairman and Chief Operating Officer are provided in Paragraph 3.6 of the Board Charter, which is available on Dialog's website at <a href="http://www.dialogasia.com">www.dialogasia.com</a>.</p> <p>Tan Sri Dr Ngau Boon Keat is the Executive Chairman and Mr Chan Yew Kai is the Executive Deputy Chairman of the Group. Tan Sri Dr Ngau focuses on steering DIALOG on its vision while Mr Chan is involved in dealing with businesses strategies and new ventures. Tan Sri Dr Ngau and Mr Chan Yew Kai each have more than 40 years' experience in the oil, gas and petrochemical industry and their track record demonstrates that their capabilities in leadership, entrepreneurship skills and business acumen is immeasurable. Encik Mustaffa Kamal Bin Abu Bakar who is the Chief Operating Officer of the Group, manages the operations of the Group.</p> <p>The Board of Directors comprises of a majority Independent Non-Executive Directors out of nine (9) members.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board of Directors is of the opinion that the current positions of the Executive Chairman, Executive Deputy Chairman and Chief Operating Officer, each with separate distinct roles and accountabilities, are adequate to provide the necessary stewardships and division of responsibilities for the Company. In addition, the Company is constantly reviewing its succession plans.
<b>Timeframe</b>	:	Others
		0

**Intended Outcome**

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

**Practice 1.4**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretaries play an important advisory and compliance role, and is a source of information and advice to the Board and Board Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and the Group. The Board has direct and unrestricted access to the advice and services of the Company Secretaries. The appointment of the Company Secretary is decided by the Board.</p> <p>The Company Secretaries of Dialog Group Berhad are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016. One of them is member of Malaysian Institute of Accountants whilst the other two are members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries regularly attend trainings to keep abreast with latest developments in regulatory changes and developments in corporate governance.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.5**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board meets at least once every quarter with additional Board meetings to be convened as and when necessary. Prior to the meetings of the Board and Board Committees, Board papers which include the agenda and reports relevant to the issues of the meetings covering the areas of quarterly financial results, progress reports of the various core services, corporate development, regulatory updates, business development, audit reports, risk management reports and/or updates on sustainability matters including corporate social responsibility, are circulated to all Directors. The information supplied to the members of the Board and Board Committees is relevant and timely to enable the members of the Board and Board Committees to review matters and bring such matters to the meetings for deliberation. Management personnel from various core services are invited to provide additional insights and deliberations in respect of their areas of responsibilities during the Board and Board Committees meetings.</p> <p>The minutes of the Board meetings are circulated prior to the next Board meeting for review and comments.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>A Board Charter ("the Charter") has been drawn up and approved by the Board. The Charter provides guidance to the Board in the discharge of its duties and functions which sets out, amongst others, the roles and responsibilities of the Board to ensure that each Board member acting on behalf of the Company is aware of his fiduciary duties and responsibilities, the legislation and regulations affecting their duties and the principles and practices of good corporate governance which apply to the Group.</p> <p>The Charter also sets out the roles and accountabilities of the Executive Chairman, Executive Deputy Chairman and Chief Operating Officer, and the Board committees. In addition, the Charter also sets out the issues and decisions reserved for the Board.</p> <p>The Charter is published on the Company's website at <a href="http://www.dialogasia.com">www.dialogasia.com</a>. The Charter is periodically reviewed and updated as and when deemed necessary and upon any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 3.1**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Code of Ethics, which forms part of the Board Charter, sets out the broad standards of conducts and basic principles to guide the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. The Group has also in place a Code of Ethics for its employees which encompasses all aspects of its day-to-day business operations. With the implementation of the Code of Ethics and the Anti-Bribery and Corruption Policy, which was adopted in 2019, Directors and employees of the Group are expected to observe high standards of integrity and fair dealings in relation to customers, staff and regulators in the communities within which the Group operates and ensure compliance with all applicable laws, rules and regulations to which the Group is bound to observe in the performance of its duties. The Board Charter and Anti-Bribery and Corruption Policy are published on the Company’s website at <a href="http://www.dialogasia.com">www.dialogasia.com</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company has adopted a Whistleblowing Policy ("the Policy") in 2019. The objective of this Policy is to provide an avenue for all employees of DIALOG and members of the public who have become aware of or genuinely suspects that an employee, business partner, contractor or supplier has engaged, is engaged or is preparing to engage in any improper Conduct or Detrimental Action (as defined in the Policy), to report possible improprieties at the earliest opportunity without fear of reprisal or Detrimental Action. The Policy is published on the Company's website at <a href="http://www.dialogasia.com">www.dialogasia.com</a> .
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In FY2021, the Board comprised of nine (9) Directors, of which five (5) were Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director from Employees' Provident Fund ("EPF") and three (3) Executive Directors.</p> <p>The Board comprises a majority of Independent Non-Executive Directors. The Non-Executive Directors are free of management obligations and free from any relationships that could materially interfere with the exercise of their independent judgment.</p> <p>This provides an effective check and balance in the functioning of the Board where all matters are reviewed with balance and fairness, to ensure the needs and interests of the Company are met. Among the Non-Executive Directors is a representative from the EPF, a substantial shareholder of the Company. His independent judgment together with that of the other Independent Directors are important in ensuring that the strategies proposed by the Management are fully discussed and intently deliberated, and thus in the long term, the interest of all stakeholders of the Group is safeguarded.</p> <p>The Directors with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in upstream, midstream and downstream business activities, accounting, finance, economics, legal, corporate to general management disciplines suitable for managing the Group's businesses in the oil, gas and petrochemical industry.</p> <p>In addition, the Board composition is well defined and fulfils the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") of having at least 1/3 independent directors on the Board. Furthermore, the Board Charter sets out, amongst others, reserved matters, for which the Board is the sole deciding authority, which provides further a check and balance in the decision making process of the Group.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 4.2**

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

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

<b>Application</b>	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years	
<b>Explanation on application of the practice</b>	:	The Company had sought shareholders’ approval at its Annual General Meeting held on 18 November 2020 for the continuance of an independent director serving beyond 9 years. The independent director had met the independence guidelines as set out in Chapter 1 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board had determined that the independent director was able to bring independent and objective judgements to the Board as a whole and strongly recommended the independent director to be retained as an independent director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	The tenure of an independent director shall not exceed a cumulative term of nine (9) years. However, the tenure of an independent director can be extended beyond 9 years if the Board determines that the independent director is able to bring independent and objective judgements to the Board as a whole and strongly recommends for the independent director to be retained as an independent director.

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee has been established to take on the responsibility of making recommendations for appointments to the Board and ensuring that the Board comprises individuals with the requisite skills, knowledge, qualities and experience. The Nomination Committee is guided by its terms of reference (which is published on the Company's corporate website at <a href="http://www.dialogasia.com">www.dialogasia.com</a>) and the Board Charter on appointments to the Board.</p> <p>The Nomination Committee will annually evaluate the effectiveness of the Board, its Committees and also the performance of the Directors. They are also responsible for assessing the suitability of any proposed candidate as a board member and to submit their recommendations to the Board.</p> <p>In evaluating the suitability of candidates, the Nomination Committee considers the following criteria:</p> <ul style="list-style-type: none"> <li>• skills, knowledge, qualities and experience;</li> <li>• commitment (including time commitment) and contribution;</li> <li>• diversity of the Board; and</li> <li>• in the case of the independence of a candidate for the position of an independent director, whether the candidate can bring independent and objective judgment to board deliberations.</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 4.5**

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Promoting inclusiveness and diversity within our workplace fosters an open-minded company culture which is essential to the success of DIALOG.</p> <p>Opportunities are equally available to all qualified individuals in recruitment, career development, promotion, training and reward, regardless of their nationality, gender, race, age, religion, ethnicity, sexual orientation or physically ability. In 2021, DIALOG has achieved 44% women directors with four women directors on the Board.</p> <p>In our effort to achieve gender balance, we encourage our women employees to actively plan their careers and take ownership of their development so that we can promote more talented women to management and leadership positions in each of our business operations. In FY2021, 18% of our senior level management were women, while the Upper Management and Middle Management comprised 20% and 28% of women respectively.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.6**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In identifying suitably qualified candidates for appointment to the Board of Directors, the Board of Directors rely on recommendations from existing Board members, management, major shareholders or independent sources. The recommendations will then be forwarded to the Nomination Committee ("NC") for its consideration. In making these recommendations, the NC will consider the required mix of skills, experience, qualities, time commitment and diversity, including gender, ethnicity and age, where appropriate, which the proposed new Director is able to bring to the Board.</p> <p>Upon the recommendation from the NC, the Board of Directors shall deliberate and determine any appointment of a new director.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.7**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In FY2021, the Nomination Committee of DIALOG comprised of three (3) Independent Non-Executive Directors. The Committee is chaired by Puan Kamariyah Binti Hamdan, a Senior Independent Non-Executive Director and the other members are Mr Chin Kwai Fatt and Cik Siti Khairon Binti Shariff. Datuk Oh Chong Peng chaired the Nomination Committee prior to his retirement on 18 November 2020.</p> <p>The Nomination Committee has been established to take on the responsibility of making recommendations for appointments to the Board and ensuring that the Board comprises individuals with the requisite skills, knowledge, qualities and experience. The Nomination Committee is guided by its terms of reference, which is published on the Company's corporate website at <a href="http://www.dialogasia.com">www.dialogasia.com</a> and the Board Charter on Appointments to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.1**

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In FY2021, the Nomination Committee met three times to review the appointment of directors and the annual self-assessment of the composition of the Board, mix of skills, knowledge, experience, qualities, time commitment and diversity of the Board members and their individual performance for the past year. The Nomination Committee also assessed the independence of Independent Directors, the Board as a whole and Board Committees, which was facilitated by the Company Secretary. Key strengths including good diversity with majority independent directors on board and areas for improvement such as to review and update the Group’s various terms of reference / policies were noted and the necessary steps were taken, where necessary.</p> <p>The current Independent Directors namely Mr Chin Kwai Fatt, Puan Kamariyah Binti Hamdan, Cik Siti Khairon Binti Shariff, Dato’ Ismail Bin Karim and Puan Juniwati Rahmat Hussin fulfil the criteria of “Independence” as prescribed under Chapter 1 of the Listing Requirements.</p> <p>Independent experts may be engaged periodically to facilitate assessment of the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 6.1**

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group has a policy for remunerating Executive Directors for their responsibilities and contributions in leading and managing the Group’s business operations. The remuneration package is structured to offer reward in tandem with the Group’s financials and the individual’s performance. The policy and procedures are periodically reviewed. The policy is available in the Company’s website, <a href="http://www.dialogasia.com">www.dialogasia.com</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 6.2**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee is responsible for recommending to the Board a remuneration framework and package for the Executive Directors that are considered necessary to attract, retain and motivate key personnel needed for the continual success of the Group.</p> <p>The remuneration awarded to the Executive Directors consists of salary, allowance, employers’ contribution to the Employees Provident Fund, bonus, incentive, ESOS and other benefits accorded such as company cars, drivers, insurance, hospitalisation and/or club membership. Non-Executive Directors’ remuneration package includes directors’ fees, allowances and/or other benefits.</p> <p>The Terms of Reference is available in the Company’s website, <a href="http://www.dialogasia.com">www.dialogasia.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 7.1

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

<b>Application</b>	:	Applied																																																																																																								
<b>Explanation on application of the practice</b>	:	<div>The remuneration of individual directors which includes fees, salary, allowance, bonus, incentive, benefits in kind and Employees’ Share Option Scheme (“ESOS”) are disclosed below:-</div> <table><tr><td></td><td colspan="2">---- COMPANY----</td><td colspan="4">----- GROUP -----</td><td>TOTAL</td></tr><tr><td>COMPANY AND GROUP (RM’000)</td><td>Fee</td><td>Meeting allowance</td><td>Salary and allowance</td><td>Bonus and incentive</td><td>Benefits in kind</td><td>ESOS</td><td>Total FY2021</td></tr><tr><td>Tan Sri Dr. Ngau Boon Keat</td><td>-</td><td>-</td><td>1,475</td><td>4,099</td><td>35</td><td>134</td><td>5,743</td></tr><tr><td>Chan Yew Kai</td><td>-</td><td>-</td><td>1,177</td><td>934</td><td>15</td><td>96</td><td>2,222</td></tr><tr><td>Chin Kwai Fatt (Appointed on 19 November 2020)</td><td>169</td><td>39</td><td>-</td><td>-</td><td>-</td><td>-</td><td>208</td></tr><tr><td>Kamariyah Binti Hamdan</td><td>154</td><td>84</td><td>-</td><td>-</td><td>-</td><td>-</td><td>238</td></tr><tr><td>Siti Khairon Binti Shariff</td><td>154</td><td>84</td><td>-</td><td>-</td><td>-</td><td>-</td><td>238</td></tr><tr><td>Dato’ Ismail Bin Karim</td><td>148</td><td>43</td><td>72</td><td>-</td><td>-</td><td>-</td><td>263</td></tr><tr><td>Mohamad Hafiz Bin Kassim</td><td>110</td><td>69</td><td>-</td><td>-</td><td>-</td><td>-</td><td>179</td></tr><tr><td>Juniwati Rahmat Hussin (Appointed on 19 August 2020)</td><td>148</td><td>80</td><td>-</td><td>-</td><td>-</td><td>-</td><td>228</td></tr><tr><td>Zainab Binti Mohd Salleh</td><td>-</td><td>-</td><td>885</td><td>813</td><td>14</td><td>68</td><td>1,780</td></tr><tr><td>Datuk Oh Chong Peng (Retired on 18 November 2020)</td><td>-</td><td>51</td><td>-</td><td>-</td><td>-</td><td>-</td><td>51</td></tr><tr><td>Total</td><td>883</td><td>450</td><td>3,609</td><td>5,846</td><td>64</td><td>298</td><td>11,150</td></tr></table>		---- COMPANY----		----- GROUP -----				TOTAL	COMPANY AND GROUP (RM’000)	Fee	Meeting allowance	Salary and allowance	Bonus and incentive	Benefits in kind	ESOS	Total FY2021	Tan Sri Dr. Ngau Boon Keat	-	-	1,475	4,099	35	134	5,743	Chan Yew Kai	-	-	1,177	934	15	96	2,222	Chin Kwai Fatt (Appointed on 19 November 2020)	169	39	-	-	-	-	208	Kamariyah Binti Hamdan	154	84	-	-	-	-	238	Siti Khairon Binti Shariff	154	84	-	-	-	-	238	Dato’ Ismail Bin Karim	148	43	72	-	-	-	263	Mohamad Hafiz Bin Kassim	110	69	-	-	-	-	179	Juniwati Rahmat Hussin (Appointed on 19 August 2020)	148	80	-	-	-	-	228	Zainab Binti Mohd Salleh	-	-	885	813	14	68	1,780	Datuk Oh Chong Peng (Retired on 18 November 2020)	-	51	-	-	-	-	51	Total	883	450	3,609	5,846	64	298	11,150
	---- COMPANY----		----- GROUP -----				TOTAL																																																																																																			
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<b>Explanation for departure</b>	:																																																																																																									

**Intended Outcome**

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

**Practice 7.1**

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 7.2

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

<b>Application</b>	:	Applied																		
<b>Explanation on application of the practice</b>	:	<p>The top five senior management of the Group consists of three (3) Executive Directors, namely Executive Chairman, Executive Deputy Chairman, Group Chief Financial Officer, Chief Operating Officer and Senior Managing Director, Group Corporate.</p> <p>The detailed disclosure on named basis for the remuneration of the executive directors which includes salary, allowance, bonus, incentive, benefits in kind and Employees’ Share Option Scheme (“ESOS”) are disclosed on page 23 of this report and in the Company’s Annual Report 2021 on page 101.</p> <p>The remuneration of the Chief Operating Officer and Senior Managing Director, Group Corporate for FY2021 range from RM2,000,000 to RM2,050,000 and RM1,800,000 to RM1,850,000 as follows:-</p> <table><tr><th><b>FY2021 Figures in RM’000</b></th><th><b>Salary and allowance</b></th><th><b>Bonus and incentive</b></th><th><b>Benefits in kind</b></th><th><b>ESOS</b></th><th><b>Total FY2021</b></th></tr><tr><td>Mustaffa Kamal Bin Abu Bakar, Chief Operating Officer</td><td>1,081</td><td>831</td><td>15</td><td>76</td><td>2,003</td></tr><tr><td>Chew Eng Kar, Senior Managing Director, Group Corporate</td><td>924</td><td>819</td><td>32</td><td>71</td><td>1,846</td></tr></table>	<b>FY2021 Figures in RM’000</b>	<b>Salary and allowance</b>	<b>Bonus and incentive</b>	<b>Benefits in kind</b>	<b>ESOS</b>	<b>Total FY2021</b>	Mustaffa Kamal Bin Abu Bakar, Chief Operating Officer	1,081	831	15	76	2,003	Chew Eng Kar, Senior Managing Director, Group Corporate	924	819	32	71	1,846
<b>FY2021 Figures in RM’000</b>	<b>Salary and allowance</b>	<b>Bonus and incentive</b>	<b>Benefits in kind</b>	<b>ESOS</b>	<b>Total FY2021</b>															
Mustaffa Kamal Bin Abu Bakar, Chief Operating Officer	1,081	831	15	76	2,003															
Chew Eng Kar, Senior Managing Director, Group Corporate	924	819	32	71	1,846															

**Intended Outcome**

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

**Practice 7.2**

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Company has opted to disclose the senior management's remuneration on named basis. The detailed disclosure on named basis for the remuneration of the top five (5) senior management's remuneration (including the executive directors) which includes salary, allowance, bonus, incentive, benefits in kind and ESOS are disclosed on page 101 of the Company's Annual Report 2021 and page 25 of this report respectively.

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>For FY2021, the Audit Committee of the Company comprises of Independent Non-Executive Directors, namely Mr Chin Kwai Fatt, Puan Kamariyah Binti Hamdan, Cik Siti Khairon Binti Shariff, Dato' Ismail Bin Karim and Puan Juniwati Rahmat Hussin.</p> <p>The Audit Committee Chairman, Mr Chin Kwai Fatt is a member of the Malaysian Institute of Accountants and he is not the Chairman of the Board. Datuk Oh Chong Peng chaired the Audit Committee prior to his retirement on 18 November 2020.</p> <p>The Terms of Reference of the Audit Committee is published on the Company's website at <a href="http://www.dialogasia.com">www.dialogasia.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The current members of the Audit Committee are not former key audit partners of the external auditors of the Company. The Company has in place a policy.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

**Practice 8.3**

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditors. The Audit Committee annually reviews the performance of the external auditors and recommends to the Board on their re-appointment.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Audit Committee comprises solely of Independent Non-Executive Directors.

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.5**

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Terms of Reference (“TOR”) of the Audit Committee is published on the Company’s website at <a href="http://www.dialogasia.com">www.dialogasia.com</a>. The TOR will be periodically reviewed and updated as and when deemed necessary and upon any new regulations that may have an impact on the discharge of the Audit Committee’s duties and responsibilities.</p> <p>The Audit Committee members devoted sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>The members of the Audit Committee are financially literate, and have carried out their duties in accordance with the Terms of Reference of the Audit Committee.</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**

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

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors affirms its responsibility for maintaining a sound and effective system of risk management and internal control to safeguard shareholders' investments and the Group's assets.</p> <p>Further information on the risk management framework and internal control systems are disclosed in the Statement on Risk Management and Internal Control of the Company's 2021 Annual Report.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board of Directors has disclosed the features of the Company's risk management and internal control framework, and the adequacy and effectiveness of this framework in the Statement on Risk Management and Internal Control of the Company's 2021 Annual Report.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 9.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has established a Risk Management Committee which comprises solely of independent directors to oversee the Company's risk management framework and policies.

**Intended Outcome**

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

**Practice 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors and the Audit Committee are assisted by the in-house Internal Audit Department in ensuring that a sound system of internal controls is in place.</p> <p>The Internal Audit Department reports to the Audit Committee in the performance of its duties and is guided by its Audit Charter in its independent appraisal functions.</p> <p>The primary role of internal audit is to provide independent assurance to the Board that:</p> <ul style="list-style-type: none"> <li>a) The Group's policies and guidelines have been communicated, implemented and are working as intended; and</li> <li>b) Risk areas have been identified and there are effective internal control systems over all aspects of the Group's businesses and operations.</li> </ul> <p>The Audit Committee reviews the scope, functions and resources of the Internal Audit function.</p>	
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 10.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's Risk Management and Internal Audit is led by Mr John Henry Thornton, Managing Director, Business Excellence who holds a Bachelor of Science Degree in Chemical Engineering from the University of Birmingham, UK. He is a Fellow of the Institution of Chemical Engineers, UK, and has 41 years of working experience in the oil and gas industry.</p> <p>Mr Vijayasoorya A/L K.Krishna Murthy joined DIALOG in October 2019 as the Head of Group Internal Audit and Risk Management. He is a CPA (Australia) and holds a Bachelor of Commerce (Accounting &amp; Finance) degree from the University of Southern Queensland, Australia. He has over 21 years' working experience, predominantly in the oil and gas sector, where he held senior positions in the field of audit and risk management. He was formerly with British Petroleum, PETRONAS, Baker Hughes, and Deloitte prior to joining DIALOG.</p> <p>To maintain objectivity and independence, internal audit personnel will not undertake audit assignments which will cause conflict of interest.</p> <p>The Group's Internal Audit Department adopts the Institute of Internal Auditors' International Professional Practices Framework ("IPPF") and the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") framework.</p> <p>Audit reviews were conducted through a risk-based approach, in line with the Group's objectives. The Group's Internal Audit Department conducted reviews on governance, risk management and controls in the areas of finance, compliance, operations, information technology, procurement, project management etc.</p> <p>The Internal Audit function is guided by the Internal Audit Charter and the Code of Ethics promulgated by the Institute of Internal Auditors.</p> <p>During the financial year 2021, the Group's Internal Audit Department was staffed by 4 internal auditors and supported by internal guest auditors.</p>

**Intended Outcome**

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

**Practice 10.2**

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

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

**Practice 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>DIALOG recognises the importance of effective, constant and open communication with shareholders, investors and other stakeholders. Information on the Group's business activities and financial performance is disseminated through various mediums including announcements of quarterly results, annual report, forums, company visits, site visits, annual general meeting, exhibitions, company's website and other company activities. During FY2021, visits and exhibitions were restricted by movement controls due to Covid-19.</p> <p>Further details can be referred to in the Corporate Governance Overview Statement in the Company's 2021 Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 11.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>While the Company has not fully adopted integrated reporting, we have applied and incorporated certain areas of Integrated Reporting in the Annual Report 2021 as follows:</p> <ul style="list-style-type: none"><li>• A stronger focus on our organisational strategy</li><li>• Enhanced our explanation of our business model</li><li>• Demonstrate how we create value from the six (6) capitals</li><li>• Show linkages between our KPIs and our material sustainability matters</li><li>• Business Highlights &amp; 10-Year Group Financial Summary</li><li>• Key Performance Indicators ("KPIs")</li><li>• Prospects of the Group</li><li>• Material Sustainability Matters</li><li>• Sustainability - Stakeholder Engagement</li></ul>
		No alternative practice.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Company will consider the adoption of integrated reporting in due course.
<b>Timeframe</b>	:	Within 2 years



**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company ensures that the dispatch of its notices of Annual General Meeting (“AGM”) is within the timeframe as stipulated in the Constitution, Companies Act 2016, the Listing Requirements and Practice 12.1 of the Malaysian Code on Corporate Governance 2017.</p> <p>The Notice of the 32<sup>nd</sup> AGM for the Company was issued on 16 October 2020 for the AGM held on 18 November 2020.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All the Directors attended the Annual General Meeting. Among the directors, are Chairmen of the Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee. The Directors will respond to any questions put forth during the Annual General Meeting.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 12.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In view of the Covid-19 pandemic, the Company had held its Annual General Meeting in November 2020 as a fully virtual meeting through live streaming and online remote voting from a broadcast venue. Members of the Board, shareholders and proxies had participated in the meeting via Remote Participation and Voting facilities provided by Tricor Investor &amp; Issuing House Services Sdn. Bhd.</p> <p>The Company has held its past years' General Meetings at venues which were accessible by shareholders and not at remote locations. The Company adopted e-voting since 2016. The Company has been practising the issuance of proxy form that allows shareholders to authorise proxies or Chairman of meeting to vote for the resolutions tabled at the Annual General Meeting.</p> <p>Other than an exempt authorised nominee, a shareholder of the Company is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. Where a shareholder appoints more than one (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.*

Not Applicable
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