

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7277
COMPANY NAME : DIALOG GROUP BERHAD
FINANCIAL YEAR : June 30, 2023

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	:	<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">(i) together with senior management, promote a culture of good corporate governance within the Company which reinforces ethical, prudent and professional behaviour;(ii) review, challenge and decide on Management's proposal(s) for the Company and monitor the implementation by Management;(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;(iv) supervise and assess Management's performance to determine whether the business is being properly managed;(v) understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;(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;(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;(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;

	<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>	
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	:	<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 www.dialogasia.com.</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 & 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">(i) The Chairman shall preside at all Board and general meetings unless he so delegates;(ii) To lead the Board to ensure smooth functioning of the Board, the governance structure and inculcating a positive culture in the Board;(iii) To develop corporate strategies for the Group;(iv) To facilitate the effective contribution by encouraging Directors to take an active role at the Board meetings;(v) To promote constructive and respectful relations between Directors, and between the Board and Management;(vi) To ensure that information is delivered to Board members on a timely basis to facilitate decision-making; and(vii) To ensure effective communication with shareholders and all stakeholders. <p>The key roles and accountabilities of the Executive Deputy Chairman, amongst others are as follows:-</p> <ul style="list-style-type: none">(i) To develop business strategies for the Group;(ii) To assess and pursue new ventures and business opportunities which are of potential benefit to the Group; and(iii) To provide directions in the implementation of short and long term business plans. <p>The key roles and accountabilities of the Chief Operating Officer, amongst others, are as follows:</p>

	(i) To implement corporate and business strategies for the Group; (ii) To supervise heads of divisions for both the Malaysian and International operations of the Group; (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 (iv) To keep the Board fully informed of all important aspects of the Group's operations on a timely basis.	
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 1.3

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<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 www.dialogasia.com.</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 each have more than 45 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 a majority 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>		
Measure	:	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.
Timeframe	:	Others0

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	:	The Executive Chairman of the Board is neither a member of the Board Committees nor participates in any of the Board Committees' meetings by way of invitation.
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	:	<p>The Company Secretary plays 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>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<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>
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	:	<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 www.dialogasia.com. The Charter is periodically reviewed and updated as and when deemed necessary and upon new regulations that may have an impact on the discharge of the Board's duties and responsibilities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The 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 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 www.dialogasia.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 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 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 www.dialogasia.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	:	<p>The Board of Directors is ultimately responsible for the Group's Environmental, Social and Governance ("ESG") matters, ensure business strategy contains sustainability and approves sustainability strategies. The Sustainability Governance Structure can be viewed in the Sustainability Report of the Annual Report 2023 (which is published on the Company's website at www.dialogasia.com).</p> <p>DIALOG's approach to sustainability is supported by sound decision making, policies and systems including effective internal controls to manage risk as disclosed in our Statement of Risk Management and Internal Controls.</p> <p>DIALOG's sustainability governance is supported by key policies, systems, processes, standard operating procedures and best practices.</p> <p>Following the commitment made to accelerate ESG strategies and aspiration to achieve Net Zero Carbon Emissions by 2050, the Group has established a Sustainability Development Working Committee, and completed the development of the initial phase of our Climate Change Strategy, the initiatives of which are already in progress. The ESG Strategy Framework has been developed and outlined our broad strategies to address the top material issues that are important to our stakeholders. The framework acts as a guide in embedding ESG considerations into the Group's business and operations to ensure sustainability.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

The 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	:	<p>The status of sustainability strategies, priorities and targets as well as performance against these targets are communicated to internal and external stakeholders periodically.</p> <p>During the financial year 2023, several workshops and internal presentations were held which included awareness briefings for employees, strategy workshops, talk on decarbonisation and sustainability trends.</p> <p>The Company's Annual Report and the Sustainability Report which is published within the Annual Report discloses the Group's sustainability strategies, priorities and targets. The Group's sustainability initiatives including materiality, engagements with key internal and external stakeholders are also disclosed in the Sustainability Report. The Sustainability Report can be viewed in the Annual Report 2023 (which is published on the Company's website at www.dialogasia.com).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The Risk Management Committee provides oversight and oversees the Group’s sustainability risks and opportunities and the Sustainability Development Working Committee (“SDWC”) updates the Board of Directors with latest developments on the Group-wide sustainability initiatives and progress, at least twice a year.</p> <p>During the financial year ended 30 June 2023, the Board took several initiatives to stay abreast on sustainability issues relevant to the Group and the industry. Directors continuously undertake trainings and workshops related to sustainability and governance issues.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The 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	:	Applied	
Explanation on application of the practice	:	<p>The annual assessment reviews the effectiveness of the Board including the role of the Board in the Company's operational business and risk environment and ability to act in the best interest of the Company to achieve its strategic objectives, including embedding sustainability in the Company's strategies and operations.</p> <p>The Senior Management implements strategies and reports on performance of processes and controls, and management targets. The Group's corporate Key Performance Indicators (KPIs) and scorecards were developed to ensure alignment and effective implementation of the Group's strategic initiatives in pursuing its business goals of which sustainability aspects are considered.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- 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	:	<p>The Group has established a Sustainability Development Working Committee ("SDWC") headed by the Managing Director of Business Excellence and currently reports to the Group's Executive Leadership Team which is chaired by the Executive Chairman.</p> <p>The key responsibilities of SDWC includes overseeing business functions in ensuring robustness of system of sustainability management and considers input of all business functions in sustainability process.</p>

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 Committee will annually evaluate the effectiveness of the Board, its Committees and also the performance of the Directors. The Nomination Committee will review the annual self-assessment of the composition of the Board and its Committees, mix of skills, knowledge, experience, qualities, time commitment and diversity of the Board members and their individual performance for the past year.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>On 18 November 2022, the Company appointed two (2) additional Independent Non-Executive Directors namely Tan Sri Datuk Dr. Rebecca Fatima Sta Maria and Mr Bernard Rene Francois Di Tullio to the Board following the retirement of Cik Siti Khairon Binti Shariff on 17 November 2022.</p> <p>Following the said appointments, the Board comprises nine (9) Directors, of which five (5) are Independent Non-Executive Directors ("INEDs"), one (1) Non-Independent Non-Executive Director from Employees' Provident Fund ("EPF") and three (3) Executive Directors. This is in compliance with the requirement of Paragraph 15.02 of the Main Market Listing Requirement of which at least 2 or 1/3 of the Board members are Independent Directors. Five (5) out of nine (9) or 56% of the Board's composition comprises of INEDs, indicating that the Board comprises a majority of independent directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	None of the Independent Directors is seeking shareholders' approval to continue beyond a cumulative term limit of nine (9) years.	
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.

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

Application	:	Adopted
Explanation on adoption of the practice	:	This policy is embedded in the Board Charter.

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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, the Board Charter on appointments to the Board and the Fit and Proper Policy (which is published on the Company's website at www.dialogasia.com).</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 candidates as a board member and to submit their recommendations to the Board.</p> <p>In evaluating the suitability of candidates, the Nomination Committee considers amongst others the following criteria:</p> <ul style="list-style-type: none">• skills, knowledge, qualities and experience;• commitment (including time commitment) and contribution;• diversity of the Board; and• 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.
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 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>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> <p>The Fit and Proper Policy has been established and adopted to guide the NC and the Board in their review and assessment of candidates that are to be appointed or seeking re-election on the Board of DIALOG.</p> <p>The Fit and Proper Policy is available on the Company's website at www.dialogasia.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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	:	<p>The Nomination Committee will review 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.</p> <p>The Nomination Committee also reviewed and recommended to the Board, the re-election and re-appointment of Directors for shareholders' approval at the annual general meeting. Explanatory notes were provided in the notice of the 34th Annual General Meeting in relation to directors who were standing for re-election.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>In FY2023, the Nomination Committee of DIALOG comprised of two (2) Independent Non-Executive Directors. The Committee is currently chaired by Dato' Ismail Bin Karim and the other member is Mr Chin Kwai Fatt, Senior Independent Non-Executive Director. Cik Siti Khairon Binti Shariff was a member of the Nomination Committee prior to her retirement on 17 November 2022. Mr Chin Kwai Fatt chaired the Nomination Committee from 19 November 2021 to 21 September 2023.</p> <p>The Nomination Committee is guided by its terms of reference, Board Charter on appointments to the board and the Fit and Proper Policy which are published on the Company's corporate website at www.dialogasia.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	In 2023, DIALOG has achieved 33% women directors with three (3) women directors on the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<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.</p> <p>In the Company's 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 FY2023, 21% (2022: 22%) of our senior level management were women, while the Upper Management and Middle Management comprised 23% (2022: 22%) and 29% (2022: 26%) of women respectively.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>In FY2023, the Nomination Committee met twice to review the changes of the Board Committees members, 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 33% women as directors and sufficient time were given for deliberation and the data/information readily available upon request. Areas for improvement such as to review and update the Group's various policies and process were noted and the necessary steps were taken or in progress, where necessary.</p> <p>The current Independent Directors namely Mr Chin Kwai Fatt, Dato' Ismail Bin Karim, Puan Juniwati Rahmat Hussin, Tan Sri Datuk Dr. Rebecca Fatima Sta Maria and Mr Bernard Rene Francois Di Tullio fulfil the criteria of "Independence" as prescribed under Chapter 1 of the Listing Requirements.</p> <p>An independent expert will be engaged at least every three years to facilitate assessment of the Board.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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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 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 remuneration policy is available in the Company's website, www.dialogasia.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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 Remuneration Committee is currently chaired by Puan Juniwati Rahmat Hussin, who was appointed as a member of the Committee and subsequently became the Chairman on 21 September 2023. The other members are Mr Chin Kwai Fatt and Dato' Ismail Bin Karim.</p> <p>The Terms of Reference is available in the Company's website, www.dialogasia.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 remuneration of individual directors which includes fees, salary, allowance, bonus, incentive, benefits in kind and Employees' Share Option Scheme ("ESOS") are disclosed in the next page.

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	Tan Sri Dr. Ngau Boon Keat	Executive Director	-	-	-	-	-	-	-	-	627	1,801	6,338	42	-	8,808
2	Chan Yew Kai	Executive Director	-	-	-	-	-	-	-	-	311	1,055	1,224	41	-	2,631
3	Chin Kwai Fatt	Independent Director	189	86	-	-	-	-	275	-	-	-	-	-	-	-
4	Dato' Ismail Bin Karim	Independent Director	174	58	-	-	-	-	232	-	130	-	-	-	-	130
5	Juniwati Rahmat Hussin	Independent Director	171	92	-	-	-	-	263	-	-	-	-	-	-	-
6	Badrul Hisham Bin Dahalan	Non-Executive Non-Independent Director	130	70	-	-	-	-	200	-	-	-	-	-	-	-
7	Bernard Renee Francois Di Tullio (Appointed on 18 November 2022)	Independent Director	130	48	-	-	-	-	178	-	-	-	-	-	-	-
8	Tan Sri Datuk Dr. Rebecca Fatima Sta Maria (Appointed on 18 November 2022)	Independent Director	130	37	-	-	-	-	167	-	-	-	-	-	-	-
9	Zainab Binti Mohd Salleh	Executive Director	--	-	-	-	-	-	-	-	234	778	1,010	35	-	2,057
10	Siti Khairon Binti Shariff (Retired on 17 November 2022)	Independent Director	-	38	-	-	-	-	38	-	-	-	-	-	-	-
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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	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	<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 36 of this report and in the Company’s Annual Report 2023 on page 121.</p> <p>The remuneration of the Chief Operating Officer and Senior Managing Director, Group Corporate for FY2023 at Group level range from RM2,350,000 to RM2,400,000 and RM2,150,000 to RM2,200,000 respectively.</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	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Mustaffa Kamal Bin Abu Bakar	Chief Operating Officer	950,001-1,000,000	200,001-250,000	1,000,000-1,050,000	0-50,000	50,001-100,000	2,350,001-2,400,000
2	Chew Eng Kar	Senior Managing Director, Group Corporate	800,001-850,000	200,001-250,000	1,000,000-1,050,000	0-50,000	50,001-100,000	2,150,001-2,200,000
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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	:	Adopted
Explanation on adoption of the practice	:	The Company has opted to disclose the senior management's remuneration at Group level 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 121 of the Company's Annual Report 2023 and page 41 of this report respectively.

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Mustaffa Kamal Bin Abu Bakar	Chief Operating Officer	979,824	241,200	1,043,200	29,384	88,489	2,382,097
2	Chew Eng Kar	Senior Managing Director, Group Corporate	845,936	212,400	1,021,600	19,867	85,918	2,185,721
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4	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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>For FY2023, the Audit Committee of the Company comprises Independent Non-Executive Directors, namely Mr Chin Kwai Fatt, Dato' Ismail Bin Karim and Puan Juniwati Rahmat Hussin. Cik Siti Khairon Binti Shariff was a member of the Audit Committee prior to her retirement on 17 November 2022.</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.</p> <p>The Terms of Reference of the Audit Committee is published on the Company's website at www.dialogasia.com.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	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 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee Terms of Reference ("TOR") includes a requirement for members to be financially literate, competent and be able to understand matters under the purview of the Audit Committee, including the financial reporting process.</p> <p>The TOR is published on the Company's website at www.dialogasia.com. 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	:	
<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

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 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. 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 2023 Annual Report.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The 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 2023 Annual Report.	
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	:	Adopted
Explanation on adoption of the practice	:	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 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	:	<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 principal responsibility of the IAD is to undertake regular and systematic reviews to evaluate the effectiveness of risk management frameworks and internal control systems in order to provide reasonable assurance that such frameworks and systems continue to operate efficiently and effectively.</p> <p>The Audit Committee reviews the scope, functions and resources of the Internal Audit function.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 43 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 & Finance) degree from the University of Southern Queensland, Australia. He has over 23 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 2023, the Group's Internal Audit Department was staffed by 6 internal auditors.</p>

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	<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.</p> <p>Further details can be referred to in the Corporate Governance Overview Statement in the Company’s 2023 Annual Report.</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

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	:	Applied	
Explanation on application of the practice	:	The Company has adopted integrated reporting for it's Annual report 2023 based on a globally recognised framework.	
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	:	<p>The Company ensures that the dispatch of its notices of Annual General Meeting (“AGM”) is within the timeframes as stipulated in the Constitution, Companies Act 2016, the Listing Requirements and Practice 13.1 of the Malaysian Code on Corporate Governance 2021.</p> <p>The Notice of the 34th AGM for the Company was issued on 18 October 2022 for the AGM held on 17 November 2022.</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

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	All the Directors attended the Annual General Meeting. Among the directors, are Chairman of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee. The Directors will respond to any questions put forth during the Annual General 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

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Since year 2020, the Company had held its Annual General Meeting 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 ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor").</p> <p>Tricor has confirmed to the Company that it has implemented an IT policy and Information Security policy, endpoint controls, data classification for cyber hygiene practices of its staff. Stress test and penetration testing had been performed on TIIH online in May 2021 to test its resiliency. The TIIH Online is hosted in a secure cloud platform and the data center is ISO27001 certified.</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>
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	:	<p>Shareholders are encouraged to attend and participate in a question and answer ("Q&A") session during the Annual General Meeting ("AGM"). It is also a practice of DIALOG to have about an hour of open discussion or Q&A session with its shareholders on any issue with regards to the Group including issues of strategy and performance, and macro views of the energy sector.</p> <p>Since the Company conducted its virtual AGM in year 2020, shareholders submitted their questions prior to the conduct of the meeting via the RPV. Besides that, shareholders were also allowed to submit their questions via the RPV during the meeting. Directors and senior management answered the questions raised by shareholders during the meeting.</p> <p>Informative charts are presented to explain to shareholders DIALOG's various core services, corporate strategies, performance and major developments via the RPV before the start of the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>Since year 2020, the annual general meetings of the Company were held on a virtual basis through live streaming and online remote voting from a Broadcast Venue using the RPV provided by Tricor via its TIH Online website at https://tjih.online.</p> <p>The broadcast of the meetings was smooth using the RPV provided by Tricor and the questions posed by shareholders was made visible to meeting participants during the meeting.</p> <p>Relevant questions raised by shareholders were shared with the shareholders via the RPV and the Chairman, Directors and/or senior management responded to the questions verbally.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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	:	The minutes of the 34 th Annual General Meeting of the Company held on 17 November 2022 were made available in the Company’s website within 30 business days after the meeting date. The minutes of the 34 th AGM of the Company are available on the Company’s website at www.dialogasia.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	:		

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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