

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5112
COMPANY NAME : TH PLANTATIONS BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibilities for the overall governance and accountability towards the shareholders for the performance of the Company. The Board is committed to the pursuit of its objectives and goals with assurance that the high standards of corporate governance are being practised within the Company.</p> <p>Amongst others, outlined below are the key responsibilities of the Board:</p> <ol style="list-style-type: none">1. Reviewing and adopting strategic plans for the Company, primarily the five (5) year rolling strategic plan for THP and its subsidiaries;2. Overseeing the conduct of the Company's business to ensure that it is being properly managed. Key operational matters are discussed during Board meetings and expert advice or independent advice is sought where necessary;3. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;4. Implementing succession planning, including the appointment and recruitment of Senior Management team members;5. Developing and implementing an investor relations policy or shareholders' communications policy for the Company;6. Reviewing the adequacy and integrity of the Company's internal controls and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines.

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 Chairman of the Board carries out a leadership role in conducting the Board and its relations to shareholders and other stakeholders. The roles and responsibilities of the Chairman are as follows:</p> <ul style="list-style-type: none"> i. Provides leadership to the Board <ul style="list-style-type: none"> - Plans Board meetings, agenda; - Ensures the Board receives proper information in a timely manner; - Chairs all Board meetings; - Ensures that all Directors contribute and participate at Board meetings; and - Drives discussion toward consensus and to achieve closure on such discussions. ii. Chairs shareholder meetings; iii. Represents the Board to shareholders and is the spokesperson at the Annual General Meeting ("AGM"). Supports the CEO in reporting operational and public relations matters; iv. Ensures the integrity and effectiveness of the governance process; and v. Performs other responsibilities as assigned by the Board from time to time.
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

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The position of Chairman and CEO of THP are held by tow (2) different individuals namely Tan Sri Abu Talib bin Othman as Chairman and Mohamed Zainurin bin Mohamed Zain as CEO. Mohamed Zainurin bin Mohamed Zain was appointed on 1 October 2021 following the expiration of the contract of service of Muzmi bin Mohamed on 30 September 2021.</p> <p>Both positions have distinct roles and responsibilities. This is to ensure that there is a balance of power and authority between the Chairman and the CEO and thus, avoiding any unfettered power of decision making in any one individual.</p> <p>Their roles are set out in the Board Charter and made available on THP's website at www.thplantations.my</p>
Explanation for departure	:	
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Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<p><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></p>							
Application	: Applied						
Explanation on application of the practice	: <p>The Chairman of THP has never been a member of any Board Committees since the date of his appointment to the Board on March 2019.</p> <p>The Chairman for the Audit & Risk Management Committee and the Nomination & Remuneration Committee of THP are as follows:</p> <table border="1" data-bbox="555 952 1407 1243"> <thead> <tr> <th>Board Committees</th> <th>Chairman</th> </tr> </thead> <tbody> <tr> <td>Audit & Risk Management Committee</td> <td>Mohd Adzahar bin Abdul Wahid Senior Independent Non-Executive Director</td> </tr> <tr> <td>Nomination & Remuneration Committee</td> <td>Dato' Shari bin Haji Osman Independent Non-Executive Director</td> </tr> </tbody> </table>	Board Committees	Chairman	Audit & Risk Management Committee	Mohd Adzahar bin Abdul Wahid Senior Independent Non-Executive Director	Nomination & Remuneration Committee	Dato' Shari bin Haji Osman Independent Non-Executive Director
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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>THP has two (2) qualified Company Secretaries. Both are Licensed Company Secretaries by the Companies Commission of Malaysia ("CCM").</p> <p>Both the Company Secretaries are registered with the CCM under Section 241 of the Companies Act, 2016 and have been issued with practising certificates by the CCM. Their roles and responsibilities during the year, amongst others are as follows:</p> <ul style="list-style-type: none"> - Attended all meetings of the Board, Board Committees and Board subsidiaries as well as the Annual General Meetings of the Company and its subsidiaries. - Ensuring accurate records of all the meetings and that all decisions made are properly minuted and thereafter communicated to the relevant Management for appropriate actions. - Advise the Board in relation to the Constitution of the Company, Board policies and procedures, corporate governance best practices and the regulatory requirements. <p>The Company Secretaries are kept informed of regulatory changes and developments in corporate governance and Main Market Listing Requirements through continual education and professional training.</p>
Explanation for departure	:	
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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 meetings for the ensuing financial year are scheduled before the end of the current financial year to facilitate the planning of Board meetings by the Directors. A corporate calendar will be issued and circulated to all Directors thereafter.</p> <p>Special Board Meetings are convened between the scheduled meetings to consider urgent proposals or matters that require urgent decisions or deliberation by the Board.</p> <p>All meeting materials, including the Minutes of meetings are provided to the Board on average seven (7) calendar days prior to meetings to ensure the Directors have sufficient time to assess the proposals or information.</p> <p>In 2021, an average of seven (7) calendar days were recorded for distribution of Board papers save for Special Board Meetings for which a shorter time frame had been agreed by the Board.</p>
Explanation for departure	:	
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Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board formally adopts a Board Charter, which provides guidance to the Board in the fulfillment of its roles, duties and responsibilities.</p> <p>The Board Charter outlines the roles and responsibilities of the Board, the balance and composition of the Board, the Board's authorities, schedule of matters reserved for the Board, the establishment of the Board Committees, processes and procedures for convening Board meetings, compliance with ethical standards, Board's access to information, Director's Training and Code of Ethics.</p> <p>The Board Charter is made available on THP's website at www.thplantations.my.</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	:	<p>The Board ensures that the Group upholds high standards of ethics and corporate behavior. This pursuit is premised on the idea that a governing board is in a position of trust. The Board demands that the conduct of Directors is consistent with their duties and responsibilities to the Company and, indirectly, to the Shareholders.</p> <p>The Directors' Code of Conduct and Ethics is set out in the Board Charter and made available on THP's website at www.thplantations.my.</p>
Explanation for departure	:	
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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	:	<p>THP has in place a Whistleblowing Policy (“the Policy”) intended to enable employees and other persons to make disclosures about wrongdoings at any time to a designated person in THP without fear of reprisal so that problems can be identified and resolved quickly within THP.</p> <p>This Policy also ensures people exercise their rights (to make a disclosure) responsibly and sensibly when suspecting something amiss.</p> <p>The Policy is made available on THP’s website at www.thplantations.my.</p>
Explanation for departure	:	
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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 :	In recognition of the ever changing Sustainability Agenda, THP has made incremental improvements to strengthen the Group's sustainability commitment. A dedicated Sustainability Department ("SD") was formed in November 2020 to report directly to the Plantation Director. Previously, the SD was only a unit under the Agronomy and Innovation Department and prior to that, it was part of the Investor Relations Department. The SD oversees all related issues concerning sustainability and is also responsible for monitoring the implementation of the Group's Sustainability Agenda. This is in line with the SD's role as the secretariat in the Sustainability Committee ("SC"), comprises various Head of Departments as follows:

	No	Head of Departments	Designation
	1	Chief Executive Officer (CEO)	Chairman
	2	Plantation Director	Deputy Chairman
	3	Sustainability	Secretariat
	4	Plantation Controllers	Member
	5	Marketing	Member
	6	CEO's Office	Member
	7	Engineering	Member
	8	Estate Department	Member
	9	Agronomy	Member
	10	Legal & Secretarial	Member
	11	Administration (Foreign Labour Unit)	Member
	<p>The Sustainability Agenda guides THP towards becoming a sustainable and integrated palm oil player over the long term, including being fully MSPO certified in June 2019, MSPO SCCS certified in 2020 and maintaining a comprehensive Sustainability Policy (“the Policy”) as a platform to communicate the Group’s initiatives. The Policy formalises THP commitment to strengthening the Group’s Sustainability Agenda and guides THP towards adopting a holistic approach to business management. With the full support of the Board, THP confident that the Policy will achieve its aim as it is implemented in parallel with the full MSPO certification of the Group’s estates and mills. The Sustainability Policy is made available on THP’s website at www.thplantations.my.</p>		
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Intended Outcome

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

Practice 4.2

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>THP recognises the stakeholders as being key enablers who support the Group's business activities, contribute to the success and to whom THP owe a duty to care for and to share the value we create. Our approach to sustainability takes into consideration the long-term impact of our activities in relation to both the Group and our stakeholders. As such, THP proactively engage with the stakeholders. Approach to engage with the stakeholders is summarised below, which highlights their main concerns as well as THP's response.</p> <div data-bbox="560 969 1406 1350" style="border: 1px solid black; padding: 10px;"> <p>STAKEHOLDER GROUPS & ENGAGEMENT PLATFORMS</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;"> 1 Shareholders </td> <td style="width: 25%; text-align: center;"> 2 Directors </td> <td style="width: 25%; text-align: center;"> 3 Management </td> </tr> <tr> <td> <ul style="list-style-type: none"> Annual General Meetings Quarterly announcements Special meetings </td> <td> <ul style="list-style-type: none"> Quarterly and special Board meetings Quarterly and special Board Committee meetings </td> <td> <ul style="list-style-type: none"> Quarterly management and ad hoc meetings </td> </tr> <tr> <td style="text-align: center;"> 7 Local Authorities <small>(i.e. Malaysian Palm Oil Board ("MPOB"), DOSH, DOE, municipal councils, etc.)</small> </td> <td style="text-align: center;"> 6 Local Communities <small>(i.e. towns, villages)</small> </td> <td style="text-align: center;"> 5 Customers </td> </tr> <tr> <td> <ul style="list-style-type: none"> Monthly, annual and special reporting Forums </td> <td> <ul style="list-style-type: none"> Informal grievance channels Donation and community programmes Land management schemes </td> <td> <ul style="list-style-type: none"> Regular emails/in-person correspondence to discuss issues raised </td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"> 4 Employees </td> </tr> <tr> <td></td> <td></td> <td> <ul style="list-style-type: none"> 'Open-door' policy Company intranet, special briefings and bulletins Training </td> </tr> </table> </div> <div data-bbox="560 1406 1406 1917" style="border: 1px solid black; 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	<div style="border: 1px solid black; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center; margin: 0;">MANAGEMENT'S RESPONSE</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px; vertical-align: top;"> <p>①</p> <ul style="list-style-type: none"> • Refer to our Management Discussion & Analysis ("MD&A") on pages 8 to 13 and Audited Financial Statements on pages 79 to 202 • Product Quality and Operational Efficiency on pages 19 to 20 </td> <td style="width: 50%; padding: 5px; vertical-align: top;"> <p>④</p> <ul style="list-style-type: none"> • Occupational Safety and Health on pages 29 to 31 • Employee Welfare and Development on pages 32 to 33 • Human Rights on page 28 • Governance and Ethics on page 21 </td> </tr> <tr> <td style="padding: 5px; vertical-align: top;"> <p>②</p> <ul style="list-style-type: none"> • Refer to our MD&A on pages 8 to 13 and Audited Financial Statements on pages 79 to 202 • Governance and Ethics on page 21 </td> <td style="padding: 5px; vertical-align: top;"> <p>⑤</p> <ul style="list-style-type: none"> • Product Quality and Operational Efficiency on pages 19 to 20 • Traceability and Supply Chain Management on page 21 • Governance and Ethics on page 21 • Biodiversity and Conservation on pages 26 to 27 • NDPE Commitment on pages 26 to 27 </td> </tr> <tr> <td style="padding: 5px; vertical-align: top;"> <p>③</p> <ul style="list-style-type: none"> • Product Quality and Operational Efficiency on pages 19 to 20 • Traceability and Supply Chain Management on page 21 • Occupational Safety and Health on pages 29 to 31 • Effluents and Water Discharge Management on pages 22 to 23 • Waste Management on pages 23 to 25 • Employee Welfare and Development on pages 32 to 33 • Human Rights on page 28 • Water Management on page 25 </td> <td style="padding: 5px; vertical-align: top;"> <p>⑥</p> <ul style="list-style-type: none"> • Local Communities on page 34 • Biodiversity and Conservation on pages 26 to 27 • Effluents and Water Discharge Management on pages 22 to 23 <p>⑦</p> <ul style="list-style-type: none"> • Governance and Ethics on page 21 • Effluent and Water Discharge Management on pages 22 to 23 • Human Rights on page 28 • Occupational Safety and Health on pages 29 to 31 • Waste Management on pages 23 to 25 • Water Management on page 25 </td> </tr> </table> </div> <p>Throughout the process, THP recognised the limitations of our current stakeholder engagement scope. Nevertheless, THP has expanded and formalised additional platforms for engagement with the stakeholders, including formal stakeholder meetings at each complex level as well as the provision of grievance channels for the stakeholders to submit their concerns regarding the Group's operations.</p> <p>The Company has in 2021 based on the above framework undertaken various stakeholders' engagements and these are reported under pages 15 & 16 of the Annual Report 2021.</p>	<p>①</p> <ul style="list-style-type: none"> • Refer to our Management Discussion & Analysis ("MD&A") on pages 8 to 13 and Audited Financial Statements on pages 79 to 202 • Product Quality and Operational Efficiency on pages 19 to 20 	<p>④</p> <ul style="list-style-type: none"> • Occupational Safety and Health on pages 29 to 31 • Employee Welfare and Development on pages 32 to 33 • Human Rights on page 28 • Governance and Ethics on page 21 	<p>②</p> <ul style="list-style-type: none"> • Refer to our MD&A on pages 8 to 13 and Audited Financial Statements on pages 79 to 202 • Governance and Ethics on page 21 	<p>⑤</p> <ul style="list-style-type: none"> • Product Quality and Operational Efficiency on pages 19 to 20 • Traceability and Supply Chain Management on page 21 • Governance and Ethics on page 21 • Biodiversity and Conservation on pages 26 to 27 • NDPE Commitment on pages 26 to 27 	<p>③</p> <ul style="list-style-type: none"> • Product Quality and Operational Efficiency on pages 19 to 20 • Traceability and Supply Chain Management on page 21 • Occupational Safety and Health on pages 29 to 31 • Effluents and Water Discharge Management on pages 22 to 23 • Waste Management on pages 23 to 25 • Employee Welfare and Development on pages 32 to 33 • Human Rights on page 28 • Water Management on page 25 	<p>⑥</p> <ul style="list-style-type: none"> • Local Communities on page 34 • Biodiversity and Conservation on pages 26 to 27 • Effluents and Water Discharge Management on pages 22 to 23 <p>⑦</p> <ul style="list-style-type: none"> • Governance and Ethics on page 21 • Effluent and Water Discharge Management on pages 22 to 23 • Human Rights on page 28 • Occupational Safety and Health on pages 29 to 31 • Waste Management on pages 23 to 25 • Water Management on page 25
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<p>Explanation for departure :</p>							
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>							
<p>Measure :</p>							
<p>Timeframe :</p>							

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 Board has been in the forefront of the sustainability issues including climate-related risks by complying with Principal 5 in MSPO (Environment). This includes the monitoring of the Group’s Green House Gas (GHG) Emissions annually to ensure that the Group is in line with the goal of being an environmentally conscious company.</p> <p>THP is also continuously exploring other viable efforts in order to further reduce the GHG emissions and improve the day to day operations. This includes the adoption of the No Deforestation, Peat and Exploitation (NDPE) policy which is crucial in the environmental effort at a global level.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board duly recognises the significance of sustainability in its day to day operations. As such the Board has approved the formation of the Sustainability Department, an upgrade from a Sustainability Unit.</p> <p>The Board also acknowledges that sustainability is part of THP’s operation and not just an ‘add-on’ item. This is evidence by ensuring that THP complies with all the MSPO Principles which encompasses the ESG practices of the company.</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	:	The Head of Sustainability Department i.e. Mr Samshul Bahri Muhammad, has been appointed in order to manage sustainability as part of THP's operations.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The composition of the Board and the Board committees are reviewed periodically by the Nomination & Remuneration Committee.</p> <p>In 2021, the Nomination & Remuneration Committee had reviewed the existing Board composition based on the directors' backgrounds, skills and experiences, tenure, optimum size and diversity of gender.</p> <p>In the review, the Nomination & Remuneration Committee agreed to appoint Independent Non-Executive Directors who had the knowledge and expertise in the oil palm plantation industry. At present, there is only one director who is well versed with the knowledge of plantation i.e. Dato' Shari bin Osman. The Nomination & Remuneration Committee had recommended to the Board on the proposed appointment of new Independent Non-Executive Directors of THP namely, Bakri bin Jamaluddin, a full-fledged planter and Datuk Dr. Ahmad Kushairi bin Din, a prominent figure in the plantation industry.</p> <p>The Board approved their appointments with effect from 2 January 2022 and 18 March 2022 respectively. The Nomination & Remuneration Committee had further recommended to the Board on the proposed appointment of a new Independent Non-Executive Director of THP i.e. Muhammad Ramizu bin Mustaffa, a financial advisor and the Board had approved his appointment with effect from 5 April 2022.</p> <p>In relation to the re-election of Directors, the Nomination & Remuneration Committee reviewed the director's eligibility to stand for re-election based on the Board Evaluation Assessment ("BEA") 2021 conducted internally through questionnaires. The questionnaires, amongst others in relation to:</p> <ul style="list-style-type: none">• The Director's performance and contribution to the Board and Board Committees meetings;• The effectiveness of the Board and Board Committees meetings; and• The level of independence demonstrated by the Directors and their ability to act in the best interest of the Company.

	<p>Based on the assessment conducted, the Nomination & Remuneration Committee is satisfied with the performance of Director who stand for re-election at the forthcoming 48th AGM of THP scheduled to be held in June 2022, namely Tan Sri Abu Talib bin Othman, who is due for retirement by rotation under Clause 89 of the Company's Constitution.</p> <p>Tan Sri Abu Talib bin Othman has demonstrated his dedication, commitment and diligence as Chairman of the Board, as well as effectively contribute sound and wise advice in all Board deliberations.</p> <p>However, Tan Sri Abu Talib bin Othman has expressed his intention not to seek for re-election at the 48th AGM of the Company. Hence, Tan Sri Abu Talib bin Othman will retire as the Chairman and Non-Independent Non-Executive Director of THP at the conclusion of the 48th AGM of the Company.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied																
Explanation on application of the practice	:	As at 31 December 2021, there are five (5) members of the Board, of whom two (2) are Independent Non-Executive Directors and the remaining three (3) are Non-Independent Non-Executive Directors, including an Alternate Director, details as follows:																
		<table border="1"><thead><tr><th>Designation</th><th>No. of Directors</th><th>%</th></tr></thead><tbody><tr><td>Executive Director</td><td>Nil</td><td>Nil</td></tr><tr><td>Independent Non-Executive Director</td><td>2</td><td>40</td></tr><tr><td>Non Independent Non-Executive Director</td><td>3</td><td>60</td></tr><tr><td>Total</td><td>5</td><td>100</td></tr></tbody></table>	Designation	No. of Directors	%	Executive Director	Nil	Nil	Independent Non-Executive Director	2	40	Non Independent Non-Executive Director	3	60	Total	5	100	
Designation	No. of Directors	%																
Executive Director	Nil	Nil																
Independent Non-Executive Director	2	40																
Non Independent Non-Executive Director	3	60																
Total	5	100																
		On 2 January 2022, Haji Bakri bin Jamaluddin had been appointed as an Independent Non-Executive Director of the Company. With the said appointment, the Board comprised 50% of Independent Directors.																
		To further strengthen the number of Independent Directors on the THP Board, the Board had approved the appointment of Datuk Dr. Ahmad Kushairi bin Din and Muhammad Ramizu bin Mustaffa as the Independent Non-Executive Directors of THP with effect from 18 March 2022 and 5 April 2022 respectively.																
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	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: The tenure of Independent Directors of THP is nine (9) years as set out in its Board Charter, which can be accessed on THP's website at www.thplantations.my . As at 31 December 2021, THP has two (2) Independent Non-Executive Directors and none of them have exceeded the maximum nine (9) year.

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><u>Appointment of Director</u></p> <p>The Board remains focused on enhancing the diversity of Directors' perspectives. Directors are chosen for their corporate leadership skills, experience and expertise. Diversity of experience in business as well as academic backgrounds are also considered. The right blend of skills and experience is crucial in ensuring the attainment of long-term value for THP's Shareholders.</p> <p>All candidates are tabled to the Nomination & Remuneration Committee and later the Nomination & Remuneration Committee will recommend the candidates for approval by the Board.</p> <p>During the financial year 2021, the Board had appointed new members of the Board as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Date Appointed</th></tr></thead><tbody><tr><td>Dato' Sri Amrin bin Awaluddin as a Non Independent Non-Executive Director</td><td>1 July 2021</td></tr><tr><td>Tengku Dato' Sri Hasmuiddin bin Tengku Othman as a Non Independent Non-Executive Director</td><td>30 September 2021</td></tr></tbody></table> <p>On 2 January 2022, the Board had appointed an additional member to the Board i.e. Haji Bakri bin Jamaluddin. Subsequently, Datuk Dr. Ahmad Kushairi bin Din and Muhammad Ramizu bin Mustaffa were appointed to the THP Board with effect from 18 March 2022 and 5 April 2022 respectively.</p>	Name	Date Appointed	Dato' Sri Amrin bin Awaluddin as a Non Independent Non-Executive Director	1 July 2021	Tengku Dato' Sri Hasmuiddin bin Tengku Othman as a Non Independent Non-Executive Director	30 September 2021
Name	Date Appointed							
Dato' Sri Amrin bin Awaluddin as a Non Independent Non-Executive Director	1 July 2021							
Tengku Dato' Sri Hasmuiddin bin Tengku Othman as a Non Independent Non-Executive Director	30 September 2021							

	<p>The Board acknowledged the need to improve gender diversity and will continue efforts to seek female candidates to take up Board positions in order to reach at least 30 percent female representation on the Board.</p> <p><u>Appointment of Senior Management</u></p> <p>In respect of the appointment of Senior Management, the same process will take place, i.e. the candidates are first tabled to the Nomination & Remuneration Committee prior to the recommendation for approval by the Board.</p> <p>During the financial year 2021, the Board had appointed a new Chief Executive Officer and a new Chief Financial Officer of the Company as follows:</p> <table border="1" data-bbox="560 745 1407 965"> <thead> <tr> <th data-bbox="560 745 892 779">Position</th> <th data-bbox="892 745 1407 779">Name</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 779 892 891">Chief Executive Officer</td> <td data-bbox="892 779 1407 891">Mohamed Zainurin bin Mohamed Zain (Appointed w.e.f 1 October 2021)</td> </tr> <tr> <td data-bbox="560 891 892 965">Chief Financial Officer</td> <td data-bbox="892 891 1407 965">Shahrizal bin Suhainy (Appointed w.e.f 1 October 2021)</td> </tr> </tbody> </table>		Position	Name	Chief Executive Officer	Mohamed Zainurin bin Mohamed Zain (Appointed w.e.f 1 October 2021)	Chief Financial Officer	Shahrizal bin Suhainy (Appointed w.e.f 1 October 2021)
Position	Name							
Chief Executive Officer	Mohamed Zainurin bin Mohamed Zain (Appointed w.e.f 1 October 2021)							
Chief Financial Officer	Shahrizal bin Suhainy (Appointed w.e.f 1 October 2021)							
<p>Explanation for departure :</p>								
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>								
<p>Measure :</p>								
<p>Timeframe :</p>								

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Although the Group does not utilise independent sources to identify suitably qualified candidates to the Board, it considers that its various networks within Lembaga Tabung Haji, existing Directors and Management of all related companies, provide a healthy pipeline of independently sourced candidates for consideration.	
		Once sourced, each candidate is thoroughly assessed for their independence and nominations are only made once the Nomination & Remuneration Committee is comfortable with its selection, ensuring at all times that all criteria set are fulfilled and that the nominated Director is able to bring the right balance of experience, knowledge and value to the Board.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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 profiles of each Director of THP, including new Directors are set out on pages 35 to 43 of the Annual Report 2021. Their profiles consist of their age, gender, directorships in other companies, working experience, shareholdings and any conflict of interest with THP, if any.</p> <p>Based on the recommendation of the Nomination & Remuneration Committee, the Board has approved the appointment of the following new Directors on the Board of THP as follows:</p> <ol style="list-style-type: none">i. Dato' Sri Amrin bin Awaluddin was appointed to the Board with effect from 1 July 2021 as a Non-Independent Non-Executive Director of THP representing Lembaga Tabung Haji ("TH"). His appointment to the Board stemmed from his appointment as the Group Managing Director/Chief Executive Officer of TH replacing Datuk Nik Mohd Hasyudeen bin Yusoff who had resigned as the Group Managing Director/Chief Executive Officer of TH.ii. Tengku Dato' Seri Hasmuiddin bin Tengku Othman was appointed to the Board with effect from 30 September 2021 as a Non-Independent Non-Executive Director of THP representing TH. His appointment to the Board was based on his vast experience and knowledge in corporate commercial law and Islamic banking. He also contributes to the Board Committees namely, Audit & Risk Management Committee, Nomination & Remuneration Committee and Tender Committees 'A' and 'B' of THP.iii. Haji Bakri bin Jamaluddin was appointed to the Board with effect from 2 January 2022 as an Independent Non-Executive Director of THP. He was appointed to the Board due to his vast experience in plantation.iv. Datuk Dr. Ahmad Kushairi bin Din was appointed to the Board with effect from 18 March 2022 as an Independent Non-Executive Director of THP. He was appointed by virtue of his vast experience, knowledge and reputation in the plantation industry.

	v. Muhammad Ramizu bin Mustaffa was appointed to the Board with effect from 5 April 2022 as an Independent Non-Executive Director of THP. He had vast experience in corporate finance and accounting.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Nomination & Remuneration Committee is Dato' Shari bin Haji Osman, an Independent Non-Executive Director of THP. He has held the position since 26 November 2019.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As at 31 December 2021, there is no woman Director on the Board.	
		<p>The Board fully supports gender diversity although there is no woman Director on the Board. The issue of lack of woman director on the Board was discussed and given prominence during deliberations by the Nomination & Remuneration Committee and the Board.</p> <p>The Board shall appoint a woman director when a suitable and qualified candidate is identified.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As at 31 December 2021, THP has yet to formalize a policy on Gender Diversity.	
	:	<p>The Board fully supports gender diversity although a formal policy is not in place and there is no woman Director on the Board.</p> <p>However, THP has always acknowledged the contribution of female employees in the organisation and had increased gender diversity within its Senior Management Team.</p> <p>As at 31 December 2021, THP had increased the number of Heads of Departments/Units who were women i.e. from two (2) to four (4) out of fifteen (15) departments/units or representing 26% of the Senior Management Team.</p> <p>One woman from the Senior Management sits on the Board of several THP subsidiaries.</p>	
<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	: During the financial year 2021, the Board conducted its Board Effectiveness Assessment ("BEA"). The BEA was conducted internally through questionnaires. The questionnaires were based on the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad. Details of the appraisal process and actions are set out on page 56 of the Annual Report 2021.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is mindful of the need to ensure the remuneration package for Directors are competitive to attract and retain Directors and Senior Management of good calibre and integrity with the appropriate qualifications, skills and experience needed to run the Group's operations effectively.</p> <p>The Remuneration Policy & Procedures For the Directors and Senior Management of THP is made available on THP's website at www.thplantations.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Nomination & Remuneration Committee which consists of three (3) members, comprising of fully Non-Executive Directors.</p> <p>The Terms of Reference of the Nomination & Remuneration Committee are available on THP's website at www.thplantations.my.</p> <p>Please refer to pages 54 to 59 of the Annual Report 2021 for details on the Nomination & Remuneration Committee Report for the year under review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	THP has been disclosing in detail, on a named basis, the remuneration of THP's individual directors which includes fees at the Company and Group level, meeting allowances, salary, bonus, other emoluments and benefits in-kind such as medical and insurance coverage. Details of the remuneration (including benefits-in-kind) for each Director are disclosed on pages 58 to 59 of the Annual Report 2021.

No	Name	Directorate	TH Plantations Berhad ('000)							TH Plantations Berhad 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 ABU TALIB BIN OTHMAN	Chairman & Non-Executive Non-Independent Director	144,000	13,000	-	-	9,439	-	166,439	324,000	16,500	-	-	9,439	-	349,939
2	DATO' SRI AMRIN BIN AWALUDDIN <i>(Appointed on 1 July 2021)</i>	Non-Executive Non-Independent Director	-	6,000	-	-	-	-	6,000	-	6,000	-	-	-	-	6,000
3	YM TENGKU DATO' SERI HASMUDDIN BIN TENGKU OTHMAN <i>(Appointed on 30 September 2021)</i>	Non-Executive Non-Independent Director	17,361	9,000	-	-	36	-	26,397	21,861	9,000	-	-	36	-	30,897
4	MOHD ADZAHAR BIN ABDUL WAHID	Independent Director	84,000	32,000	-	-	3,534	-	119,534	192,000	36,000	-	-	3,534	-	231,534
5	DATO' SHARI BIN HAJI OSMAN	Independent Director	72,000	43,000	-	-	8,481	-	123,481	93,000	44,000	-	-	8,481	-	145,481
6	DATUK DR. AHMAD KUSHAIRI BIN DIN <i>(Appointed on 18 March 2022)</i>	Independent Director	N/A	N/A	-	-	N/A	-	N/A	N/A	N/A	-	-	N/A	-	N/A

7	BAKRI BIN JAMALUDDIN <i>(Appointed on 2 January 2022)</i>	Independent Director	N/A	N/A	-	-	N/A	-	N/A	N/A	N/A	-	-	N/A	-	N/A
8	MUHAMMAD RAMIZU BIN MUSTAFFA <i>(Appointed on 5 April 2022)</i>	Independent Director	N/A	N/A	-	-	N/A	-	N/A	N/A	N/A	-	-	N/A	-	N/A
9	DZUL EFFENDY BIN AHMAD HAYAN <i>(Resigned on 30 September 2021 and Appointed as Alternate Director to YM Tengku Dato' Seri Hasmuddin bin Tengku Othman on 5 October 2021)</i>	Non-Executive Non-Independent Director	-	28,000	-	-	-	-	28,000	-	28,000	-	-	-	-	28,000
10	DATUK NIK MOHD HASYUDEEN BIN YUSOFF <i>(Resigned on 13 August 2021)</i>	Non-Executive Non-Independent Director	18,204	7,000	-	-	-	-	25,204	18,204	7,000	-	-	-	-	25,204
11	DATO' INDERA DR. MD YUSOP BIN OMAR <i>(Retired on 24 June 2021)</i>	Independent Director	34,800	12,000	-	-	10,236	-	57,036	39,606	13,250	-	-	10,236	-	63,092

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the view that such disclosure would detriment to the Group given the highly competitive nature of the industry. Disclosure could result in poaching of performing management staff and unnecessary increases in the remuneration costs for under-performing staff.</p> <p>As an alternative to the recommended practice, the Board has opted to disclose the Remuneration Policy & Procedures for the Directors and Senior Management which is made available on THP's website at www.thplantations.my.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Audit & Risk Management Committee is Mohd Adzahar bin Abdul Wahid and he is also the Senior Independent Non-Executive Director.</p> <p>Mohd Adzahar is a Chartered Accountant by profession. He is also a Fellow of the Association of Chartered Certified Accountants (UK), a member of the Malaysian Institute of Accountants, a member of the Financial Planning Association of Malaysia and a member of the Harvard Business School Alumni of Malaysia. He has a vast experience in the field of accounting, auditing, finance and corporate services.</p> <p>The Chairman of the Audit & Risk Management Committee is not the Chairman of the Board, so as not to impair the objectivity of the Board's views on the Audit & Risk Management Committee's findings and recommendations.</p> <p>The composition and activities of the Audit & Risk Management Committee are outlined in the Audit & Risk Management Committee Report as disclosed on pages 59 to 62 of the Annual Report 2021.</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 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	:	<p>The Terms of Reference of the Audit & Risk Management Committee have stated a provision that any former audit partner of the Company's external auditors is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit & Risk Management Committee.</p> <p>Currently, none of the members of the Audit & Risk Management Committee is a former audit partner of the Company's external auditors.</p> <p>Profiles of the members of the Audit & Risk Management Committee are disclosed on pages 37, 38, 39 and 41 of the Annual Report 2021.</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 an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit & Risk Management Committee conducts assessment on the suitability, objectivity and independence of the Company's external auditors. The assessment is based on the Audit & Risk Management Committee's Terms of Reference under its functions and responsibilities, among others:-</p> <ol style="list-style-type: none">i. To review and consider the appointment, resignation and dismissal of external auditor(s) and make appropriate recommendations to the Board including the audit fees;ii. To consider the information presented in the Annual Transparency Report of the external audit firm;iii. To review audit scope, plan, reports and management letters presented by the external auditors;iv. To discuss issues arising from the interim and final audit and any other matters that external auditor may wish to discuss, in the absence of management, if necessary. <p>During the financial year 2021:-</p> <ol style="list-style-type: none">i. The Audit & Risk Management Committee had reviewed the adequacy, competency and experience of external auditors assigned to the audit engagement, audit quality and effectiveness and also audit fees and re-appointment to be recommended to the Board;ii. The Audit & Risk Management Committee had considered the information of the Annual Transparency Report presented by the external auditors;iii. The Audit & Risk Management Committee had reviewed the scope of audit work and plan, results of the audit reports and management letters presented by the external auditors; <p>Significant issues from the external auditor's reports and management letter are presented and deliberated by the Audit & Risk Management Committee in its meeting with the presence of the Senior Management.</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 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 :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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 & Risk Management Committee members collectively possess a wide range of necessary skills to discharge their duties and are financially literate, competent and able to understand matters under the purview of the Audit & Risk Management Committee.</p> <p>The Chairman of the Audit & Risk Management Committee is a Chartered Accountant by profession. He is also a Fellow of the Association of Chartered Certified Accountants (UK), a member of Malaysian Institute of Accountants, a member of the Financial Planning Association of Malaysia and a member of the Harvard Business School Alumni of Malaysia. He has a vast experience and knowledge in the field of accounting, auditing, finance and corporate services.</p> <p>The other two members of the Audit & Risk Management Committees, have experience and knowledge in the plantation industry and experience and knowledge in corporate legal and risk management respectively.</p> <p>The relevant qualifications and experience of each member of the Audit & Risk Management Committee are disclosed on pages 37, 38, 39 and 41 of the Annual Report 2021.</p> <p>The members of the Audit & Risk Management Committee have undertaken continuous professional development and during the financial year 2021, the members had attended trainings relevant to their roles as listed below:-</p>

	Training Program Title	Date	Organiser
	Audit Oversight Board	6 December 2021	Securities Commission of Malaysia
	Corruption Risk Management	23 – 24 February 2021	Asia School of Business & Iclif Executive Education Centre
	Companies Act, 2016 & Limited Liability Partnerships Act, 20112	25 February 2021	Companies Commission of Malaysia
	16 th Kuala Lumpur Islamic Finance Forum 2021	9-10 March 2021	Centre for Research and Training - CERT Events Sdn. Bhd.
	<i>Muzakarah Penasihat Syariah Kewangan Islam 2021 Kali Ke-14</i>	11 March 2021	Centre for Research and Training - CERT Events Sdn. Bhd.
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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board affirms its overall responsibility in maintaining a sound system of risk management and internal control framework to safeguard the interest of the Group's shareholders and assets. The Board's focus is on effective risk oversight by setting the tone and culture towards effective risk management and internal control.</p> <p>The intention of establishing such framework is to provide the Board with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is properly identified, evaluated and mitigated.</p> <p>The Board has assigned the Audit & Risk Management Committee to perform the oversight function in evaluating the performance and effectiveness of the risk management and internal control framework.</p> <p>The Board also recognises that such framework needs constant reviews and designed to manage and reduce the risks to acceptable levels, rather than to eliminate it. Thus, the implementation of the framework should only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss, fraud and breaches of laws or regulations.</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 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	:	<p>The risk management framework involves three (3) basic processes which are:-</p> <ol style="list-style-type: none">1. Risk identification and tolerance;2. Risk evaluation and treatment;3. Risk monitoring and reporting. <p>It is a continuous cycle of processes that would ensure continuous improvement on the adequacy and effectiveness of the risk management framework and its implementation.</p> <p>The internal control system is designed to protect integrity of assets, promotes accountability and increase efficiency of operations within the Group's risk management framework. The system has been developed and maintained based on the industry's best practices and guidelines and relevant laws, rules and regulations to control and mitigate risks according to risks appetite set and approved by the Board. This system would be continuously reviewed, monitored and updated to reflect current and future business needs and requirements.</p> <p>The Group has designed and implemented a sound system of internal control that enable the business to be operated in an effective and efficient manner in order to achieve the Group's business objectives and to safeguard its interests which include these key elements:-</p> <ol style="list-style-type: none">1. Board oversight function;2. Policies and procedures;3. Organisational structure and authority;4. Human capital management;5. Performance review and monitoring;6. Tender and procurement management. <p>More comprehensive features of the Group's risk management and internal controls, and its adequacy and effectiveness are elaborated further in the Statement on Risk Management and Internal Control on pages 64 to 69 of the Annual Report 2021.</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 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	:	<p>Since November 2017, the responsibility to oversee the Group's risk management and internal control framework and policies was placed under the purview of the Audit Committee.</p> <p>In December 2021, the Board renamed the Audit Committee as the Audit & Risk Management Committee to recognise the importance of the risk management framework and policies. The Terms of Reference of the Audit & Risk Management Committee was also revised and expanded to include additional responsibilities. Its main roles and functions are to oversee the Group's financial reporting and performance oversight, internal and external audit functions and risk management and internal control oversight.</p> <p>Currently, the Audit & Risk Management Committee has four (4) members and majority of them are Independent Non-Executive Directors.</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 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 existence of the internal audit function is to provide the Board, through the Audit & Risk Management Committee, with independent and objective assurance with regards to the performance and effectiveness of risk management, internal control and governance of the Group. Its primary function is to support and assist in discharging the duties and responsibilities of the Audit & Risk Management Committee. The internal audit function is independent from the operational and financial activities of the Group.</p> <p>The Audit & Risk Management Committee has the authority to review and approve the internal audit's scope of work, plan, reports and budgets. The committee also has the authority in evaluating the performance of the internal audit function, appointment and removal of the internal audit personnel.</p> <p>The internal audit function is governed by the Group's internal audit charter that enables them to have sufficient authority and access to the information and guided by the internal audit standards set out by the Institute of Internal Auditors to ensure the quality of their works.</p> <p>The Audit & Risk Management Committee is satisfied with the overall performance of the Group's internal audit function and its resources to perform their functions effectively and independently.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit Department's functions is independent from the operational and financial activities of the Group and shall remain free from interference by any elements within Group. It has no direct or indirect operational responsibility or authority over any of the activities operated by the Group.</p> <p>All internal audit personnel are free from any relationships or conflicts of interest, except one (1) personnel that have family ties with the Group's Head of Mill & Engineering Department. In maintaining the independence and objectivity of the internal audit function, that personnel will not be included in any audit engagement with the Mill & Engineering Department including its palm oil mills.</p> <p>The Head of Internal Audit Department is Mohd Badli Shah bin Mohd Said. He holds a Bachelor Degree in Accounting & Business from the University of Sunderland, United Kingdom and a Post-graduate Degree of Master in Business Administration from the University of Malaya, Kuala Lumpur. He is a member of the Institute of Internal Auditors Malaysia.</p> <p>There are 8 internal audit executives and 1 clerical staff supporting the Head of Internal Audit Department, all of whom are qualified and possess the required skills, competencies, knowledge and experience to perform internal audit function. In addition, the internal audit personnel had also participated in several trainings and webinar to enhance their knowledge and competencies during the year 2021. All executives are member of the Institute of Internal Auditors Malaysia.</p> <p>The Internal Audit Department's activities are carried out according to the Group's internal audit charter, internal audit standards and annual internal audit planning that was approved by the Audit & Risk Management 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 :		

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>The Board acknowledges the importance of an effective communication channel between itself, stakeholders, institutional investors and the investing public at large to provide a clear picture of the Group's performance and position. THP is committed to maintaining high standards in the dissemination of relevant and material information on the Group in order to maintain an effective, comprehensive, timely and continuing disclosure of information.</p> <p>The timely release of financial results on a quarterly basis provides the investors with an up-to-date view of the Group's performance and operations. The release of the quarterly financial results to Bursa Securities is accompanied by a press release.</p> <p>Shareholders are welcomed to raise queries by contacting the Company at any time throughout the year and need not wait for the AGM for such an opportunity.</p> <p>The contact information is available on THP's website at www.thplantations.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	This Practice is not applicable to THP as we are not considered a large company.	
		However, in reflecting its value creation process and principles, THP has committed itself to sustainability reporting. The Company’s approach to sustainability reporting is detailed in its Sustainability Statement which is disclosed on pages 14 to 34 of the Annual Report 2021.	
<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>Notice of the 47th AGM of THP was issued more than 28 days prior to the meeting i.e. notice of the 47th AGM was issued on 30 April 2021 and the 47th AGM was held on 24 June 2021.</p> <p>In view of the COVID-19 pandemic and as part of safety measures, the 47th AGM was held on a fully virtual basis via live streaming from the Broadcast Venue at Dewan Perkasa, Level 34, Platinum East Tower, No. 9 Persiaran KLCC, 500 Kuala Lumpur and through the Remote Participation and Voting (“RPV”) facilities.</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 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>At the 47th AGM, all Directors of THP, members of the Board Committees, CEO, Company Secretary, external auditors, independent valuers and the Management of THP were present remotely via RPV at the said 47th AGM.</p> <p>Shareholders of THP were allowed to submit question(s) to the Company via email to info@thplantations.com prior to the 47th AGM. During the 47th AGM, shareholders of THP may submit question(s) (typed texts) to the messaging window via RPV facilities during the live streaming.</p> <p>The Chairman and the CEO responded to all the relevant questions submitted by the shareholders of THP on every resolution tabled at the AGM before putting them for voting.</p> <p>The minutes of 47th AGM was published on THP's website at www.thplantations.my</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 13.3

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>The 47th AGM was held on a fully virtual basis via a live streaming from the broadcast venue at Dewan Perkasa, Level 34, Platinum East Tower, No. 9 Persiaran KLCC, 50088, Kuala Lumpur and through the RPV facilities.</p> <p>The RPV facilities allowed the shareholders of THP to attend, speak (in the form of real time submission of typed texts) and vote at the 47th AGM remotely in the comfort of their homes.</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>The Chairman of the Board chaired the 47th AGM. All Directors and Senior Management were present at the 47th AGM to respond to the questions raised by the shareholders or proxies.</p> <p>During the 47th AGM, the CEO presented the Company's operational and financial performance for the financial under review as well as the Company's strategic recovery plan.</p> <p>The presentation is supported by visual and graphical presentation of key financial figures and key operational highlights to facilitate the shareholders' understanding and analyses of the Company's performance.</p> <p>The Chairman had given the shareholders/proxies the opportunity to pose questions at the end of each Agenda items of the 47th AGM.</p> <p>THP had responded to 12 questions during the 47th AGM from 10.00 am to 11.20 am on 24 June 2021.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>For the 47th AGM, THP had engaged the Company's Share Registrars i.e. the Boardroom Share Registrars Sdn. Bhd. ("Boardroom") to provide the services to broadcast the proceedings of the 47th AGM virtually. It was live streamed via RPV facilities/Lumi AGM.</p> <p>The Boardroom also had been appointed as the Poll Administrator and Mega Corporate Services Sdn. Bhd. as the Independent Scrutineers to verify the results of the e-Polling.</p> <p>Questions posed by the shareholders during the 47th AGM were displayed on the screen as and when the Chairman and the CEO provided their responses to the respective questions.</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	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Minutes of the 47 th AGM was duly confirmed and signed by the Chairman and thereafter were uploaded on the Company's website together with the 47 th AGM's slides presentation on 25 August 2021.
	:
<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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