

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5151  
**COMPANY NAME** : Hextar Global Berhad  
**FINANCIAL YEAR** : December 31, 2021

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("the Board") of Hextar Global Berhad ("Hextar" or "the Company") oversees the Group's business and its performance and is collectively responsible for the Group's long-term sustainability and success. The Board meets regularly to review the corporate strategies, operations and performance of the Group's business segments in agriculture, consumer products and specialty chemicals, to contribute their independent judgement to bear on issues of performance, resources, standards of conduct and strategies on economic, environmental and social considerations underpinning sustainability.</p> <p>The responsibilities of the Board include formulating and reviewing the Group's strategic plans of each business segments and ensuring that the necessary resources are in place for the Group to achieve its objectives. Amongst others, the Board assumes the following during the year under review:</p> <ul style="list-style-type: none"><li>➤ The Board is responsible to review and challenge the management's proposals for the company, and monitor the management's implementation of the proposals. For effective oversight, the Executive Directors, Dato' Ong Choo Meng and Madam Lee Chooi Keng, update the Board regularly on the progress of the approved strategies and plans. The Board also receives reports, updates, and recommendations from the Board Committees on the governance and development of the Company.</li><li>➤ Based on the management's proposals, the Board had reviewed, deliberated and approved the bonus issue of up to 492,407,738 new ordinary shares in Hextar on the basis of 3 bonus shares for every 5 existing ordinary shares in Hextar, acquisitions of Chempro Technology (M) Sdn Bhd and Alpha Aim (M) Sdn Bhd, Nobel Synthetic Polymer Sdn Bhd and Nobel Scientific Sdn Bhd, Hextar Kimia Sdn Bhd (formerly known as ENRA Kimia Sdn Bhd) and its</li></ul>

	<p>subsidiary companies, Hextar Agriculture Sdn Bhd and Tufbond Technologies Sdn Bhd, diversification of business activities into specialty chemicals and application of digital banking licence.</p> <ul style="list-style-type: none"> <li>➤ The Board and the management are responsible for ensuring that a sound internal control and risk management framework is established to assess and manage the Group’s risks.</li> <li>➤ To discharge the Board’s duties and roles effectively, the Board has delegated certain responsibilities to the following Board Committees:- <ul style="list-style-type: none"> <li>(i) Audit Committee (“AC”);</li> <li>(ii) Risk Management Committee (“RMC”);</li> <li>(iii) Nomination Committee (“NC”);</li> <li>(iv) Remuneration Committee (“RC”); and</li> <li>(v) Whistleblowing Committee.</li> </ul> </li> </ul> <p>The Board Committees oversee and review all matters as set out in the Terms of Reference (“TOR”) and make necessary suggestion and recommendations to the Board for consideration and approval. During the year under review, Whistleblowing Committee did not received any reports of whistle-blower cases.</p> <ul style="list-style-type: none"> <li>➤ The Board Committees invite the members of the Board to the meetings to receive updates from the external parties, such as External Auditors and Internal Auditors, and to provide necessary clarification to the respective Committees for their assessment and suggestion for improvement.</li> <li>➤ The Board is kept apprised of the activities of the Board Committees through the circulation of minutes of Board Committee meetings and update on meeting deliberations and decisions by the respective Chairperson of the Board Committees at each Board meeting.</li> <li>➤ The Board is also reviewing performances, appointments, training and succession plan of Senior Management within the Group.</li> </ul> <p>With the support of the Board Committees and Senior Management, the Board is able to discharge its roles and responsibilities more effectively and efficiently.</p> <p>The roles and responsibilities of the Board and Board Committees are set out in the Board Charter and Board Committees’ TORs respectively which are available on the corporate website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

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

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Y.D.H Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir, Independent Non-Executive Chairman of the Company, is leading the Board and primary responsible for all matters pertaining to the Board and the overall conduct of the Group, and to ensure that the Board is discharging their duties and responsibilities effectively.</p> <p>Besides the key roles and responsibilities of the Chairman as stated in the Board Charter, other key responsibilities are as follows:</p> <ul style="list-style-type: none"><li>(i) leading the Board in the adoption and implementation of good corporate governance practices;</li><li>(ii) ensuring Board meetings are carried out effectively, including setting Board agenda and that Board members receive complete, accurate and clear information in a timely manner;</li><li>(iii) leading Board meetings and ensuring that the adequate time is available throughout deliberation of key issues;</li><li>(iv) ensuring that all strategic and critical issues are discussed and considered throughout by the Board;</li><li>(v) encouraging the Board members to provide suggestions and comments from Directors and management in allowing dissenting views to be freely expressed during the discussion;</li><li>(vi) managing the interface between the Board and management and to develop a positive relationship with the Executive Directors;</li><li>(vii) ensuring appropriate steps are taken to provide effective communication with stakeholders.</li></ul> <p>The Chairman is encouraging to conduct Non-Executive Directors' meeting at least annually in order to discuss on strategic, governance and operational issues and highlight discussion feedback and suggestions to the Executive Directors and the Senior Management for enhancement and improvement.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of the Chairman and the Executive Directors in the Company are held by different individuals with their respective roles and responsibilities clearly stated in the Board Charter of the Company to achieve a check and balance of power and authority between the Chairman and Executive Directors.</p> <p>Y.D.H Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir is the Independent Non-Executive Chairman whilst Dato' Ong Choo Meng and Madam Lee Chooi Keng are the Executive Directors.</p> <p>The Chairman of the Board leads the Board members in the adoption and implementation of compliance and governance of Company, whereas the Executive Directors oversee and manage daily operations of the Group, as well as the developing and implementation of the Group's strategies, Board's suggestion, decisions and policies.</p> <p>The key roles and responsibilities of the Chairman and Executive Directors are set out in the Board Charter, which is available on the corporate website corporate website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: <p>During the financial year 2021, the Independent Non-Executive Chairman, Y.D.H Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir, is also a member of Audit Committee ("AC"), Nomination Committee ("NC") and Chairperson of Remuneration Committee ("RC").</p> <p>The Company recognises the significance value of the Independence where the Chairman of the Board shall not be a member of AC, NC, and RC.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b>	: <p>As an alternative plan, the Company had, on 21 February 2022, combined both NC and RC into NRC and the composition comprises the following:</p> <p><b>Chairman</b> Liew Jee Min @ Chong Jee Min (Independent Non-Executive Director)</p> <p><b>Members</b> Y.D.H Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir (Independent Non-Executive Chairman)</p> <p>Yeoh Chin Hoe (Senior Independent Non-Executive Director)</p> <p>Currently, Y.D.H Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir is a member of AC and NRC. The Board opined that the Chairman holds Independent and Non-Executive position in Hextar which will not impair the objectivity when deliberating on the observations and</p>



	<p>recommendation put forth by the Board Committees. The other two members of AC and NRC are Independent Non-Executive Directors, who will provide check and balance to the objectivity of its decisions. Nonetheless, the ultimate responsibility of the Board Committees' decisions and recommendations still lies with the entire Board.</p> <p>However, the NRC will continue to review Board composition annually and evaluate the need to enlarge the Board size as and where required.</p>	
<b>Timeframe</b>	:	3 years

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by three qualified Company Secretaries pursuant to Section 235(2) of the Companies Act 2016, two of whom are the members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), namely Ms Lim Hooi Mooi and Ms Ong Wai Leng, and one member of the Malaysian Institute of Accountants ("MIA"), Ms Phan Nee Chin, Financial Controller of the Company.</p> <p>The Company Secretary is responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with.</p> <p>The Company Secretary and/or their representatives are required to attend all Board, Board Committee meetings and General Meetings, and that accurate proper records of the proceedings and resolutions passed are made and maintained accordingly.</p> <p>Under the direction of the Board, the Company Secretary's responsibilities include ensuring good information flows with the Board and its Board Committees and between management and Independent and Non-Executive Directors, and advising the Board on all governance matters, including but not limited to:-</p> <ul style="list-style-type: none"><li>(a) attending Board and Board Committees meetings and ensuring that the proceedings of meetings are recorded, and that the minutes of meetings accurately reflect the deliberations and decisions made by the Board and Board Committees;</li><li>(b) ensuring the compliance of regulatory requirements by providing updates on Listing Requirements and the Companies Act 2016 to the Board;</li><li>(c) advising and reminding the Directors of their obligations to disclose their interest in securities, any conflict of interest and related party transactions;</li><li>(d) advising and reminding the Directors on the prohibition on dealing in securities during closed period and the restriction on disclosure of price sensitive information;</li><li>(e) supporting the Board by ensuring adherence to Board practices and procedures, rules, relevant laws and best practices on Corporate Governance;</li></ul>

	<p>(f) maintaining a secured retrieval system which stores meeting papers and minutes of the Board and Board Committees;</p> <p>(g) facilitating the annual assessment of the Board and Board Committees, Independent Directors, Individual Directors, External Auditors and outsourced Internal Auditors;</p> <p>(h) advising the Board on the requirements for timely disclosure of material announcements to Bursa Malaysia Securities Berhad; and</p> <p>(i) advising the Company and the Board on corporate disclosures as well as compliance with securities and listing regulations pertaining.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 1.6

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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>A full year corporate calendar, which sets out the meeting dates of the Board, Board Committees and Annual General Meeting ("AGM") as well as the closed period reminders, is prepared and circulated to the Directors before the start of each calendar year to allow Directors to plan ahead to attend such meetings which are held quarterly in each year.</p> <p>The Chairman together with the Company Secretary ensure that all Directors are provided with a structured agenda together with management reports and Board papers at least five (5) business days prior to the meeting.</p> <p>The meeting papers contain with relevant information are accurate, clear, comprehensive, and timely which enable the Directors to discharge their duties effectively.</p> <p>In order for meetings to be effective, the meeting agenda is organised by taking into consideration the complexity of the proposals or matters to be deliberated. An indication will be provided to guide the Board and/or Board Committees as to whether the matters are for approval, discussion or for notation purpose with time allocation determined for each agenda item in order for the meetings to be conducted efficiently.</p> <p>To assist the Board in fulfilling its responsibilities, management provides the Board with reports containing complete, adequate, and timely information prior to Board meetings. The Board also receives quarterly reports on the financial performance of the Group, strategy implementation updates, key operational matters, internal audit progress, and risk management. Board and Board Committees papers are disseminated electronically. Information provided includes background or explanatory materials related to matters to be reviewed and matters under review by the Board, copies of disclosure documents, internal audit updates, quarterly financial reports, and cash flow projection.</p> <p>The Corporate Calendar of the Company has scheduled at least five board meetings shall be held whereas a total of 10 board meetings were held in 2021 to deliberate and approve material matters such as business planning, corporate exercises on bonus issue, diversification of</p>

	<p>business activities and acquisitions, and received updates on the progress of the exercise.</p> <p>Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.</p> <p>All Board Committee meetings were conducted separately from the Board meeting to enable objective and independent discussion during the meeting. The AC meetings were attended by all Independent Non-Executive Directors. To facilitate the respective Board Committees in assessing the risk, providing suggestions for improvement, and making recommendations to the Board, the Board members were invited as and where required, to assist the Board Committees for clarification on the business operations and update the progress of the material matters.</p>	
<p><b>Explanation for departure</b></p>	<p>:</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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

## Intended Outcome

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

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

## Practice 2.1

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>A Board Charter had been established with the objectives to ensure that all Board Members are aware of their duties and responsibilities, the various legislations and regulations affecting their conduct, principles and practices of good corporate governance are applied accordingly.</p> <p>The Board Charter sets out, among others, the following:-</p> <ul style="list-style-type: none"><li>• Purpose and Guiding Principles</li><li>• Composition and Balance of the Board</li><li>• Roles and responsibilities of the Board, Board Committees, Chairman, Managing Director, Non-Executive Director, Independent Director, and the Company Secretaries</li><li>• Board Procedures – Board Meeting, Directors' Training, Directors' Remuneration, Access to Information and Independent Advice, Investor Relations and Shareholder Communication</li><li>• Indemnification and Directors' and Officers' Insurance</li><li>• Code of Ethics and Conduct</li></ul> <p>The Board would regularly review the Board Charter and the Terms of Reference ("TOR") of the Board Committees to ensure they remain consistent with the Board's objective and responsibilities, and relevant standards of corporate governance and any new regulation that may have an impact on the discharge of the Board's responsibilities.</p> <p>To be in line with the revised MCCG and amendments of the Main Market Listing Requirements, the Company had, on 21 February 2022, adopted the revised Board Charter and TOR for all Board Committees.</p> <p>For further enhancement, the Company had, on 21 February 2022, revised its Board Charter to include the role of the Senior Independent Director as set out under Paragraph 3.4.4.</p> <p>The Board Charter and TOR for all Board Committees are available on the corporate website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p>

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

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Corporate Code of Conduct and Ethics ("the Code") sets out the standards which the Directors, officers and employees (together "Personnel") of the Company and its subsidiaries are expected to comply in relation to the affairs of the Company's businesses when dealing with each other, shareholders and the broader community.</p> <p>The Code covers, amongst others, the following matters which are integrated into company-wide management practices:-</p> <ul style="list-style-type: none"><li>• Compliance with applicable laws</li><li>• Conflict of Interest</li><li>• Confidentiality</li><li>• Fair Dealing</li><li>• Gifts, Gratuities and Entertainment</li><li>• Anti-Bribery</li><li>• Anti-Money Laundering</li><li>• Human Rights</li><li>• Protection and Proper Use of Company's Assets</li></ul> <p>This Code is intended to focus on the Board and Management on areas of ethical risk, provide guidance to Personnel to help them to recognise and deal with ethical issues, provide mechanisms to report unethical conduct, and help to foster a culture of honesty and accountability.</p> <p>This Code shall be reviewed and updated regularly to ensure continuing relevance and the Board had, on 21 February 2022, approved the revised the Code and is available on the corporate website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p>
<b>Explanation for departure</b>	:	



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

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group recognised the significance of the values and the highest standard of work ethics for all Directors, managers and employees in line with good corporate governance and business integrity practices.</p> <p>In upholding the above, the Company had adopted a Whistleblowing Policy on 20 February 2018 to provide an avenue for all employees of the Group and members of the public to raise concerns or disclose any improper conduct involving the Group and its Directors or employees.</p> <p>The Chairman of the Whistleblowing Committee, Mr. Yeoh Chin Hoe, Senior Independent Non-Executive Director, is tasked to receive reports with regards to allegations of misconduct or improper activities from employees and other stakeholders and investigate any complaint received from a whistle blower.</p> <p>Confidentiality in respect of all matters raised under this policy and the identity of the whistle-blower will be ensured and protected, unless otherwise required by law. The Company assures that all reports will be treated in the strictest of confidence and promptly investigated. This will strengthen the accountability and transparency in the business affairs of the Group and allow appropriate actions to be taken to resolve them effectively.</p> <p>The Whistleblowing Policy is published on the corporate website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a> which also serves as a channel for reporting as it is accessible by all employees and the public.</p> <p>The Board had, on 23 August 2021, reviewed and adopted the Anti-Bribery and Corruption Policy ("Policy") as the Group's principles for dealing with improper solicitation, bribery and other corrupt activities and related issues which may arise in the course of business.</p> <p>The awareness programmes had been provided to all existing executives employees of the Group regarding anti-bribery and corruption, integrity, and ethics. The management is committed to provide training on a regular basis to personnel who are new to the Group.</p>

	The Policy is available at the corporate website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and management reviews and oversees the management and monitoring of key material topics impacting our stakeholders in the Environmental, Social, and Governance ("ESG") factors. These ESG factors are taken into consideration in determining the Company's strategic direction and policies.</p> <p>The Board is assisted by the Sustainability Committee which comprises of the Group's operational Executive Directors who are primarily responsible for ensuring that all sustainability matters are well addressed. The Sustainability Committee is assisted by the Department Sustainability Working Group, which comprises of the representatives from every department within the Group where the primary function is to ensure sustainability initiatives are being implemented and monitored accordingly.</p> <p>The Board provides guidance on the development of the Company's business strategy and reviews the effectiveness of all programmes to ensure they are fit-for-purpose and are sustainable. The Board also makes certain that sustainability goals are integrated into business goals. Hence, sustainability is naturally a vital facet of the group's business strategy.</p> <p>The Company had, on 22 November 2021, reviewed and approved the ESG Policy and is available at corporate website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's sustainability, strategies, priorities as well as targets and performance are developed were communicated to its internal and external stakeholders.</p> <p>The Company had held two (2) sessions of ESG Awareness training on 12 and 13 October 2021 for all Directors and Head of Departments.</p> <p>The Senior Management of the Company had an ESG engagement with Bursa Malaysia Securities Berhad in relation to FTSE4GOOD Bursa Malaysia Index Briefing to Hextar.</p> <p>The Company had also taken an initiative to conduct an employee survey in 2021 for the ESG purposes which able to provide opportunity to the employee in providing feedback for further enhancement.</p> <p>The Company's comprehensive details of the engagements and targets as well the performance against these targets were as set out in the Company's Sustainability Statements.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The 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.

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

### Intended Outcome

The 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The NC had conducted the Board Effectiveness Assessment in November 2021 but it did not cover the performance evaluation of the Board and Senior Management in respect of the address of material sustainability risks and opportunities.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	<p>The Board recognise the importance of the sustainability risks and opportunities in the Company’s business operations.</p> <p>The Board had, on 21 February 2022, adopted the following recommendations of the new practices of MCCG into the TOR of Nomination and Remuneration Committee (“NRC”) as part of the roles and responsibilities of NRC: -</p> <ul style="list-style-type: none"> <li>• Evaluate and review the performance of the Board and Senior Management including the performance of the Board and Senior Management in addressing the Company’s material sustainability risks and opportunities.</li> <li>• Ensure that the remuneration packages for Directors and Senior Management take into consideration the complexity of Group’s business and the individual’s responsibilities and performance, comparable market statistics, and their roles in addressing the company’s material sustainability risks and opportunities, and achieving sustainability targets.</li> </ul> <p>The NC will be included in the assessment of the above and ensures it uphold the accountability and identify issues that may arise.</p>



<b>Timeframe</b>	:	2 years	
------------------	---	---------	--

### 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.

<i>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.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: <p>In 2021, the Board has appointed Encik Abdul Wahid Bin Abu Bakar, a Senior Manager as the designated person to provide dedicated focus to manage sustainability and to act as the liaison bridge between the senior management and the Board. The management had established an ESG Steering Committee to develop the sustainability governance structure to ensure that risks are properly identified and addressed in the wider Enterprise Risk Management Framework.</p> <p>The responsibilities of the designated person in the ESG Steering Committee are:-</p> <ol style="list-style-type: none"><li>1. As a liaison for the Board of Directors in terms of ESG knowledge and insights;</li><li>2. Assist the Group to realign its corporate strategy with ESG consideration; and</li><li>3. Assist in preparation of the Group’s sustainability statement and report also any public disclosures of any ESG communiqué.</li></ol> <p>The designated person will facilitate the communication between the external consultant and head of departments for the collation and preparation of the sustainability statement and report, as well as review the deliverables to ensure accuracy and consistency.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC reviews the Board composition annually and is responsible to recommend nominations to the Board for the appointment of Board member, Committees' member, and Senior Management.</p> <p>The NC is responsible for making recommendations to the Board on the identification and selection of new Directors. Taking into consideration the desired qualifications, skill sets, competencies and experience which are required to supplement the Board's existing attributes, Board members and major shareholder may also put forward names of potential candidates, together with their curriculum vitae, for consideration. The Board, in consultation with the NC, reviews its composition and having satisfied that such composition is adequate to represent potential issues and challenges, without compromising the Board's effectiveness and participation in decision-making, shall be put forth for the Board's approval.</p> <p>The NC had, on 22 November 2021, reviewed the results of the Board Effectiveness Assessment ("BEA") for 2021 with the assistance of the Company Secretaries. The BEA has included the board's experience, knowledge, tenure, mix of skills, expertise, cultural background, diversity, and independence of the Independent Directors.</p> <p>Pursuant to Clause No. 127 Constitution of the Company, one-third of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every three (3) years shall be eligible for re-election. In the forthcoming 31<sup>st</sup> Annual General Meeting, Dato' Ong Choo Meng and Mr Yeoh Chin Hoe shall retire and are eligible for re-election.</p> <p>The NC has reviewed and assessed both Dato' Ong Choo Meng and Mr Yeoh Chin Hoe being an Executive Director and an Independent Director respectively on their contribution, performance, and commitment towards the Company and recommended to the Board for their further recommendation for shareholders' approval at the 31<sup>st</sup> AGM.</p> <p>To facilitate the NC to discharge their duties, the Board had, on 21 February 2022, adopted a Directors' Fit and Proper Policy ("the Policy")</p>

	for the appointment and re-election of Directors. The Policy is available on corporate websites at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In 2021, The Board comprised of six (6) Directors and three (3) out of the six (6) Directors, namely Y.D.H. Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir, Mr. Yeoh Chin Hoe and Mr. Liew Jee Min @ Chong Jee Min, are Independent Non-Executive Directors.</p> <p>An annual assessment on the independence of the Independent Directors is conducted by the NC and none of the above three (3) Independent Directors are related to, and do not have any relationship with, the Company, its related corporations, its substantial shareholders, or its officers or are in any circumstances that could interfere, or be reasonably perceived to be interfered, with the exercise of their independence business judgement with a view to the best interests of the Company and that they are independent pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>Declaration Form of the independence by all Independent Directors will be made annually to facilitate the NC in determining the Directors' Independence.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In 2021, the Board does not have any Independent Directors whose tenure exceeds a cumulative term limit of 9 years.  The tenure of all Independent Directors is as follow:  Y.D.H. Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir – 4 years Mr Yeoh Chin Hoe – 4 years Mr. Liew Jee Min @ Chong Jee Min – 4 years
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 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.*

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Annual assessment of the Board members is carried out by the NC to assess the effectiveness and independence of the Board based on meritocracy taking into consideration their capabilities, professionalism, integrity, expertise as well as diversity in skills, experience, age, cultural background, and gender.</p> <p>From a diversity perspective, the current Board and Senior Management is made up of members with different skill sets and experience, cultural background, gender, nationality, and age. Further details on the profile of the Board members and Key Senior Management are available in the annual report and corporate website.</p> <p>The NC and the Board will devote sufficient time to review, deliberate and finalise the selection of Directors. In this aspect, the Company Secretary will ensure that all the necessary information is obtained, and relevant legal and regulatory requirements are complied with.</p> <p>The Board had, on 21 February 2022, adopted a Directors' Fit and Proper Policy for Key Responsible Persons.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, through the NC, will review the suitability of the potential candidates prior to the appointment as Board members. The criteria that the NC took into the consideration, includes but not limited to the background capabilities, expertise, experience, character, integrity, time commitment and professionalism. The final decision as to which suitable candidate shall be nominated remains the responsibility of the full Board, after considering the recommendations of the NC. Selection of potential candidates for appointment as Directors is facilitated through recommendations from existing Directors, major shareholder or through independent sources according to the circumstances and needs that arise.</p> <p>The NC meets with shortlisted candidates to assess their suitability prior to any recommendations, taking into account:</p> <ul style="list-style-type: none"><li>• The candidate's independence, especially for the appointment of an Independent Non Executive Director;</li><li>• The composition requirements for the Board or Committee;</li><li>• The candidate's track records, skills, knowledge, expertise, experiences, professionalism, integrity, capabilities, and any other relevant factors that would contribute positively to the Board; and</li><li>• Time commitments to the Company if the candidate has board representations with multiple public listed companies.</li></ul> <p>The NC is guided by its TOR under Paragraph 10.1 in carrying out its responsibilities in respect of the nomination, selection, and appointment process in the Company.</p> <p>In 2021, no new Director was appointed to the Board of Hextar.</p>
<b>Explanation for departure</b>	:	

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

## Intended Outcome

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

## Practice 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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	This Practice was not adopted as the Notice of 30 <sup>th</sup> AGM was finalised for issuance on 30 April 2021. However, this Practice was issued by the Securities Commission Malaysia on 28 April 2021.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Company had included a statement in the Notice of 31 <sup>st</sup> AGM on the support for the re-election of Dato' Ong Choo Meng and Mr Yeoh Chin Hoe who are due to retire at the 31 <sup>st</sup> AGM in accordance with Clause 127 of the Company's Constitution.  The profile of Directors whom shall be retired at the 31 <sup>st</sup> AGM has been disclosed in the statement accompanying the Notice of 31 <sup>st</sup> AGM which included their age, gender, working experience, directorship in other listed issuers and any conflict of interest.	
<b>Timeframe</b>	:	Within 1 year	

### 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.

<b>Application</b>	:	Applied												
<b>Explanation on application of the practice</b>	:	<p>Mr. Liew Jee Min @ Chong Jee Min, an Independent Non-Executive Director, has been the Chairman of the NC since 14 December 2017.</p> <p>In compliance with the Board Charter and the MCG 2021, the NC currently consist of three (3) members, all of whom are Independent Non-Executive Directors.</p> <p>Below is the composition of the Nomination Committee:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #d9e1f2;"> <th style="width: 20%;">Position</th> <th style="width: 40%;">Name</th> <th style="width: 40%;">Designation</th> </tr> </thead> <tbody> <tr> <td>Chairperson</td> <td>Liew Jee Min @ Chong Jee Min</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Member</td> <td>Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Member</td> <td>Yeoh Chin Hoe</td> <td>Senior Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The NC Chairperson lead the annual review of board effectiveness in ensuring that the performance of each individual director and chairman of the Board are independently assessed.</p> <p>On 22 November 2021, the NC Chairperson reviewed the Board Effectiveness Assessment results, determine the weakness of the Board and make recommendation for improvement.</p> <p>Upon the recommendation by the NC Chairperson, the Audit Committee had invited External Auditors to provide training on IFRS/MFRS/FRS to the Board in order to enhance the Board's knowledge and the recent development updates that are relevant to the Company's application.</p>	Position	Name	Designation	Chairperson	Liew Jee Min @ Chong Jee Min	Independent Non-Executive Director	Member	Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir	Independent Non-Executive Director	Member	Yeoh Chin Hoe	Senior Independent Non-Executive Director
Position	Name	Designation												
Chairperson	Liew Jee Min @ Chong Jee Min	Independent Non-Executive Director												
Member	Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir	Independent Non-Executive Director												
Member	Yeoh Chin Hoe	Senior Independent Non-Executive Director												
<b>Explanation for departure</b>	:													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	During the year under review, 1 out of 6 Board members is a female director, of which 16.7% was female director and 83.3% were male directors.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	<p>The Board acknowledged the importance of a diverse Board and believes that building a culture of diversity is integral to the success of the Group, as recommended by Practice 5.9 of MCCG.</p> <p>The Board had, on 21 February 2022, adopted a diversity policy for the Board and Senior Management to establish a framework in applying the principles of diversity when recruiting, developing, and appointing Board members and Senior Management executives.</p> <p>The Gender Diversity of the Board shall comprise a minimum of 1 women director and target to have at least 30% women representation on the Board.</p> <p>However, the Company complied with at least one (1) women director pursuant to Paragraph 15.02(1)(b) of the Main Market Listing Requirements as announced by Bursa Malaysia Securities Berhad on 19 January 2022.</p>
<b>Timeframe</b>	:	3 Years

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NC, in consultation with Management and the Board, ensure that the appointments made to the Board are based on objective criteria, merit and diversity in skills, experience, age, cultural background and gender and also equal opportunity principle regardless of one's gender, ethnicity, age and nationality.</p> <p>This is evident through the composition of the Board where the Board comprised of a female Non-Independent Executive Director, Madam Lee Chooi Keng, and she is currently responsible for the overall development and business operations of the Group.</p> <p>This commitment is disclosed in the Company's Board Charter, a copy of which is made available on the corporate website, <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p> <p>The Board had adopted the Diversity Policy for the Board and Senior Management ("Policy") on 21 February 2022 and is made available on the corporate website, <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p> <p>The Policy set out to have at least 20% representation of women in Senior Management positions, however for 2021, there was 2 out of 6 of women key senior management, representing 33.33%.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The annual assessment to determine the effectiveness of the Board collectively, its three (3) committees and each Director individually, were carried out by the NC: (i) Board evaluation; (ii) Individual Director's evaluation; (iii) Audit Committee evaluation (iv) Nomination Committee evaluation; (v) Remuneration Committee evaluation; (vi) Independent Directors' evaluation; and (vii) Board Skills evaluation.  NC conducted the performance assessment for financial year ended 2021 with the assistance of the Company Secretaries in November 2021. The areas of reviews include: <ul style="list-style-type: none"><li>• Assessing the composition of the Board and its Committees to ascertain compliance with Listing Requirements. All members are equipped with applicable expertise to improve the quality of decision making;</li><li>• Assessing the adequacy of the information submitted by Management. The members are provided sufficient time to review and challenge information in order to make quality decisions;</li><li>• Assessing the interactions and participations by Board members when reviewing and discussing business matters;</li><li>• Reviewing the mix of skills and experiences of Board members which includes knowledge of legal, corporate governance, financial literacy, engineering, environmental, management, marketing, and etc;</li><li>• Assessing the independence of Independent Directors;</li><li>• Character and integrity in dealing with potential conflict of interest situation.</li></ul>



	<p>Subsequent to the reviews/evaluations by the NC, the results will be summarized and reported by the NC Chairperson to the Board for their notation.</p> <p>For financial year 2021, based on the results of assessment conducted, the Board was satisfied with the performance of the Board, Board Committees, individual directors, the level of independence demonstrated by all Independent Non-Executive Directors and their abilities to act in the best interests of the Company during deliberations at the Board and Board Committee meetings. All evaluations carried out by the NC in discharging of its functions were properly documented.</p> <p>The NC had also assessed the Board's skill matrix and results stated that the Board members have diversity in knowledge and skills that facilitates fruitful discussions towards decision-making.</p> <p>In addition, the NC had assessed the training needs of each director on an annual basis and recommended the relevant trainings to each Director for their participation.</p> <p>The NC was satisfied that the Directors had attended adequate trainings to enable them to discharge their duties.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board via the RC implements the policies and procedures on the recommendation and review of the remunerations for Board members and Senior Management. The Board believes that competitive remunerations enable the Company to attract, retain and motivate the Directors and Senior Management.</p> <p>The remuneration packages are aligned to corporate objectives and take into consideration the complexity of the Company's business operations with reference to an individual's responsibilities and achievements. Additionally, the Board also ensure that remunerations for Independent Directors are not in conflict with their obligations to bring objectivity, professionalism, and independence of opinions on matters discussed at Board meetings.</p> <p>For Executive Director and Senior Management, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities.</p> <p>The fees payable to the Non-Executive Directors are determined by the shareholders. Non-Executive Directors are paid annual fixed fees for serving as members of the Board. In addition, they are also paid meeting allowances for each meeting they attend. Information from independent sources on the remuneration practices of other companies are considered in determining the remuneration packages of the Directors.</p> <p>The policy and procedures to determine the remuneration of directors and senior management are not published on the Company's website.</p>

	On 21 February 2022, the Company adopted a revised Remuneration Policy of the Directors and Senior Management outlined the framework to guide the RC in evaluating the Directors and Senior Management’s remuneration package for recommendation to the Board for approval.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In 2021, the RC comprised entirely of Independent Non-Executive Directors under the leadership of Y.D.H. Dato' Sri Erwan Bin Dato Haji Mohd Tahir and two (2) RC members namely Mr. Yeoh Chin Hoe and Mr. Liew Jee Min @ Chong Jee Min.</p> <p>The main responsibility of the RC is to review and recommend to the Board the framework of Executive Director's remuneration package, including the benefit in kind, fees payable to the Non-Executive Directors, and Senior Management. The aim of the RC is to ascertain the remuneration package for Directors' and Senior Management remains competitive, motivates good performance, remains loyalty, and continue to protect shareholders' value.</p> <p>The results of the review including its recommended package for the Executive Directors, Non-Executive Directors and Senior Management will be presented to the Board for its deliberation.</p> <p>The Company has in place a Directors' and Officers' ("D&amp;O") Liability Insurance against any liability incurred by them in the discharge of their duties while in office. The Directors and Officers shall not be indemnified where there is any negligence, fraud, breach of duty or breach of trust proven against them. The Directors and Key Senior Management are required to contribute jointly to the premium of the D&amp;O Insurance Policy.</p> <p>The Company has tabled the Directors' fees of each Non-Executive Director in separate resolutions for shareholders' approval at the 31<sup>st</sup> AGM.</p> <p>A revised Remuneration Policy was adopted by the Company on 21 February 2022.</p>

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

**Intended Outcome**

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

**Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Details of the Board's remuneration of the Company and the Group on a named basis for the financial year 2021 are set out below.

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	Y.D.H. Dato' Sri Erwan Bin Mohd Tahir	Independent Director	66	11	0	0	0	0	77	66	11	0	0	0	0	77
2	Dato' Ong Soon Ho	Independent Director	48	11	0	0	0	0	59	48	11	0	0	0	0	59
3	Dato' Ong Choo Meng	Executive Director	0	0	0	0	0	0	0	0	0	624	110	28	88	850
4	Lee Chooi Keng	Executive Director	0	0	0	0	0	0	0	0	0	522	87	0	25	634
5	Yeoh Chin Hoe	Independent Director	54	11	0	0	0	0	65	54	11	0	0	0	0	65
6	Liew Jee Min @ Chong Jee Min	Independent Director	48	11	0	0	0	0	59	48	11	0	0	0	0	59
7	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
8	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
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board decided to depart from making disclosures of the top five Senior Management's remuneration in bands width of RM50,000 as the Board is of the opinion that such disclosure may cause tension and unhealthy competition among senior management.</p> <p>It would not be in the Company's best interest to make such disclosure on a named basis in view of the competitive nature of human resource market in the industries the Group operate, and the Company should protect the confidentiality of personal information such as employees' remuneration packages.</p> <p>In determining the remuneration packages of the Group's Senior Management, factors that are taken into consideration includes individual responsibilities, skills, expertise, and contributions to the Group's performance and whether the remuneration package is complete and sufficient to ensure that the Group is able to attract and retain executive talents.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Company will consider disclosures on the name basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
<b>Timeframe</b>	:	3 Years



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.

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

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In 2021, the AC comprised three Independent Directors.</p> <p>The AC Chairperson is Mr Yeoh Chin Hoe ("Mr Yeoh"), Senior Independent Non-Executive Director, whilst the Chairman of the Board is Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir who is an Independent and Non-Executive Director.</p> <p>The Company is in compliance with the requirement under Paragraph 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and also in line with the best practice recommended under Practice 9.1 of MCCG where Chairperson of the AC is an independent director since 22 May 2017. The positions of the Chairman of the Board and the Chairperson of the AC are held by different individuals.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group recognises the importance of independence of its external auditors and that no possible conflict of interest whatsoever should arise.</p> <p>None of the members of the Board were former key audit partners and hence, no member of the AC appointed was a former key audit partner.</p> <p>The Group will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the Audit Committee was a key audit partner.</p> <p>The AC had, on 21 February 2022, revised their terms of reference to include the Practice of 9.2 as part of the terms of reference.</p> <p>The TOR can be found in website in Corporate Website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC is committed in assessing the suitability, objectivity and independence of the External Auditors to ensure the quality and reliability of audited financial statements.</p> <p>During the financial year 2021, the assessment of the External Auditors, Messrs Crowe Malaysia PLT ("Crowe"), was conducted by the AC and the management. The AC and the management were satisfied that the External Auditors have been independent and professional throughout the conduct of the audit process, and the audit services rendered have met the quality expected by the AC and the management.</p> <p>Crowe has confirmed to the AC that they have continuously complied with the relevant ethical requirements regarding their independence throughout the conduct of the audit engagement with the Group, in accordance with the terms of all relevant professional and regulatory requirements. A copy of the written assurance was provided by the External Auditors to the AC and the management in confirming with the compliances and their independence as well.</p> <p>The AC was satisfied with the appropriateness of audit fees by the External Auditors in order to uphold quality of audit.</p> <p>The non-audit services by the External Auditors to the Group for the financial year 2021 had been tabled to the AC for concurrence.</p> <p>To facilitate the AC in discharging its duties, the Company had, on 21 February 2022, adopted a revised External Auditors Policy which has clearly outlined the policies and procedures for the selection and appointment of external auditors to be in line with the practices of MCCG issued in April 2021 and the latest amendments of Main Market Listing Requirements. Besides, the Company had also set out the non-audit engagement of the external audit in order to ensure the professional independence of External Auditors.</p> <p>The AC had limited the non-audit services fee for the Group which has authorised the management to undertake non-audit services of the cumulative annual value of non-audit services that is not more than fifty</p>

	<p>percent (50%) of the Group's prior year audit fees and it is recurrent in nature or related to the annual audit service. The Board had also authorised the AC to approve non-audit services where it is exceeding the management's limit.</p> <p>The External Auditors Policy is available on the corporate website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>	:	
<p><b>Timeframe</b></p>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The AC comprises solely of Independent Non-Executive Directors ("NEDs") as follow:</p> <p><b>Chairperson</b> Yeoh Chin Hoe <i>Senior Independent Non-Executive Director</i></p> <p><b>Members</b> Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir <i>Independent and Non-Executive Director</i></p> <p>Liew Jee Min @ Chong Jee Min <i>Independent Non-Executive Director</i></p>



## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC's members possess wide range of skills and knowledge from business administration, accounts, finance, law and audit in order to discharge their fiduciary duties professionally.</p> <p>The Chairperson of the AC is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also a Fellow of both The Association of Chartered Certified Accountants (UK) and Institute of Chartered Secretaries and Administrators (UK). All members of the AC are financially literate and have sufficient understanding of the Company's business. They keep abreast of the relevant accounting and auditing standards by meeting with the Company's External Auditors.</p> <p>The qualification and experience of the individual AC members are disclosed in the Directors' Profile in the Annual Report.</p> <p>During the year, all members of the AC had undertaken continuous professional development by attending various conference, seminars, and training programmes relevant to their roles to keep themselves abreast with requirements and standards, especially on changes in regulatory requirements.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for ensuring that there is a system of internal financial controls, operational and compliance controls and information technology controls, and risk management policies and reviewing its adequacy and effectiveness.</p> <p>The Management is responsible for internal control and for ensuring compliance therewith. AC assists the Board in discharging its internal control review responsibilities whilst the Board makes continuous efforts to embed internal controls into the operations of the businesses and to deal with areas of improvement which come to the attention of Management and the Board. Thus, the Board has established a sound system of internal controls and risk management framework.</p> <p>The Risk Management and Internal Control framework detailed processes, procedures and controls for financial, operation and compliances and risk management. The internal controls which are embedded into the operations of the Group, had been in place and practiced throughout the year.</p> <p>The Board, as assisted by the Risk Management Committee and the Risk Management Working Group, identified and evaluated applicable potential risks, determined the Group's level of risk tolerance and applicable actions to mitigate the identified risks in order to safeguard the Group's shareholders' investments and assets.</p> <p>The key features of the Risk Management framework and function together with details of the Company's internal control system and framework are set out in the Statement of Risk Management and Internal Control in the Company's Annual Report 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Management regularly reviews the Group’s business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.</p> <p>The management, Internal Auditors and the External Auditors of the Company conduct reviews and audits on a regular basis that involve testing of the adequacy and effectiveness of material internal controls on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions will be reported to the AC. Based on the audit findings and recommendations presented by the Internal Auditors and External Auditors, the Board, with the assistance from the Risk Management Committee (“RMC”) and AC, will review the adequacy and effectiveness of the Company’s Risk Management and internal control systems, including financial, operational, compliance and information technology risks, in order to enhance the Group’s internal control.</p> <p>The features of the Group’s risk management and internal control framework are disclosed in the Statement of Risk Management and Internal Control in the Company’s Annual Report 2021.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Companies 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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Risk Management Committee ("RMC") comprises majority of Independent Non-Executive Directors and the RMC comprises the following members:-</p> <p><b><u>Chairperson</u></b> Madam Lee Chooi Keng ("Madam Lee") <i>Executive Director</i></p> <p><b><u>Members</u></b> Y.D.H. Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir <i>Independent Non-Executive Chairman</i></p> <p>Yeoh Chin Hoe <i>Senior Independent Non-Executive Director</i></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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Group has outsourced its internal audit function to an independent professional internal audit service provider, Messrs Eco Asia Governance Advisory Sdn. Bhd. ("IA"), in order to provide independent assessment on the adequacy of internal controls, monitor the effectiveness of the Group's internal control, anti-corruption, whistleblowing and governance process.</p> <p>The IA works closely with the management to carry out their internal audit activities and present its internal audit report directly to the Audit Committee on a quarterly basis, the report included the following:-</p> <ul style="list-style-type: none"><li>(i) Identifying risk areas;</li><li>(ii) Implementing control measures;</li><li>(iii) Monitoring controls;</li><li>(iv) Assessing the overall control environment of the Company to ensure its effectiveness; and</li><li>(v) Updating the AC on the internal audit plan on quarterly basis.</li></ul> <p>The results and the recommended actions plan to be taken as disclosed in internal audit report together with the timeline were reviewed by the AC. The management personnel are responsible to ensure that all recommended action plans on weaknesses identified have implemented within the stipulated timeline.</p> <p>The IA reviews internal controls in all key activities of the Group and recommends improvement in controls and procedures. During the financial year, IA had reviewed the Group's head office function, operations, IT systems and infrastructure, as well as dealership sales and aftersales. IA had also advised the management on the risk identification process, risks identified in the audit plan and its recommendation on control measures and monitoring controls.</p> <p>The IA will propose the internal audit plan for the following financial year for AC's review and approval before commencement of work. The scope of the internal audit covers the audits of significant units and operations, including subsidiaries. IA will present its findings to the AC quarterly.</p> <p>In addition, the IA is committed to follow up closely with the management on the recommended action plans are implemented</p>

	<p>within the stipulated timeline. The IA will present follow-up reports to the AC on a quarterly basis.</p> <p>The scope of activities of internal audit during 2021 has included audits on the Group's operations, business continuity plan and disaster recovery plan.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function of the Group is outsourced to Eco Asia Governance Advisory Sdn Bhd (“IA”), being an independent professional firm to monitor the internal control systems inherent in the Group and to report their findings directly to the AC.</p> <p>The IA engagement team is led by the Executive Director, Mr. Woon Soon Fai, Chartered Accountant Malaysia (CA(M)), member of the Malaysian Institute of Accountants (MIA), Fellow member of the Association of Chartered Certified Accountants (FCCA), Associate member of The Institute of Internal Auditors Malaysia. The IA engagement team consists of at least four auditors and they are free from any relationships or conflicts of interest and does not impair their objectivity and independence as they are an outsourced entity.</p> <p>The IA is independent of the activities it audits and performs its duties with impartiality and due professional care. The internal audit work is carried out according to the International Professional Practice Framework (“IPPF”). Based on the review, it was concluded that the IA was effective in providing independent assurance and is in conformance with the standards of the Institute of Internal Auditors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is guided by the disclosure requirements and continuing listing obligations prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Group has a wide range of stakeholders who are interested in the Group's business strategies, corporate directions, and operation activities. Thus, the Group recognises the importance of strong relationships with the stakeholders and in order to achieve the said goal is to understand the stakeholders' needs and to communicate in a very transparent manner.</p> <p>The Board and Management of the Company communicate regularly with its shareholders and stakeholders through the following channels of communication:</p> <p><b>(i) Bursa Malaysia Securities Berhad ("Bursa")</b></p> <ul style="list-style-type: none"><li>• The Company ensures that updates on material announcements such as material information, corporate exercise and the progress of the corporate development were released to shareholders and stakeholders.</li><li>• For the benefit of stakeholders, the Company is endeavour to provide a summary update on the business operation and financial position on quarterly basis via press release to Bursa.</li></ul> <p><b>(ii) Corporate Website</b></p> <ul style="list-style-type: none"><li>• The Company's corporate website <a href="https://www.hextarglobal.com/">https://www.hextarglobal.com/</a> under the "investor relations" section has provided corporate information such as the stock information, interactive chart, annual reports, quarterly reports, corporate governance inclusive of Board Charter, terms of reference and policies, analyst briefing, general meetings and Bursa's announcement of the Company.</li></ul>

	<ul style="list-style-type: none"> <li>• The Board Charter, TOR for all committees, the Group’s policies were up to date in the timely manner.</li> </ul> <p><b>(iii) General Telephone, fax, email address and direct message via corporate website</b></p> <ul style="list-style-type: none"> <li>• The Company also utilises its corporate website as a communication platform with its stakeholder which allow stakeholders to make enquiry directly to a designated person with its email addresses.</li> <li>• The general telephone number, fax number and general enquiry email address of the Company are provided for the stakeholders to send in any enquiries to the Company directly</li> <li>• Stakeholders also have the option to instantly message the Company by completing a simple form - "Send Us a Message" under "Contact Us" section available on the corporate website.</li> </ul> <p>Shareholders were given the opportunity in sufficient time to raise queries prior to and during the course of the AGM by using the Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor &amp; Issuing House Services Sdn Bhd.</p> <p>The example of the Company’s engagement with stakeholders were set out in the Sustainability Statements of the Annual Report 2021.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>In 2021, the Company has become a large company, the Company is considering adopting the integrated reporting.</p> <p>However, the Annual Report of the Company has included Management Discussion and Analysis Statement as well as other comprehensive financial and non-financial information disclosures at the desired level of transparency and accountability to all stakeholders.</p> <p>Besides, the Company has provided all material information to its stakeholders in its quarterly financial results, annual report, press release and relevant announcements through Bursa Malaysia Securities Berhad's website on a timely basis.</p> <p>The Board is committed in ensuring all stakeholders are well informed on all the material information on a timely basis.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Company will consider adopting integrated reporting based on a globally recognised framework.
<b>Timeframe</b>	:	3 years

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to ensure that the dispatch of Notice of Annual General Meeting (“AGM”) is circulated at least twenty-eight (28) days prior to the date of the meeting.</p> <p>The Notice of the 30<sup>th</sup> AGM was issued on 30 April 2021 for the 30<sup>th</sup> AGM held on 31 May 2021.</p> <p>The Board is well aware that the sufficient notice and time given would allow the shareholders to arrange their time to attend or participate the AGM. The shareholders also have sufficient time in considering appointing proxy, attorney of corporate representative to attend the AGM.</p> <p>The Notice for AGM also outlines resolutions to be tabled for decision during the AGM accompanying the detailed explanatory notes for the proposed resolutions. This is to enable the shareholder to have sufficient information for their consideration to the proposed resolution that would be discussed and put for vote during the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledged their responsibilities and stewardship to all shareholders with continuous engagements and direct communications during the Annual General Meeting (“AGM”).</p> <p>All six (6) Directors and chairperson of the respective Committees, including the Financial Controller, Company Secretary and External Auditors, attended the 30<sup>th</sup> AGM held on 31 May 2021 to provide meaningful responses to questions addressed to them.</p> <p>The External Auditors were invited to the meeting pursuant to Section 285(1) of the Companies Act 2016 in order to facilitate the Board to provide respond to shareholders in accordance with their knowledge and ability relates to the audit financial statements.</p> <p>Shareholders were invited to submit questions through the remote participation and voting facilities online (“RPV”) and the Directors and Financial Controller responded to all questions raised by the shareholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In light of the nationwide movement control order in May 2021, the 30<sup>th</sup> Annual General Meeting (“AGM”) was held on fully virtual basis for the first time in accordance with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. The fully virtual AGM was conducted via online meeting platform provided by Tricor Investor &amp; Issuing House Services Sdn Bhd. the platform includes remote participation and voting facilities.</p> <p>Shareholders and proxies were briefed on the use of the Query Box facility for submission of query real time during the meeting as well as the remote voting process.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Chairman is committed to ensure that shareholders were given the opportunity to raise questions during the 30<sup>th</sup> Annual General Meeting ("AGM") on 31 May 2021 and Extraordinary General Meetings ("EGM") held on 14 June 2021 and 23 September 2021 respectively.</p> <p>The Shareholders were allowed to submit questions for the Board prior to the AGM and EGMs via TIH Online website at <a href="https://tiih.online">https://tiih.online</a> by selecting "e-Services".</p> <p>The Q&amp;A session was kept open allowing members/proxies the opportunity to pose questions real time (in the form of typed text) throughout the AGM and EGMs via the query box facility.</p> <p>The Chairman ensured that all questions raised pre-AGM and pre-EGMs and during the AGM and EGMs for the Company's financial and non-financial, and the strategic plan were answered during AGM and EGMs and the details of the responses were recorded in the minutes of the AGM and EGMs and published to the corporate website after the AGM and EGMs.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



### Intended Outcome

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

### Practice 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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>Due to the rise in Covid-19 cases within the country and variety movement control order imposed by the Government and in concern for the health and wellbeing of shareholders, the 30<sup>th</sup> Annual General Meeting (“AGM”) on 31 May 2021 and Extraordinary General Meetings (“EGM”) held on 14 June 2021 and 23 September 2021 respectively were held on fully virtual basis to scrub the spread of the Covid-19.</p> <p>The fully virtual meetings were conducted via TIIH Online Website at <a href="https://tiih.online">https://tiih.online</a>, which supported:</p> <ul style="list-style-type: none"><li>(i) live-video stream of all directors, senior management, company secretary, external auditors and advisor (for EGMs) who participated in the AGM and EGMs to address queries from shareholders;</li><li>(ii) tutorial video to guide shareholders, proxies and corporate representative through the voting procedure; and</li><li>(iii) submission of queries by shareholders, proxies and corporate representative were allowed prior and throughout the meetings.</li><li>(iv) online poll voting was allowed upon the commencement of the meetings to the benefit of shareholders, proxies and corporate representative who wish to cast their votes early. The additional time of the voting session were given to shareholder who has not cast their votes.</li></ul>
<b>Explanation for departure</b> :	

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

**Intended Outcome**

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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the 30 <sup>th</sup> Annual General Meeting on 31 May 2021 and Extraordinary General Meetings (“EGM”) held on 14 June 2021 and 23 September 2021 respectively were published on the corporate website no later than 30 business days after the general meetings.  For the benefit of shareholders, the Company also published key matters raised for the meetings on corporate website together with the minutes.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

Click or tap here to enter text.