

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5151  
**COMPANY NAME** : HEXSTAR GLOBAL BERHAD  
**FINANCIAL YEAR** : December 31, 2023

## OUTLINE:

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

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT 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' ("Board") and Board Committees of Hextar Global Berhad ("Hextar" or "the Company") have their respective roles and responsibilities set out in the Board Charter and Board Committees' Terms of References ("TOR"), which are available on the Company's website, <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p> <p>The Board of Hextar, with the assistance of the Board Committees and Senior Management, oversees the Group's business and its performance and is collectively accountable for the Group's long-term sustainability and success. The Board takes an active role in developing the Company's strategies, and in return, the Company is able to achieve its goals.</p> <p>To ensure the Board effectively discharge their duties and responsibilities, the Board meets regularly to review the corporate strategies, operations and performance of the Group's business segments in agriculture, specialty chemicals, and trading of durian to contribute their independent judgement to address issues of performance, resources, standards of conduct and strategies on environmental, social and governance ("ESG") factors that support sustainability. The responsibilities of the Board include developing and evaluating the Group's strategic plans for each business segments and ensuring that the necessary resources are in place for the Group to achieve its objectives.</p> <p>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 Management's proposals for the Company and monitor Management's implementation of the proposals. For effective oversight, the Group Managing Director, Madam Lee Chooi Keng, updates the Board regularly on the progress of the approved strategies and plans. The</li></ul>

	<p>Board also receives reports, updates, and recommendations from the Board Committees concerning the governance and development of the Company.</p> <ul style="list-style-type: none"> <li>➤ Based on Management’s proposals, the Board had reviewed, challenged, deliberated and approved the following transactions: <ul style="list-style-type: none"> <li>(i) The acquisition of Hextar Industrial Chemicals Sdn Bhd which was completed on 22 June 2023;</li> <li>(ii) The disposals of Halex Woolton (M) Sdn Bhd and Halex Marketing Sdn Bhd which were completed on 6 June 2023;</li> <li>(iii) The Proposed Acquisitions of PHG.Ever Fresh Food (M) Sdn Bhd, PHG.Ever Fresh Food (TK) Sdn Bhd, PHG Wholesale &amp; Retail Sdn Bhd, and PHG Ever Fresh Plantation Sdn Bhd (“PHG Group of Companies”) from PHG Ever Fresh Group Sdn Bhd by Hextar Fruits Sdn Bhd together with the Proposed Diversification of business of trading and distribution of durian, which were approved by the shareholders during the Company’s Extraordinary General Meeting (“EGM”) on 26 October 2023. The Proposed Acquisitions of PHG Group of Companies were completed on 26 October 2023.</li> <li>(iv) The acquisition of Propel Chemicals Sdn Bhd by Hextar Kimia Sdn Bhd which was completed on 3 November 2023.</li> </ul> </li> <li>➤ The Board, with the support of the RMC and Management, received updates on all business risks and actions taken to mitigate such risks to ensure that a robust internal control and risk management framework is established and that the Group’s risks are well managed.</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 and Remuneration Committee (“NRC”); and</li> <li>(iv) Whistleblowing Committee (“WBC”).</li> </ul> <p>The Board Committees oversee and review all matters as set out in the TORs, in line with the Malaysian Code on Corporate Governance (“MCCG”) and make necessary suggestions and recommendations to the Board for consideration and approval. During the year under review, WBC did not receive any reports of whistle-blower cases.</p> </li> <li>➤ The Board Committees invite the Group Managing Director to the meetings to receive updates from the external parties, such as External Auditors (“EA”) and Internal Auditors (“IA”), and to provide necessary clarification to the respective Committees for their assessment and suggestion for improvement.</li> </ul>
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	<ul style="list-style-type: none"> <li>➤ The Board is kept apprised of the activities of the Board Committees by receiving reports from the Chairperson of the respective Board Committees at each Board meeting and via circulation of minutes of Board Committee meetings. The Board members will carry out deliberations and pursue their views on the issues presented. All major decisions will be considered by the Board as a whole.</li> <li>➤ The Board received updates from RMC and Management on sustainability initiatives and accomplishments of Hextar Group undertaken by the ESG Committees.</li> <li>➤ The Board is also reviewing performance, appointment, training needs, 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>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

## Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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 receiving comments from Directors and Management, allowing dissenting views to be freely expressed during the discussion;</li><li>(vi) managing the interface between the Board and Management and developing a positive relationship with the Executive Directors;</li><li>(vii) ensuring appropriate steps are taken to provide effective communication with stakeholders.</li></ul> <p>On 20 November 2023, the Chairman together with all Non-Executive Directors ("NED") met to discuss issues in the area of strategy, governance, and operations of the Group. The NED discussion was facilitated by the Company Secretary to ensure the discussion was robust, and a summary report was prepared and tabled at the following Board meeting for deliberation. Management was then advised on the improvements and actions needed to strengthen the Group's strategy and operations.</p> <p>The roles and responsibilities of the Chairman are set out in the Board Charter which 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>	:	

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<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 Group Managing Director in the Company are held by different individuals with clear and distinct roles and responsibilities stated in the Board Charter of the Company to ensure a check and balance of power and authority between the two (2) positions.</p> <p>The Board is chaired by Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir, who is the Independent Non-Executive Chairman whilst Madam Lee Chooi Keng, who was re-designated as the Group Managing Director of the Company on 20 June 2023.</p> <p>The Chairman of the Board leads the Board members in the adoption and implementation of strategy, compliance, and governance of Company, whereas the Group Managing Director, with the assistance of the executive director and senior management, oversee and manage daily operations of the Group, as well as the developing and implementation of the Group's strategies, Board's suggestions, decisions, and policies of the Company.</p> <p>The Board Charter clearly stipulates that the Chairman shall be an Independent Non-Executive Director. Therefore, the roles of Chairman and Group Managing Director shall be distinct, and these two (2) positions must be held by different individuals.</p> <p>The key roles and responsibilities of the Chairman and Group Managing Director are set out in the Board Charter, which 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>	:	
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<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

<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>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir, the Independent Non-Executive Chairman of the Company, is also a member of AC, NRC, RMC and WBC.  The Company recognises the significance value of the Independence where the Chairman of the Board shall not be a member of AC and NRC. However, Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir is not involved in management of the daily operations of the Group, nor is it involved in the formulation and implementation of the Group's strategies, Board's suggestions, decisions, and policies of the Company. Meanwhile, the Board Committees will provide check and balance on the decision made by the Board and Board Committees accordingly.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Currently, Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir is a member of AC and NRC. The Board opined that the Chairman maintains his independence in Hextar and has no conflict of interest with the Group, which will not impair the objectivity when deliberating the observations and recommendations put forth by the Board Committees.  The other two (2) members of AC and NRC are Independent Non-Executive Directors ("NED"), 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. The Board is actively seeking a diverse pool of potential candidate to serve on the Board.
<b>Timeframe</b>	: Within 1 year



## 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 two (2) qualified Company Secretaries pursuant to Section 235(2) of the Companies Act 2016, whom one (1) is the member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), namely Ms Ong Wai Leng, and one (1) member of the Malaysian Institute of Accountants ("MIA"), Ms Phan Nee Chin, the Chief Financial Officer of the Company.</p> <p>The Company Secretaries have performed their roles in supporting the Board to ensure that the Board procedures are followed, and that applicable rules and regulations are complied with.</p> <p>Under the direction of the Board, the Company Secretaries are responsible to ensure good information flows with the Board and its Board Committees and between Management and Independent and Non-Executive Directors, and advise the Board on all governance matters, including but not limited to:-</p> <ul style="list-style-type: none"><li>(a) assist the Board and its Board Committees' functions effectively and in accordance with their TORs, policies and best practices recommended by MCCG;</li><li>(b) manage logistics and attend meetings of all Board and Board Committees, ensuring that the proceedings of the meetings are properly recorded and documented, including facilitating the Board communications;</li><li>(c) advise the Board on its roles and responsibilities;</li><li>(d) advise the Board and Board Committees on corporate disclosures and compliance with relevant laws, rules, procedures and regulations affecting the Group, securities regulations and Main Market Listing Requirements ("MMLR");</li><li>(e) advise the Board on the requirements for timely disclosure of material announcements to Bursa Malaysia Securities Berhad ("Bursa");</li><li>(f) manage procedures pertaining to all Board, Board Committees and Shareholders meetings;</li><li>(g) advocate the adoption of corporate governance best practices, monitor the corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and</li></ul>

	<p>(h) service as a focal point for stakeholders’ communication and engagement on corporate governance issues.</p> <p>In addition to the roles and responsibilities set out in the Board Charter, the Company Secretaries also assist the Board on the following matters during financial year 2023 (“FY2023”):-</p> <ul style="list-style-type: none"> <li>• facilitating Board Effectiveness Assessment (“BEA”) of the Board and Board Committees, Independent Directors, Individual Directors, the Board skills matrix as a whole; and</li> <li>• facilitating NED discussion to ensure the discussion was robust and a summary report was prepared and tabled at the following Board meeting for deliberation. Management was then advised on the improvements and actions needed to strengthen the Group’s strategy and operations.</li> </ul> <p>The roles and responsibilities of the Company Secretaries are set out in the Board Charter, which are available on 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

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, the respective 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 their schedule in advance.</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 were circulated via email at least five (5) business days prior to the meeting to enable the Board to access the meeting materials and relevant information in a timely and efficient manner in order for 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. In addition, the meeting agenda for the Board's and Committees' meetings were being circulated to the Chairman/Chair of Committee prior finalisation for circulation to the remaining members.</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 via email and hard copies were only provided upon request from the Board member. 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>According to the Board Charter, the Board shall conduct at least four (4) meetings quarterly in each financial year, but the Company has</p>

	<p>scheduled at least five (5) board meetings. During the year under review, a total of nine (9) board meetings were held to deliberate and approve material matters such as business plans, corporate exercises on proposed acquisitions and disposals, proposed diversification of business segment and to receive updates on the corporate exercises progress.</p> <p>The deliberations and decisions at the Board and Board Committees meetings are reflected in the minutes and will be circulated in timely manner to Board and Board Committees respectively. All minutes of 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>The Board Committee meetings were conducted separately from the Board meeting to enable objective and independent discussion during the meeting. To facilitate the respective Board Committees in assessing the risk, providing suggestions for improvement, and making recommendations to the Board, the non-committee members and senior management were invited as and where required, to provide clarification on the business operations and update the progress of the material matters. Management was invited to attend the Board and Board Committees meetings to brief and provide explanation on issues relating to the agenda of the meetings.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

## Intended Outcome

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

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

## Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's 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 Objectives.</li><li>• Board structure included Board Composition, Appointments, Tenure, Independence of Directors.</li><li>• Roles and responsibilities of the Board, Chairman, Chief Executive Officer and Managing Director, Executive and Non-Executive Directors, Board Committees.</li><li>• Board Meetings in relation to frequency, notice and agenda, mode of meeting, quorum, chairman's role in meeting, attendance, voting, minutes and directors' written resolution.</li><li>• Remuneration of Directors, Induction and training for Board members, access to information and independent personal advice,</li><li>• Confidentiality and disclosure of interest, dealing in securities, whistleblowing, anti-bribery and corruption policy, code of conduct, company secretary,</li><li>• Investor Relations and Shareholder Communication, relationship with other stakeholders, sustainability.</li></ul> <p>Besides, the Board Charter also clearly defines the matters which reserve a formal schedule of matters for the Board's deliberation and approval, as follow:</p> <ul style="list-style-type: none"><li>(a) Strategic issues and planning, including sustainability;</li><li>(b) Budget and performance reviews;</li><li>(c) Quarterly financial results and audited financial statements;</li><li>(d) Key human resources issues;</li><li>(e) Capital expenditures;</li><li>(f) Material borrowings;</li></ul>

	<p>(g) Treasury policies;  (h) Declaration of dividends;  (i) Material acquisitions and disposals of undertakings and assets;  (j) Changes to the management and control structure within Hextar Group, including key policies, procedures and delegated authority limits of Hextar Group;  (k) Proposed appointment of EA and their audit fees; and  (l) Venture in new business.</p> <p>The Board regularly reviews the Board Charter and the TOR of the Board Committees to ensure their alignment with the Board’s objectives and responsibilities, as well as compliance with relevant standards of corporate governance and any new regulation that may affect the Board’s duties and responsibilities.</p> <p>In addition, the relevant policies and procedures were adopted by the Board in order to facilitate the respective Board Committees to discharge their duties and responsibilities effectively and efficiently.</p> <p>The Board Charter, TOR for all Board Committees and policies and procedure adopted by the Company 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 Company adopted Corporate Code of Conduct and Ethics ("the Code"), setting out the standards that 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>• Objective and applicability</li><li>• Conflict of Interest</li><li>• Confidential information</li><li>• Inside Information and Securities Trading</li><li>• Protections of Assets and Funds</li><li>• Business Records and Control</li><li>• Compliance to the Law</li><li>• Personal Gifting</li><li>• Health and Safety</li><li>• Sexual Harassment</li><li>• Outside Interest</li><li>• Fair and Courteous Behaviours</li><li>• Misconduct</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. The Company is committed to create a corporate culture within the Hextar Group to operate the businesses of the Hextar Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct.</p> <p>The Company had also established a Conflict of Interest policy in order to identify and manage any potential and perceived conflicts of interest that may arise in the Group and procedures are clearly disclosed in the said Policy.</p>

	This Corporate Code of Conduct and Ethics and is available on the corporate website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a> .	
<b>Explanation for departure</b>	:	
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<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. The Company also acknowledge the importance of a formal communication channel for the employees to report a serious and genuine concerns.</p> <p>In order to encourage and uphold the above practice, the Company adopted a Whistleblowing Policy to enable employees of the Group and members of the public to raise serious and genuine concerns or disclose any improper conduct involving the Group, its Directors or employees.</p> <p>The Chairperson 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>In addition, the Board had adopted the Anti-Bribery and Corruption Policy (“ABC 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>During the RMC meetings held twice a year, in the months of February and August, the RMC had received Anti-Bribery and Corruption updates</p>

	<p>from the Company's Compliance Officer, the updates include the following aspects:-</p> <ol style="list-style-type: none"> <li>1. Status of Awareness / Training provided to all employees.</li> <li>2. Respond rates on the Due Diligence from Customers and Service Providers.</li> <li>3. Respond rate from Customers on the undertaking to adhere to ABC Policy.</li> <li>4. Status of Whistleblowing received.</li> </ol> <p>The awareness programmes regarding anti-bribery and corruption, integrity, and ethics were provided to all existing employees of the Group. Management is committed to provide training on a regular basis to new joiners of the Group.</p> <p>In accordance with the Guidelines on Adequate Procedure issued by Prime Minister's Department, Hextar has demonstrated its commitment to upholding anti-corruption practices by assigning a competent person, who is adequately resourced, to oversee all anticorruption compliance matters. This includes providing advice and guidance to the Group's employees and business associates on the corruption programme. The designated person responsible for this role has been accredited as a Certified Integrity Officer (CeIO) by the Malaysian Anti-Corruption Academy, further highlighting Hextar's dedication to promoting ethical and responsible practices.</p> <p>The Whistleblowing Policy and ABC Policy 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><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

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 together with Senior Management are responsible for the governance of sustainability in the Group including setting the sustainability strategies, priorities, and targets.</p> <p>The Company has established an Environmental, Social and Governance ("ESG") Committee comprising senior management representatives from relevant departments including Health &amp; Safety, Social Compliance &amp; Governance, Human Resources, Finance, Risk &amp; Compliance, and Madam Lee Chooi Keng, a Board Member acting as an advisor to oversee the climate change and the health and safety of Hextar Group. ESG Committee is responsible for overseeing the implementation of the Group's sustainability strategy, monitoring progress towards established goals, recommending improvement initiatives, and fostering cross-functional collaboration and knowledge sharing among departments on ESG matters.</p> <p>The Department Sustainability Working Group ("DSWR"), comprising representatives from various department within the Group, and is responsible for the day-to-day implementation of the organization's strategies and plans. DSWR is responsible for translating the overarching sustainability strategy into department-specific action plans and initiatives. The working group regularly monitors progress, shares best practices, and collaborates on cross-departmental sustainability initiatives.</p> <p>The Board is assisted by the ESG Steering Committee, comprising senior management representatives from relevant departments including Health &amp; Safety, Social Compliance &amp; Governance, Human Resources, Finance, Risk &amp; Compliance, and Madam Lee Chooi Keng, a Board Member acting as an advisor, oversees the implementation of the Group's sustainability strategy, monitors progress towards established goals, and recommends improvement initiatives. The Committee also</p>

	<p>facilitates cross-functional collaboration and knowledge sharing among departments on ESG matters.</p> <p>The Board, through its RMC, received updates twice a year on the sustainability issues of the business operations which included risk management report, sustainability progress in achieving the sustainability goals, ESG activities organised by Hextar Group for the benefit of society, employees and stakeholders. During the financial year under review, the Board was updated by the RMC on the business risks along with the actions taken to mitigate such risks, and continual improvement on the Group’s risk management systems in order to ensure growth and sustainability of the businesses.</p> <p>The Board provides guidance on the development of the Company’s business strategies and reviews the effectiveness of all programmes to ensure they are fit-for-purpose and are sustainable. The Board also ensures that sustainability goals are integrated into business goals. Hence, sustainability is naturally a vital facet of the group’s business strategies.</p> <p>In a notable move, Hextar joined the United Nations Global Compact initiative in 2022. This voluntary commitment places the Company among thousands globally dedicated to responsible business practices. It involves adherence to universally accepted principles covering human rights, labour, environment, and anti-corruption. This alignment supports the UN’s broader goals and issues encapsulated in the SDGs.</p> <p>The Company had, on 22 November 2021, adopted the ESG Policy, which can be viewed on 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 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 were communicated to its internal and external stakeholders.</p> <p>The Company conducts awareness training and briefings for its employees to enhance their understanding of sustainability, and it remains committed to engaging with sustainability issues and supporting sustainability initiatives throughout Hextar Group. The Senior Management actively collaborate with Bursa on sustainability matters to enhance Hextar’s ESG ratings.</p> <p>The Company had also taken proactive initiative to conduct employee survey for the ESG purposes, giving opportunity to the employee to provide feedback for further enhancement. External stakeholders were informed by appropriate means such as engagements and company disclosures through announcements, general meetings, Company’s Sustainability Statement, Annual Report and its corporate website.</p> <p>The Company’s comprehensive details of the engagements and targets as well the performance corresponding to these targets were as set out in the Company’s Sustainability Statements and its Corporate Website at <a href="https://www.hextarglobal.com/our-sustainability/">https://www.hextarglobal.com/our-sustainability/</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 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 industry-related areas for them to keep abreast of the latest developments in the industry, thereby 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 Directors had attended seminars, courses and briefings organized by professional bodies and regulatory authorities, as well as those conducted in-house. Details of which were as published in the Annual Report 2023.</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 to identify areas of greatest importance to the Company.</p> <p>The Company’s sustainability strategies have been instrumental in providing direction for the planning and implementing sustainability initiatives within Hextar. The NRC has assessed the skills matrix composition and was satisfied that the current board leadership is capable of oversight of sustainability issues and tackle sustainability risks and opportunities.</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

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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of the sustainability risks and opportunities in the Company's business operations.</p> <p>The Company's has included the following recommendations of MCCG into the TOR of 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 taking into consideration the complexity of the 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 NRC had, on 8 January 2024, reviewed BEA FY2023 results including performance evaluation of the Board and Senior Management in respect of the address of material sustainability risk and opportunities.</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 4.5- 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>The Board had appointed Encik Abdul Wahid Bin Abu Bakar (“En Wahid”), 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. Management had established a ESG 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 Committee are:-</p> <ul style="list-style-type: none"><li>(a) Acting as a liaison for the Board of Directors in terms of ESG knowledge and insights;</li><li>(b) Advising and recommending the Board on the business strategies in the area of sustainability.</li><li>(c) Monitoring the implementation of sustainability strategies as approved by the Board.</li><li>(d) Recommending to the Board the sustainability-related policies for adoption and monitoring the implementation of the policies;</li><li>(e) Recommending to the Board for its approval of the sustainability matters identified as material;</li><li>(f) Sustainability matters with particular focus on matters material to the Group; and</li><li>(g) Overseeing the preparation of sustainability disclosures as required by laws and/or rules and recommending it for the Board’s approval.</li></ul> <p>In FY2023, En. Wahid had presented updates during the meetings of the RMC and the Board in February and August concerning the sustainability issues of the business operations including risk management report, sustainability progress in achieving the sustainability goals, ESG activities organised by Hextar Group for the benefit of society, employees and stakeholders.</p> <p>Besides, the Board was updated by the RMC on the business risks along with the actions taken to mitigate such risks and continual improvement on the Group’s risk management systems in order to ensure growth and sustainability of the businesses.</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>In FY2023, the NRC, facilitated by the Company Secretary, conducted a comprehensive Board Effectiveness Assessment encompassing the Board as a whole, Board Committees, individual Directors, and confirmation of independence of all Independent Directors. The Questionnaires and evaluation forms were distributed to the Board and Board Committees for completion. Subsequently, a summary report and assessment results were presented during the NRC meeting for thorough evaluation and deliberation.</p> <p>The Chairperson of the NRC subsequently presented the summarized results, along with recommendations and actionable insights, to the Board. These recommendations outlined specific actions to be taken by both Board members and Board Committees to enhance overall effectiveness and governance.</p> <p>The BEA was carried out to assess the overall Board Skills Matrix and the results were presented by the NRC Chairperson to the Board for notation. The NRC analysed the weakness in the current Board composition and made necessary recommendations to the Board for improvement to strengthen the efficiency and effectiveness of the overall Board.</p> <p><b><u>Re-election of Directors</u></b></p> <p>Upon on the recommendation of NRC and taking into consideration the results of the Fit and Proper assessment and the BEA FY2022 in the areas of performance, contribution to interaction, quality of input, understanding of their roles and independence of Independent Directors, the Board had recommended to the shareholders for approval of the re-election of Dato' Sri Dr. Erwan bin Dato' Haji Mohd Tahir and Dato' Ong Soon Ho, who were due to retire at the 32<sup>nd</sup> AGM in accordance with Clause 127 of the Company's Constitution, on the following justifications:-</p> <ul style="list-style-type: none"><li>• They have relevant mix of experience, skills, industry knowledge on business and finance requirements, expertise and core competency that is beneficial to the Company.</li><li>• They have met the fit and proper criteria as stated in the Directors' Fit and Proper Policy in discharging their roles and responsibilities.</li><li>• They are unafraid to pursue views or opinions on issues presented.</li></ul>

	<ul style="list-style-type: none"> <li>• They devote adequate time in discharging their duties and responsibilities as Directors, work constructively with other Board members, attend meetings with well preparation and add values to Board meetings.</li> </ul> <p>On 28 November 2022, the Board, based on NRC’s recommendation and the fit and proper assessment results, had recommended to the shareholders for approval of re-election of Mr Rayburn Azhar Bin Ali, who were due to retire at the 32<sup>nd</sup> AGM in accordance with Clause 132 of the Company’s Constitution.</p> <p>The said re-election was approved by shareholders at the Company’s 32<sup>nd</sup> AGM held on 12 June 2023.</p> <p>In FY2023, Management had recommended the re-designation of Madam Lee Chooi Keng as the Group Managing Director of Hextar Group. NRC has assessed the profile of Madam Lee and deliberate in length on the re-designation of Madam Lee taking into consideration her extensive experience in managing Hextar Group, as well as her outstanding performance and contribution to the growth of Hextar Group.</p> <p>A thorough assessment had been conducted by the NRC for the re-designation of Madam Lee, by reviewing her CV, extensive experience, past performance, and fit and proper declaration which was tabled for review during meetings of the NRC and Board prior to the approval of her re-designation.</p> <p>The Board, upon the recommendation of the NRC, approved the re-designation of Madam Lee as a Group Managing Director of the Company.</p> <p>The Directors’ Fit and Proper Policy is available on corporate websites 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

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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company has a diverse Board comprising six (6) Directors with three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Executive Directors.</p> <p>The Board composition complies with Paragraph 15.02 of the MMLR, that is a minimum of two (2) or one-third (1/3) of the Board (whichever is higher) to be Independent Directors.</p> <p>The Company's INEDs and NINED always provide check and balance on the Board whereby they are able to express their independent views during the discussion at Board and Board Committees meetings respectively, so as to protect the interests of the Company and shareholders.</p> <p>An annual assessment on the independence of the INED was conducted by the NRC. A self-assessment form as independent directors were circulated and completed by all Independent Directors to facilitate the NRC in determining the Directors' Independence.</p> <p>It was concluded that none of the three (3) INEDs 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 MMLR of Bursa.</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 is searching for a suitable independent director taking into the consideration the gender, experiences and the current Board skills matrix to strengthen the Board Composition as a whole.
<b>Timeframe</b>	:	Within 2 years

### 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>	:	Currently, none of the Independent Directors whose tenure exceeds a cumulative term limit of nine (9) years in the Company.  The tenure of all Independent Directors is as follow: Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir – 6 years Mr Yeoh Chin Hoe – 6 years Mr Liew Jee Min @ Chong Jee Min – 6 years  The Company's Board Charter has indicated that Independent Director who has served the Board for more than nine (9) years may continue to serve on the Board as a Non-Independent Director subject to NRC's assessment and shareholders' approval by way of two-tier voting.
<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>The NRC is guided by its TOR, Board Charter as well as the Director's Fit and Proper Policy on the processes of appointment of potential candidates to the Board and re-appointment of existing Board members who are subject to re-election. The NRC would annually evaluate the effectiveness of the Board, Board Committees, and performance of the individual directors.</p> <p>During FY2023, the NRC had conducted a BEA 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. The NRC had evaluated the overall efficiency and effectiveness of the Board, Board Committees, and the performance of the Directors, guided by the TOR and Directors' Fit and Proper Policy.</p> <p>On 20 June 2023, the NRC discharged their responsibilities on the re-designation of Madam Lee Chooi Keng as the Group Managing Director of Hextar Group. The NRC has extensively evaluated Madam Lee's profile, considering her extensive experience in managing Hextar Group and her exceptional performance and contribution to its growth.</p> <p>A fit and proper assessment was conducted by the NRC for Madam Lee's re-designation, involving an evaluation of her fit and proper declaration. This assessment was thoroughly reviewed during NRC and Board meetings prior to the approval of her re-designation. Subsequently, on 20 June 2023, the Board, upon the recommendation of the NRC, approved the re-designation of Madam Lee as a Group Managing Director of the Company.</p> <p>The TOR of NRC and Directors' Fit and Proper Policy 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

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 NRC, will review the suitability of the potential candidates prior to the appointment as Board members. The criteria that the NRC 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.</p> <p>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. The NRC do not solely rely on recommendations from existing Board members, Management or major shareholders, but will also utilises independent sources to identify suitably qualified candidates. If the selection of candidates was solely based on recommendations made by existing Board, Management or major shareholders, the NRC would provide explanation on why other sources were not used.</p> <p>The NRC 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 assessment of Fit and Proper Policy;</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 NRC is guided by its TOR in carrying out its responsibilities in respect of the nomination, selection, and appointment process in the Company.</p>



	During FY2023, there was no new appointment to the Board.	
<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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had included a statement accompanying the Notice of 32<sup>nd</sup> AGM, which provided sufficient information to support the re-election of Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir, Dato' Ong Soon Ho, and Mr Rayburn Azhar Bin Ali who were due to retire at the 32<sup>nd</sup> AGM in accordance with the Company's Constitution.</p> <p>To ensure transparent communication with shareholders and enable them to make informed decisions on the re-elections, the profiles of Directors retiring at the 32<sup>nd</sup> AGM were disclosed in the statement accompanying the Notice of 31<sup>st</sup> AGM, which included:</p> <ul style="list-style-type: none"> <li>• the name, age, gender, nationality, qualification, and whether the position is an executive or non-executive one and whether such director is an independent director;</li> <li>• the working experience and occupation;</li> <li>• any other directorships in public companies and listed issuers, and other positions held;</li> <li>• the details of any interest in the securities of the listed issuer and its subsidiaries;</li> <li>• the family relationship with any director and/or major shareholder of the listed issuer;</li> <li>• any conflict of interests that they have with the listed issuer; and</li> <li>• any other than traffic offences, the list of convictions for offences within the past five years and particulars of any public sanction or penalty imposed.</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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

### Intended Outcome

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>The Chairperson of the NRC is Mr. Liew Jee Min @ Chong Jee Min, an Independent Non-Executive Director. In compliance with the Board Charter, TOR and the MCCG, the NRC currently consists of three (3) members, all of whom are Independent Non-Executive Directors. The composition of NRC is as follow:</p> <p><b>Chairperson</b> Liew Jee Min @ Chong Jee Min (Independent Non-Executive Director)</p> <p><b>Member</b> Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir (Independent Non-Executive Director)</p> <p>Yeoh Chin Hoe (Senior Independent Non-Executive Director)</p> <p>The NRC Chairperson leads the succession planning, appointment and re-designation of director, and annual review of board effectiveness, ensuring that the performance of each individual director and chairman of the Board are independently assessed.</p> <p>On 8 January 2024, the NRC Chairperson, with the assistance of Company Secretary, has reviewed the BEA results, analysed the weakness of the Board members and the overall board along with recommendations made for improvement.</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 5.9

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.
		The Board is supportive in the gender diversity by evident through the composition of the Board where the Board comprised of a female Director, Madam Lee Chooi Keng, and she is Group Managing Director and currently responsible for the overall development and business operations of the Group.
<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.</p> <p>The Gender Diversity of the Board shall comprise a minimum of one (1) women director and target to have at least 30% women representation on the Board. The Company has complied with at least one (1) women director pursuant to Paragraph 15.02(1)(b) of the MMLR of Bursa.</p> <p>The Board had also 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 Board actively seeks a diverse pool of potential female candidate to serve on the Board.</p>
<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 5.10

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 NRC, in consultation with Management and the Board, ensures 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 Director, Madam Lee Chooi Keng, and she is Group Managing Director and currently responsible for the overall development and business operations of the Group.</p> <p>Being supportive in the gender diversity, the Board Charter has indicated that the Board is endeavour to meet the target of 30% women Directors on the Board and had adopted a Diversity Policy for the Board and Senior Management, which can be viewed on the corporate website, <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p> <p>The Policy sets out to have at least 20% representation of women in Senior Management positions. For FY2023, there was two (2) out of six (6) of women in key senior management, representing 33.33%, higher than the requirements as set out in the Policy.</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>	: <p>To ensure the effectiveness of the overall Board in discharging its duties and responsibilities, an evaluation will be conducted annually on each of the individual directors, Board Committees, and the overall Board. The NRC establishes and implements the evaluation process and ensures proper documentation. The duties and responsibilities of NRC in the evaluation and assessment processes were clearly stated in the TOR of NRC.</p> <p>With the assistance of the Company Secretaries, NRC has conducted the BEA for financial year ended 2023 to determine the effectiveness of the Board collectively, its three (3) committees and each Director individually. The areas of assessment cover the following:</p> <p>(a) Assessment of the effectiveness of the Board as a whole</p> <ul style="list-style-type: none"> <li>• Board Structure/ Membership</li> <li>• Board Functionality</li> <li>• Board TOR</li> <li>• Board Meetings</li> <li>• Contents of Board Meetings</li> <li>• Management/Management Presentations</li> <li>• Corporate Governance</li> <li>• Sustainability</li> <li>• Other Matters</li> <li>• Overall Effectiveness</li> </ul> <p>(b) Assessment on Individual Board Member via Self &amp; Peer Evaluation</p> <ul style="list-style-type: none"> <li>• Contribution to Interaction</li> <li>• Quality of Input</li> <li>• Understanding of Role</li> </ul> <p>(c) Assessment of the Effectiveness of Board Committees</p> <ul style="list-style-type: none"> <li>• Board Committees' composition, competence, experience, and time commitment</li> <li>• Review of TOR</li> <li>• Efficiency of the Board Committees while carry out their duties</li> <li>• Procedure of the Board Committees' meetings</li> </ul>

	<p>(d) Assessment on Independence of Directors</p> <ul style="list-style-type: none"> <li>• Background</li> <li>• Family Relationships</li> <li>• Economics Relationships</li> <li>• Ability to act independently</li> <li>• Conflict of interest</li> <li>• Tenure as independent director</li> </ul> <p>(e) Assessment on Board Skills</p> <ul style="list-style-type: none"> <li>• Experience</li> <li>• Knowledge, Skills and Expertise</li> </ul> <p>All Directors and Board Committees have provided anonymous feedbacks on their peers' performance and individual performance contribution to the Board and respective Board Committees. The findings on the assessment conducted on each individual Director were furnished to Directors individually for own notation and the Chair of the NRC for his review and assessment.</p> <p>Subsequent to the reviews/evaluations by the NRC, the results were being summarized and reported by the NRC Chairperson to the Board for their notation. Based on the results of assessment conducted, the Board was satisfied with the performance of the Board, Board Committees, individual directors and was of the view that:-</p> <ul style="list-style-type: none"> <li>➤ The Board members have contributed and take responsibilities for governance of sustainability as well as considering sustainability matters when exercising its duties.</li> <li>➤ The Board member have provided sufficient time to review and challenge information submitted by Management in order to make quality decisions.</li> <li>➤ All Independent Non-Executive Directors have met the criteria under the definition of "Independent Director" as set out in Paragraph 1 of the MMLR of Bursa Securities.</li> <li>➤ Overall performance of the Board Committees was satisfactory, and the duties specified under the terms of reference of each Board Committee were carried out effectively.</li> <li>➤ The Board members have diversity in knowledge and skills that facilitates fruitful discussions towards decision-making.</li> </ul> <p>In addition, NRC had identified and highlighted the areas of improvement and assessed the training needs of each director and recommended the relevant trainings to each Director for their participation.</p> <p>All evaluations carried out by the NRC in discharging of its functions were properly documented. The review supported the Board's decision along with the justification to endorse all retiring Directors standing for re-election.</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

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 Company had adopted a Remuneration Policy of the Directors and Senior Management, outlining the framework to guide the NRC in evaluating the Directors and Senior Management's remuneration packages and ensuring that it is fair and adequate reward for their contributions. The NRC reviews the policy periodically and recommends the revisions to the Board for approval. The latest revision of Remuneration Policy was adopted on 21 February 2022 and is available on the Company's website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p> <p>The remuneration packages of EDs and Senior Management are aligned to corporate objectives, taking into consideration the complexity of the Company's business operations with reference to an individual's responsibilities and achievements including their roles in addressing the Company's material sustainability risks and opportunities and achieving sustainability targets.</p> <p>Additionally, the Board also ensures 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>Remuneration for NEDs is paid in a fixed sum not by a commission or percentage of profits of turnover. The fixed fee is determined according to qualification and contribution required in view of the Hextar Group's complexity, duty and responsibilities, number of board meetings and it is on par in the market. The fees payable to the NED are required to be tabled for shareholders' approval at 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

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>The NRC comprised of three (3) members who are entirely INEDs under the leadership of Mr Liew Jee Min @ Chong Jee Min and two (2) NRC members namely Dato' Sri Dr. Erwan Bin Mohd Tahir and Mr Yeoh Chin Hoe. The duties and responsibilities of Remuneration Function are clearly outlined in the TOR of NRC, which can be viewed on the corporate website, <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p> <p>To facilitate the NRC to discharge duties and responsibilities, the Company has adopted a Remuneration Policy of the Directors and Senior Management, serving as a guide in evaluating the Directors and Senior Management's remuneration package, and ensuring that their contributions are fairly and adequately rewarded. The said Policy is available on the corporate website, <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</p> <p>The Company has tabled the Director's fee for each NED in separate resolutions for shareholders' approval at the 32<sup>nd</sup> AGM held on 12 June 2023.</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>	:		
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### Intended Outcome

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

### Practice 8.1

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

<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 FY2023 are set out below.  <i>Explanatory Note to Mr Rayburn Azhar bin Ali's other emoluments: *The other emoluments of Mr Rayburn Azhar bin Ali comprise of Directors' Profit Sharing and Benefits.</i>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Dr. Erwan Bin Mohd Tahir	Independent Director	78	8	0	0	0	0	86	78	8	0	0	0	0	86
2	Dato' Ong Soon Ho	Non-Executive Non-Independent Director	60	9	0	0	0	0	69	60	9	0	0	0	0	69
3	Lee Chooi Keng	Executive Director	0	0	0	0	0	0	0	0	0	660	245	0	37	942
4	Rayburn Azhar Bin Ali	Executive Director	0	0	0	0	0	0	0	0	0	600	0	115	786*	1501
5	Yeoh Chin Hoe	Independent Director	66	9	0	0	0	0	75	66	9	0	0	0	0	75
6	Liew Jee Min @ Chong Jee Min	Independent Director	60	9	0	0	0	0	69	60	9	0	0	0	0	69
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 appropriate remuneration packages for the Group's Senior Management, the NRC considers several key factors. These factors include the individual responsibilities, skills, expertise, as well as their contributions to the overall performance of the Group.</p> <p>Additionally, the NRC assess whether the proposed remuneration package is comprehensive and adequate to not only attract but also retain executive talents within the Group. This thorough evaluation ensures that the remuneration structure aligns with the strategic objectives of the Group while maintaining competitiveness in the market.</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 of 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>	:	Within 1 year



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>The AC Chairperson is Mr Yeoh Chin Hoe, a 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 positions of the Chairman of the Board and the Chairperson of the AC are held by different individuals, which allows the Board to objectively review the AC findings and recommendations, and the AC Chairperson is able to provide full commitment and devote adequate time to review all matters under the responsibilities of the AC.</p> <p>The Board Charter and the TOR of the AC are available on 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 9.2

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 EA and that no possible conflict of interest whatsoever should arise.</p> <p>The criteria for a former key audit partner of the EA firm shall observe a cooling-off period of at least three (3) years before being appointed as a member of the AC was clearly stated in the TOR of the AC and the Company's EA Policy, which is in line with the MCCG practice.</p> <p>Currently, none of the members of the Board and AC were former key audit partners.</p> <p>The TOR of the AC and EA Policy are available on 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>To facilitate the AC in discharging its duties, the Company had adopted an EA Policy which has clearly outlined the policies and procedures for the selection and appointment of EA to be in line with the practices of MCG. The EA 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>On 20 November 2023, with the assistance of Management, the AC assessed the suitability, independence, and objectivity of the EA, Messrs Crowe Malaysia PLT ("Crowe"), statutory audit engagement during the financial year under review, guided by the Company's EA Policy. The adopted EA Policy safeguards the quality and reliability of audited financial statements under Practice 9.3 of the MCG.</p> <p>In addition, 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 EA to the AC confirming the compliances and their independence as well.</p> <p>The AC was satisfied with the EA's performance for FY 2023 and recommended to the Board the re-appointment of Crowe as the EA of the Company for their recommendation to the shareholders for approval at the 33<sup>rd</sup> AGM.</p> <p>The AC was also satisfied with the appropriateness of audit fees by the EA in order to uphold quality of audit. The non-audit services by the EA to the Group for the FY2023 had been tabled to the AC for concurrence.</p> <p>Besides, the Company had also set out the non-audit engagement of the external audit in order to ensure the professional independence of EA. The AC limited the non-audit service fee for the Group, authorising Management to undertake non-audit services with cumulative annual value that is not more than 50% of the Group's prior year audit fees and it is recurrent in nature or related to the annual audit service. The Board</p>

	had also authorised the AC to approve non-audit services in excess of Management’s authorisation limit.	
<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 9.4 - 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 INED as follow:</p> <p><b>Chairperson</b> Yeoh Chin Hoe (Senior Independent Non-Executive Director)</p> <p><b>Members</b> Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir (Independent and Non-Executive Director)</p> <p>Liew Jee Min @ Chong Jee Min (Independent Non-Executive Director)</p> <p>The duties and responsibilities of the AC have been set out in the TOR of the AC, which is available for reference on the corporate website at <a href="https://www.hextarglobal.com/ir.php">https://www.hextarglobal.com/ir.php</a>.</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 member of both The Association of Chartered Certified Accountants (UK) and Institute of Chartered Secretaries and Administrators (UK).</p> <p>All members of the AC are financially literate and have sufficient understanding of the Company's business. They keep abreast of the relevant updated accounting and auditing standards by meeting with the Company's EA. 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 of the requirements and standards, especially on changes pertaining to regulatory requirements that could help the members of AC to discharge their duties professionally.</p> <p>The training programmes, conferences and/or seminars attended by all AC members during the financial year under review are set out in the Corporate Governance Overview Statement in Annual Report 2023.</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 to establish and oversee a comprehensive system of internal financial controls, operational and compliance controls, information technology controls, and risk management policies include regularly reviewing their adequacy and effectiveness.</p> <p>Management is responsible to ensure the implementation and compliance of the Group's internal control framework. The AC assists the Board in discharging its internal control review responsibilities whilst continuous efforts the Board to integrate internal controls into business operations and address areas for improvement identified by Management and the Board. Thus, a robust system of internal controls and risk management framework has been established.</p> <p>The Risk Management and Internal Control framework detailed the processes, procedures and controls for financial, operations and compliances and risk management. These internal controls are embedded into the operations of the Group, are in place and practiced consistently throughout the year.</p> <p>With assistance from the RMC and the Risk Management Working Group from the subsidiaries, the Board identifies and evaluates applicable potential risks, determines the Group's level of risk tolerance and takes appropriate actions to mitigate the identified risks, aiming to safeguard the Group's shareholders' investments and assets.</p> <p>The Board has delegated certain duties to Management to monitor the Group's internal control systems in daily operations and report such results to the RMC and AC.</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 2023.</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 significant risk areas and implement appropriate measures to control and mitigate these risks. All significant control policies and procedures are reviewed by the Management, who then highlights all significant matters to the RMC, AC, and the Board.</p> <p>Management, IA and EA of the Company conduct reviews and audits to assess 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 are promptly reported to the AC.</p> <p>Subsequently, the Board, assisted by the RMC and AC, evaluates the adequacy and effectiveness of the Company’s Risk Management and internal control systems based on the audit findings and recommendations presented by the IA and EA. This evaluation encompasses financial, operational, compliance, and information technology risks, with the aim of enhancing 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 2023.</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 RMC comprises majority of Independent Non-Executive Directors and the RMC members are:-</p> <p><b>Chairperson</b> Madam Lee Chooi Keng <i>(Group Managing Director)</i></p> <p><b>Members</b> 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, 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 processes.</p> <p>The IA is responsible to perform independent assessment on the adequacy and effectiveness of the Company’s risk management and internal control systems, and thereafter to report such outcome together with relevant recommendations to the AC.</p> <p>The IA works closely with Management to carry out their internal audit activities and presents its internal audit report directly to the AC on 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.</li></ul> <p>The AC reviewed the findings and recommendations by the IA to ensure that appropriate actions were taken to improve the Group’s internal control system on quarterly basis.</p> <p>The AC monitored and ensured that Management resolved the audit issues highlighted by the IA within the agreed timeline. The AC received quarterly updates from the IA regarding the follow-up on the last IA’s report, including issues that have been resolved or are still on-going. In addition, the AC sought clarification from Management on outstanding audit issues that were yet to be resolved or had exceeded the agreed timeline. Actions were also recommended by the AC to Management to address these outstanding issues.</p> <p>The IA reviews internal controls in all key activities of the Group and recommends improvement in controls and procedures. During the FY2023, IA had reviewed the Group’s credit management, inventory management, and human resources &amp; payroll management.</p>



	<p>On 20 November 2023, with the assistance of Management, the AC assessed the competency, suitability, independence, experience, and adequacy of resources for Eco Asia to effectively perform its audit engagement in FY 2023 including the audit scope and quality of audit services of Eco Asia.</p> <p>The AC was satisfied with the performance of the IA and presented the results along with the AC's recommendation for the re-appointment of the Eco Asia as the Company's Internal Auditor for the FYE 31 December 2024, to the Board for approval on 20 November 2023.</p> <p>On 20 November 2023, the AC reviewed the Internal Audit Plan for the FY 2024 presented by the IA. Considering the extension of business operation, both the IA and Management agreed with the AC's concerns and recommendations to revise the proposed internal audit scope. The AC approved the IA scope and the proposed internal audit fee on the even date.</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”), an independent professional firm, tasked with monitoring the internal control systems inherent in the Group. The IA findings are reported directly to the AC. Leading the IA engagement team is Mr. Woon Soon Fai, Executive Director who is a Chartered Accountant Malaysia (CA(M)), Member of the Malaysian Institute of Accountants (MIA), Fellow Member of the Association of Chartered Certified Accountants (ACCA), Affiliate Member of the Institute of Internal Auditors Malaysia (IIA).</p> <p>The IA engagement team is free from any relationships or conflicts of interest and does not impair their objectivity and independence as they are an outsourced entity. They conduct their duties with impartiality and due professional care, ensuing independence from the activities they audit. The internal audit work is carried out in accordance with the International Professional Practice Framework (“IPPF”).</p> <p>Based on the results of the IA’s evaluation and internal audit function, it was concluded that the IA effectively provides independent assurance and adheres to the standards the standards set forth by 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 adheres to the disclosure requirements and continuing listing obligations prescribed in the MMLR of Bursa. The Board acknowledges the significance of fostering effective, transparent, and regular communication with the Company's stakeholders and shareholders.</p> <p>Hextar has a diverse group of stakeholders who are interested in the Group's business strategies, corporate directions and operational activities. Therefore, the Group emphasizes the importance of cultivating robust relationships with stakeholders by comprehending their needs and engaging in transparent communication practices to achieve this objective.</p> <p>The Board and Management of the Company communicate regularly with its stakeholders and shareholders through the following communication channels:</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, TOR and policies, analyst briefing, general meetings and Bursa's announcement of the Company.</li><li>• The Board Charter, TOR for all Board Committees, and the Group's policies were up to date in the timely manner.</li></ul>

	<ul style="list-style-type: none"> <li>The Company's corporate website, <a href="https://www.hextarglobal.com/our-sustainability/">https://www.hextarglobal.com/our-sustainability/</a> under "Our Sustainability" section provide updates on the Company's sustainability matters, commitment statement in respect of the climate change impacts on CO2/GHG emissions, commitments in each Environmental, Social and Governance aspect as well as sustainability targets corresponding to the performance achieved in FY2023.</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 allowing stakeholders to make enquiry directly to a designated person with email address.</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>In addition, the AGM and EGM serve as the primary platforms for dialogue between the Company and its shareholders. Shareholders were given the opportunity and sufficient time to raise queries before and during the AGM and EGM. During the meetings, any clarification could be sought, allowing the stakeholders/ shareholders to gain deeper understanding on the Company's business operations.</p> <p>The details of the Company's engagement with stakeholders were set out in the Sustainability Statements of the Annual Report 2023.</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 12.2

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>The Company has become a large company in 2021. The Company is considering adopting the integrated reporting.</p> <p>Nevertheless, the Annual Report of the Company has included Management Discussion and Analysis Statement, Sustainability 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>Furthermore, the Company has provided all material information to its stakeholders in its quarterly financial results, annual report, press release and relevant announcements through Bursa's website on a timely basis.</p> <p>The Board is committed to ensuring all stakeholders are well informed of all 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>	:	Within 1 year

### 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 Notice of AGM is circulated at least twenty-eight (28) days prior to the date of the meeting.</p> <p>The Notice of the 32<sup>nd</sup> AGM of the Company was issued on 20 April 2023 for the AGM held on 12 June 2023. The Board understand that providing adequate notice and time would allow the shareholders to arrange their schedules to attend or participate in the AGM. Shareholders also have sufficient time in consider appointing proxy, attorney or corporate representative to attend the AGM.</p> <p>The Notice for the AGM has outlined the agendas and resolutions to be tabled during the AGM, accompanied with detailed explanatory notes for each proposed resolution. This is intended to provide the shareholder with sufficient information to consider the proposed resolutions scheduled for discussion and voting 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 acknowledges its responsibilities and stewardship to all shareholders with continuous engagements and direct communications during the general meetings.</p> <p>All directors, and Chairpersons of the respective Board Committees, CFO, Company Secretary, attended the 1<sup>st</sup> EGM in 2023 and the 32<sup>nd</sup> AGM and held on 31 March 2023 and 12 June 2023 respectively, to deliver meaningful responses to questions addressed to them and to engage with shareholders.</p> <p>However, during the EGM held on 26 October 2023, the Chairman of the Board, Dato' Sri Dr. Erwan bin Dato' Haji Mohd Tahir, was absent from the meeting with apologies. In his absence, the Vice Chairman of the Board, Dato' Ong Soon Ho, chaired the EGM.</p> <p>In addition, Principal Advisers also attended the EGMs held on 31 March 2023 and 26 October 2023 to facilitate the Board in providing clarification to the shareholders, if required. EA attended the 32<sup>nd</sup> AGM to provide clarification on the Company's financial statements.</p> <p>Shareholders were invited to submit questions through remote participation and voting ("RPV") facilities and the Directors responded to all questions raised. Details of the responses were recorded in the minutes and published on the corporate website after the meetings.</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>Three (3) meetings were convened in 2023, included both physical and virtual manners. The Company had leveraged technology to facilitate voting including voting in absentia and remote shareholder participation to support meaningful interaction among Directors, Shareholders, and Management.</p> <p><b>a) Electronic Voting (“e-voting”)</b></p> <p>The Company had leveraged technology to facilitate e-voting for the conduct of poll on the resolutions during the first EGM held physically on 31 March 2023. Electronic voting devices were used to ensure the efficiency and effectiveness of voting procedures and accuracy of voting results.</p> <p><b>b) Remote Participation and Voting (“RPV”)</b></p> <p>The Company’s 32<sup>nd</sup> AGM and second EGM were held virtually on 12 June 2023 and 26 October 2023 respectively, through live streaming and online remote voting via RPV facilities which are available on Tricor Investor &amp; Issuing House Services Sdn Bhd’s (“TIIH”) Online website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>The shareholders were able to attend, participate, post question, and vote remotely at the meetings via the RPV facilities. During the day of the meetings, the shareholders and proxies were briefed on the use of the Query Box facility to submit query real time during the meeting and the RPV facilities for remote voting process.</p> <p>In addition, the Administrative Guide was circulated to the shareholders detailing the registration of attendance, posting of questions prior to the meetings, appointment of proxies and corporate representatives, and e-voting of resolutions.</p> <p>The Board recognises the advantages of e-voting and RPV facilities which enable more accurate and transparent voting results and shorten turnaround time for declaration of voting results.</p>



	To ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats, the Board and Management were informed that Tricor Malaysia has implemented an IT policy and Information Security policy, endpoint controls, data classification for cyber hygiene practices of the staff. In addition, TIH Online is hosted in a secure cloud platform and the data centre is certified by ISO27001.	
<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 Company's first EGM in 2023 was conducted physically at Hextar's Corporate Office on 31 March 2023. However, the Company's 32<sup>nd</sup> AGM and second EGM held on 12 June 2023 and 26 October 2023 respectively, were conducted virtually through live streaming and online remote voting via RPV facilities provided by TIIH on the TIIH Online Website at <a href="https://tiih.online">https://tiih.online</a>. Three (3) meetings were convened in 2023, included both physical and virtual manners, to facilitate meaningful interaction among Directors, Shareholders, and Management.</p> <p>The Chairman is committed to ensuring that shareholders were given the opportunity to raise questions during the AGM and EGMs respectively.</p> <p>The Shareholders were allowed to submit questions to the Board prior to the AGM and EGMs via TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>. The Questions &amp; Answer session was kept open to allow the members, proxies, corporate representatives to pose questions real time (in the form of typed text) throughout the AGM and EGMs via the query box.</p> <p>The Chairman ensured that all questions raised prior to and during the AGM and EGMs regarding the Company's financial and non-financial performance, as well as the strategic plan were answered during the meetings. The questions and answers session began with the Executive Director, Mr Rayburn, reading out the questions received from the Minority Shareholders Watch Group ("MSWG") and the Company's responses to those questions. The questions and responses to MSWG's queries were also uploaded 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>The Company's first EGM in 2023 was held physically at Hextar's Corporate Office on 31 March 2023. However, the Company's 32<sup>nd</sup> AGM and second EGM on 12 June 2023 and 26 October 2023 respectively, were held virtually through live streaming and online remote voting via RPV facilities provided by TIIH on the TIIH Online Website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>The RPV facilities in the TIIH Online platform enabled the 32<sup>nd</sup> AGM hosted successfully. The shareholders were able to participate, vote and pose questions remotely via the platform.</p> <p>To ensure that the virtual general meetings support meaningful engagement between the Board, Management and Shareholders, the RPV facilities supported:</p> <ul style="list-style-type: none"><li>(i) live-video stream of all Directors, Senior Management, Company Secretary, EA and Advisor (for EGM) who participated in the AGM and EGM to address queries from shareholders;</li><li>(ii) tutorial video to guide shareholders, proxies and corporate representatives through the voting procedure;</li><li>(iii) submission of queries by shareholders, proxies and corporate representatives prior and throughout the meetings.</li><li>(iv) online poll voting was initiated at the commencement of the meetings to facilitate shareholders, proxies and corporate representatives who wish to cast their votes early. Additional time was allocated during the voting session for shareholders who had not cast their votes.</li></ul> <p>Questions received prior to meetings were shared together with the answers to all participants during the Question &amp; Answer session. The Board together with the Management had responded meaningfully to</p>

	all the questions received including the live questions which were made visible to all the meeting participants during the meeting.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 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 for the EGMs held on 31 March 2023 and 26 October 2023, as well as the 32 <sup>nd</sup> AGM held on 12 June 2023, respectively, were published on the corporate website no later than 30 business days after the respective general meetings.  The Company's responses to the questions raised by the MSWG and posed by shareholders via the TIH Online platform had been published on the Company's 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.*

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