

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5211  
**COMPANY NAME** : Sunway Berhad  
**FINANCIAL YEAR** : December 31, 2022

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

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| <b>Application</b>                                | : Applied   |
| <b>Explanation on application of the practice</b> | <p>The Board of Directors ("<b>Board</b>") of Sunway Berhad ("<b>Sunway</b>" or the "<b>Company</b>") is responsible for the leadership of the Company and its subsidiaries ("<b>Group</b>") and is collectively responsible for the achievement of its objectives and goals. It formulates and reviews the Group's strategic direction, core values, key policies and management of the Group to ensure that the Group operates with integrity and in compliance with all the applicable laws, rules and regulations. In addition, it is also responsible to ensure good corporate governance culture is practised within the Group.</p> <p>The duties, powers and functions of the Board are governed by the constitution of the Company, the Companies Act 2016, Main Market Listing Requirements ("<b>MMLR</b>") of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") and other regulations.</p> <p>In addition, the Board is guided by its Board Charter which outlines its duties and responsibilities. The Board Charter is available at the Company's website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>. The Board has also set up Board Committees to assist and to effectively discharge its functions and responsibilities.</p> <p>The Board is guided by the Group's core values which encompasses:</p> <ul style="list-style-type: none"> <li>a) Integrity – Doing the right thing at all times: <ul style="list-style-type: none"> <li>(i) By conducting ourselves in an honest and trustworthy manner</li> <li>(ii) Acting professionally, ethically and honourably</li> <li>(iii) Ensuring our actions are consistent with our words</li> </ul> </li> <li>b) Humility – Being humble, polite and respectful: <ul style="list-style-type: none"> <li>(i) Never stop learning</li> <li>(ii) Care for and respect the people and environment</li> <li>(iii) Seek first to understand, then to be understood</li> </ul> </li> <li>c) Excellence – Take pride in all that we do: <ul style="list-style-type: none"> <li>(i) Strive to deliver high quality products and services</li> </ul> </li> </ul> |

- (ii) Continuously innovate and improve greater progress
- (iii) Seek to inspire others to excel.

The Board assumes, amongst others, the following principal duties and responsibilities in fulfilling its leadership and stewardship roles as well as meeting its fiduciary duties:

- *Setting the vision, mission, objectives, goals and strategic plans for the Group with a view to maximizing shareholders' value as well as ensuring long term sustainability of the Group's performance.*

At the beginning of each financial year, the Board meets with the Management to brainstorm and discuss on the annual business and strategic plans of various divisions within the Group. At the meeting, the Board and Management reviewed and provided recommendations on corporate and operational strategies together with the proposed financial targets, investments and budgeted capital expenditure of the various divisions for the following year.

A 2-day Board Meeting was held in January 2022 to brainstorm and approve the business plan of each division within the Group which comprised Property Development Division, Property Investment Division, Construction Division, Building Materials Division, Trading and Manufacturing Division, Quarry Division, Healthcare Division, Hospitality Division, Retail Division and Leisure Division. The business leaders of each Divisions also presented their proposed sustainability and environmental, social and governance (ESG) initiatives and targets for the year. Due to the impact of prolonged COVID-19 and global supply chain disruption, the Group had implemented various cost containment initiatives and effective implementation of business continuity action plans.

In addressing the challenges caused by technological evolution and disruptions, the Board together with Management, supported by Group Information Technology ("**Group IT**") had implemented various digital transformation initiatives to stay ahead of the game. Group IT explores and identifies new opportunities to advance in the digital space by incorporating artificial intelligence (AI), automation, Big Data and federated learning to improve the Group's processes and to drive future growth as well as venturing into new digital businesses. The Board concurred with Management's recommendation to leverage on data mining for effective decision making. All digital initiatives undertaken by Management to strengthen cyber security and improve operational processes of the Group, were presented at the two-day meeting. A Management Advisory Committee on Digital Transformation comprising IT experts and industry leaders has been established to advise the Board on this initiative.

The Board together with the Management had set the key strategic objectives for each of the core divisions. Discussions were centred

on various operational and tactical strategies to leverage on the Group's synergistic advantages to achieve competitive edge, asset optimisation, cost efficiency and exploring new business opportunities/markets.

At the meeting, the Board reviewed, deliberated, provided inputs and challenged the Management's views and assumptions in achieving the projected financial performance targets in view of the challenging economic environment. The Board also reviewed and approved the budgeted capital expenditure and the key performance indicators ("KPIs") for the Company and the Group.

- *Monitoring the progress of the Company's strategies, budgets, plans and policies.*

The Board at its quarterly meetings, monitored the implementation of the strategic business plans to ensure that the Management met the set objectives in order to achieve sustainable growth and optimization of returns for the Group. All the variances against planned budgets were explained. Revisions or adjustments to the approved budgets in response to the uncertain business environment were explained and justified. The Board provided guidance, ideas and feedbacks to the Management in fine tuning its plans.

- *Monitoring the progress of the Group's businesses to evaluate whether the businesses are properly managed to achieve its targeted returns.*

At the Board Meetings held on 25 February 2022, 26 May 2022, 24 August 2022 and 25 November 2022, the President updated the Board on the global and domestic economic trends in the midst of the COVID-19 pandemic, rising interest rates in the United States (US) and global supply chain disruption. He also reported on the quarterly financial performance of each division against its budget and strategies as well as action plans taken to achieve its targeted KPIs and improve its competitiveness.

The Group Chief Financial Officer reported on the Group's quarterly financial performance, whereby the actual results were compared against the approved business plan targets. This enabled the Board and the Management to keep track of the budgeted KPIs against the actual results. Budget variances were highlighted and explained by the Management as well as the action plans undertaken to close the gap. The Board was also informed of major capital expenditures, major corporate exercises and proposal for mergers and acquisitions of new businesses.

The Board was also briefed by the Chief Human Resources Officer on talent development and retention including management

succession planning. The Group IT head reported on several IT and digital transformation initiatives such as:-

- i) Hi-5 Projects – collaboration with Huawei with the objective towards advancing smart township solutions encompassing internet of Things and Artificial Intelligence (AI), with 5G connectivity
- ii) Building a Super App
- iii) Sunway Smart Parking – implementing computer vision software to car park system.

- *Identifying principal risks of the Group and ensuring the implementation of appropriate systems to mitigate and manage these risks.*

The Board, through the Risk Management Committee (“**RMC**”), sets risk tolerance levels, objectives and risk management policies to manage the key risks faced by the Group. A risk management framework is in place to enable the Group to identify, assess and manage/mitigate these risks. The Board reviews and comments on the risk management report which highlights the key risks of the Group as well as action plans to manage or mitigate the said risks on a quarterly basis.

The heads of selected Business Units were also invited by the Chairperson of the RMC to present the top risks of their respective division and strategic action plans taken to mitigate the risks. During the financial year, the chief executive officers of the following divisions had presented their respective business and operational risks at the RMC Meetings:

- a) Theme Parks Division;
- b) Sunway Property & Facility Management Sdn Bhd;
- c) Sunway Resort Hotel; and
- d) Property Development Division.

At the RMC Meeting held on 25 February 2022, the RMC was updated on the progress of the Anti-Bribery and Corruption (“**ABC**”) Policy roll-out for the Group. The Anti-Bribery and Corruption Compliance officer has been given the responsibility to oversee the compliance of the ABC Policy in the Group. The Group Risk & Compliance (“**GRC**”) undertakes an annual ABC risk assessment to assess and mitigate the risk while the Group Internal Audit Department (“**GIAD**”) reviews the gap analysis on the ABC Compliance Programme by the Business Units.

At the RMC Meeting held on 23 August 2022, the Committee had approved the appointment of KPMG Management & Risk Consulting Sdn Bhd as the external consultant to assist in establishing a robust Group Compliance Framework for all the compliance obligations of the Group.

The Chairperson of the RMC reported to the Board all the deliberations and recommendations made by the RMC.

The details of the risk management framework are set out in the Statement on Risk Management and Internal Control in the Company's Integrated Annual Report 2022.

- *Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.*

The Board through the Audit Committee ("AC"), has oversight over the internal control environment, financial reporting & accounting standards, the integrity of the management information systems, related party transactions and conflict of interest situation. The AC is assisted by GIAD in reviewing and monitoring the adequacy and integrity of the internal control systems and risk management framework.

The Head of GIAD would present its annual Audit Planning Memorandum at the beginning of the year outlining among others, the scope of works, audit methodology, resource availability and audit timetable for the review and approval of the AC. The 2022 Audit Plan was approved at the AC Meeting held on 25 February 2022.

The Head of GIAD at the AC's quarterly meetings held on 25 February 2022, 24 May 2022, 23 August 2022 and 22 November 2022, reported the audit findings arising from the audit activities conducted. The AC then deliberated on the actions taken by the Management to address the weaknesses and issues highlighted in the audit findings.

The minutes of the AC meetings were subsequently presented to the Board at its meetings for discussion and decision. The Chairperson of the AC reported to the Board on all key financial matters and internal control related issues and recommendations made by the AC.

The Board on the recommendation of the AC had at its meeting held on 24 August 2022, approved the updated Sunway Group Policy Manual which provides a comprehensive description of the corporate governance framework and practices as well as various internal policies, standards and procedures adopted at Sunway Group.

The details of the internal control system are set out in the Statement on Risk Management and Internal Control in the Company's Integrated Annual Report 2022.

- *Considering Management's recommendations on key issues including acquisitions, material investment and divestments, restructuring, funding and significant capital expenditure.*

All significant management proposals were presented to the Board for consideration and approval. Management also kept the Board informed on the progress of the proposals at subsequent Board meetings.

During the financial year 2022, the Board had discussed and approved the following management proposals:

- (i) Proposed acquisition of the distribution rights from QC Fleet Management Sdn Bhd for the sale and distribution of EC35 and EC31 electric powered commercial motor vehicles manufactured by Dongfeng China Group including other models agreed to be supplied by Dongfeng China Group in Malaysia, by Dongfeng Commercial Vehicle (Malaysia) Sdn Bhd, a subsidiary of the Company;
- (ii) Proposed acquisition of Sunway Medical Centre Towers A and B by Sunway Medical Centre Sdn Bhd from RHB Trustees Berhad (as Trustee for Sunway Real Estate Investment Trust) for a total consideration of RM430 million;
- (iii) Proposed acquisition of additional 18.56% equity interest in Multicare Health Pharmacy Sdn Bhd and 20% equity interest in World Medicare Supplies Sdn Bhd from Mr Lang Leong Cheng, Mr Lang Leong Hai and Mr Lang Leong Huat;
- (iv) Establishment of an Islamic Medium-Term Note Programme of up to RM2 billion in nominal value by its subsidiary, Sunway South Quay Sdn Bhd; and
- (v) Establishment of a Medium-Term Note Programme of up to RM3 billion in nominal value by its subsidiary, Sunway Treasury Sdn Bhd.

The Board had actively deliberated and provided constructive comments and recommendations to the Management on each of the proposals.

- *Human resources planning and talent development in particular, management succession planning.*

The Board through the Nomination and Remuneration Committee ("**NRC**"), oversees the Management succession planning for key positions of the Group as well as recommends to the Board the remuneration packages of the Senior Management based on a balanced scorecard appraisal system.

The NRC together with the Chief Human Resources Officer develop the Executive Directors' performance scorecards based on the set financial KPIs and strategic objectives including sustainability comprising ESG (environmental, social and governance) goals and targets, which are aligned to the business plan and corporate goals set by the Board.

In managing talent and succession planning, Annual Talent Reviews are conducted across the Group, culminating in the review of key management positions by the Talent Council, led by the President. This annual exercise comprehensively reviews the succession plans for all key management positions, including the leadership and growth potential, and development plans for the identified successors. These key management profiles were then reviewed with the Chairman before the Chief Human Resources Officer presented them to the NRC for endorsement. This was presented to the NRC on 25 November 2022.

Casting a wider net in identifying talents within Sunway Group, and also enabling more tailored development plans, the Group Human Resources ("GHR") has evolved the talent categorisation, extending focus beyond only "Leadership Succession" talents, to also include the following categories to support better sustainability and talent retention:

- *"Diamonds in the Rough" (young high-potentials that may not be identified as part of the succession pipelines yet)*
- *"Senior Specialist" (talents with specialized niche skills or subject matter experts in the industry, but not necessarily groomed for leadership succession)*
- *"Core Contributors" (consistently high performing talents with significant contribution to business performance, but not necessarily groomed for leadership succession).*

To further strengthen succession pipeline, the Group accelerates early career growth development through the Management Associate Programme (MAP), grooming the next generation of leaders in the Group's businesses. For the larger population of Sunway Group, GHR has developed exercises such as the Excellence in My Career & Leadership (ExCeL@Sunway) initiative that is designed to enable a more personalised, purposeful and focused career development journey, in order to help its talent bank realise their leadership potential. This exercise requires significant in-person interaction for role-plays, simulations and case studies as part of leadership capabilities assessment. Additionally, the GHR had introduced the following learning and development programs:-

- i) Sunway Leader Speaker Series 2022;
- ii) Knolskape; and
- iii) Online short courses on sustainability, ESG, financial management and business software applications.



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| <b>Explanation for departure</b> :   |  |  |
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| <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.

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| <b>Application</b>                                | : Applied   |
| <b>Explanation on application of the practice</b> | <p>The Group is co-led by Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, the Executive Chairman and Dato' Sri Idris Jala, the Independent Non-Executive Co-Chairman of the Board.</p> <p>Their roles and responsibilities are defined in the Board Charter of the Company as follows:</p> <p>a) <u>Executive Chairman</u></p> <ul style="list-style-type: none"><li>• As founder, he is responsible for the leadership of the Board as well as setting the visions, values and standards for the Company;</li><li>• He provides leadership support and guidance to Senior Management on operational matters as well as facilitating Management succession planning; and</li><li>• He grooms and mentors Senior Management officers to achieve consistently high levels of professionalism and excellent performance.</li></ul> <p>b) <u>Non-Executive Co-Chairman</u></p> <ul style="list-style-type: none"><li>• He is responsible for:-<ol style="list-style-type: none"><li>(i) ensuring the integrity and effectiveness of the governance process of the Board;</li><li>(ii) forging a relationship of trust with and between the Executive and Non-Executive Directors;</li><li>(iii) facilitate open dialogue between the Board and Management and inculcating positive culture in the Board;</li><li>(iv) ensuring accurate, timely and clear information are given to Directors;</li><li>(v) leading the Board in the adoption and implementation of good corporate governance practices in the Group;</li><li>(vi) ensuring effective communication with shareholders and relevant stakeholders;</li><li>(vii) ensuring the members of the Board work together with the Management in a constructive manner to formulate strategies, to monitor business operations, to achieve optimal financial performance; and to manage risk issues;</li><li>(viii) chairing and setting the agenda for Board meetings. Every Board member is given the opportunity to share his/her opinion on the meeting agenda and to debate on all issues tabled at the Board meetings. No Board member, whether</li></ol></li></ul> |

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|   | <p>Executive and Non-Executive, will dominate the discussions. He also ensures that the Board receives the necessary management reports on a timely basis;</p> <ul style="list-style-type: none"> <li>• providing leadership to the Board and is responsible for the developmental needs of the Board;</li> <li>• ensuring that procedures and processes are in place to facilitate effective conduct of business by the Board;</li> <li>• chairing general meetings of the Company; and</li> <li>• Championing sustainability agenda in the strategy and operations of the Group.</li> </ul> <p>Based on the Annual Board Effectiveness Evaluation for 2022 facilitated by the Company Secretary, the Board was satisfied with the Chairmen’s roles and performances. The Board members felt that the Chairmen are forward looking. They provide opportunities to the Board members to express their views.</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 1.3

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

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| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>Tan Sri Dato' Seri Dr Jeffrey Cheah and Dato' Sri Idris Jala are the Executive Chairman and Non-Executive Co-Chairman of the Board respectively while Tan Sri Dato' (Dr) Chew Chee Kin holds the position as the President of the Group. The roles of the Executive Chairman and Non-Executive Co-Chairman are listed in Practice 1.2.</p> <p>The President acts as the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions. He has the executive responsibility for the day-to-day operation of the Company's business including the execution of business policies and all operational decisions in managing the Company. All Board authorities conferred on the Management is delegated through the President and this will be considered as the President's authority and accountability as far as the Board is concerned.</p> <p>The President leads a Senior Management team in formulating comprehensive medium to long-term business strategies and financial projections so as to achieve the Group's targeted revenue, profits and market capitalization growth. The objectives are to generate a reasonable return on investment for the Company's shareholders and ensuring sustainable future earnings for the Group. He also spearheads the Group's synergy initiatives, directs and reviews the overall business activities of the various Business Divisions and Corporate Function so as to ensure the integrated efforts of these Divisions contribute to the optimum utilization of corporate resources and expertise in the attainment of the Group's long-term sustainability and corporate objectives.</p> <p>He is also responsible for driving ESG initiatives within the Group as well as implementing action plans to meet net zero carbon emission. He also worked with the Chief Human Resources Officer in identifying and grooming talents as part of Senior Management succession plan. In addition, the President leads Management in its digital journey of transformation especially in the area of digital processes and data collection/analytics.</p> <p>The separate roles and responsibilities of the Chairmen and President are clearly defined in the Board Charter which is published at the Company's website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>.</p> |

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|  | Based on the annual Board Effectiveness Evaluation facilitated by the Company Secretary, the Chairmen and the CEO had effectively discharged their respective duties and responsibilities. |  |
| <b>Explanation for departure</b>   | :  |  |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |  |
| <b>Measure</b>   | :  |  |
| <b>Timeframe</b>   | :  |  |

### Intended Outcome

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

### Practice 1.4

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

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| <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> :   | Applied  |
| <b>Explanation on application of the practice</b> :  | Tan Sri Dato' Seri Dr Jeffrey Cheah and Dato' Sri Idris Jala, the Executive Chairman and Non-Executive Co-Chairman of the Board respectively, did not hold any membership in the Board Committees of the Company.<br><br>They did not attend nor participate in any meeting of the Board Committees by way of invitation or in any other capacity. |
| <b>Explanation for departure</b> :   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>   |  |
| <b>Measure</b> :   |  |
| <b>Timeframe</b> :   |  |

## Intended Outcome

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

### Practice 1.5

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.

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| <b>Application</b>                                | : Applied  |
| <b>Explanation on application of the practice</b> | <p>The Board is supported by two (2) Company Secretaries who are qualified to act as Company Secretary under Section 235 of the Companies Act 2016. Both of them are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).</p> <p>The Company Secretaries advise the Board, Management and shareholders on corporate governance matters of the Company. They worked with the Board and Management to strengthen corporate governance policies and processes. In addition, they facilitate:</p> <ul style="list-style-type: none"><li>a) the board governance process and systems;</li><li>b) on-boarding program for new Board members;</li><li>c) interaction between the Board and Management;</li><li>d) Board and Board Committees' evaluations;</li><li>e) minutes recording and manage follow-up actions;</li><li>f) identification of training needs and assisting trainings and development of Directors;</li><li>g) the Board in understanding regulatory requirements and listing requirements;</li><li>h) disclosure of material information to shareholders in a timely manner;</li><li>i) reporting on any breach of regulatory requirements;</li><li>j) statutory filings and information; and</li><li>k) the organisation of general meetings and polling process.</li></ul> <p>The roles of the Company Secretary are defined in the Board Charter which is published at the Company's website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>.</p> <p>The Board has unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries attended all Board and Board Committees' meetings in the financial year 2022. The Company Secretaries, together with the Directors, are responsible for the proper conduct of the meetings according to applicable rules and regulations. The Company Secretaries regularly update and advise the Board on new statutes, regulations and directives issued by regulatory authorities. They also facilitate the trainings and professional development programmes for all Directors, as required. The Directors were invited to attend a series of seminars organised by Bursa Malaysia Berhad ("<b>Bursa</b></p> |

**Malaysia**) together with various professional associations and regulatory bodies.

The Company Secretaries ensure that deliberations at Board and Board Committee meetings are properly documented and subsequently communicated to the relevant Management for their further actions.

The Company Secretaries constantly keep themselves updated of the regulatory changes and corporate governance developments by attending workshops, conferences and training programmes organised by MAICSA, Bursa Malaysia Securities Berhad ("**Bursa Securities**"), Securities Commission Malaysia ("**SC**"), Companies Commission of Malaysia ("**CCM**"), etc.

During the financial year ended 31 December 2022, the Company Secretaries had facilitated the annual evaluation of the Board and Board Committees effectiveness as well as facilitate on-boarding programme for newly appointed Director, Datuk Zaiton Binti Mohd Hassan.

The Company Secretaries had also briefed the Board on the following developments in laws and regulations during the financial year 2022:

- i) Amendments to the Main Market Listing Requirements ("**MMLR**") of Bursa Securities in relation to Enhanced Adviser Framework, Submission of Corporate Proposals and Other Amendments via Bursa Malaysia's letter dated 20 December 2021.
- ii) Amendments to the MMLR of Bursa Securities in relation to Director Appointment, Independence and Miscellaneous Changes via Bursa Malaysia's letter dated 19 January 2022.
- iii) Letter from the Chairman of Bursa Malaysia dated 15 March 2022 which urges companies to take on the sustainable and transformation journey together.
- iv) Voting Policy of the Employees Provident Fund Board on resolutions tabled at annual general meeting via its notice received on 22 March 2022.
- v) Clarification on Implementation Dates of the amendments to the MMLR in relation to Director Appointment, Independence and Miscellaneous Changes via Bursa Malaysia's letter dated 25 May 2022.

The Board was also briefed on the Public Listed Companies Transformation Programme (PLCT Programme) which was supported by the Ministry of Finance and launched by Bursa Malaysia in March 2022 as well as amendments to the MMLR in relation to Enhanced Sustainability Reporting Framework via Bursa Malaysia's letter dated 26 September 2022.

The Company Secretaries tabled the following policies for the Board's approval during the financial year:

- i) Fit and Proper Policy which provides guidance to the Nomination and Remuneration Committee and the Board in their review and



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|   | <p>assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election in the Company and/or its subsidiaries. It ensures that the Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. It was subsequently approved by the Board on 12 April 2022.</p> <p>ii) Revised Policy on Selection Process and Assessment Criteria for Appointment of New Directors which had incorporated the fit and proper criteria pursuant to the Fit and Proper Policy. It was approved by the Board on 25 November 2022.</p> <p>The Company had appointed Mega Corporate Services Sdn Bhd as the Poll Administrator for the Company's 12<sup>th</sup> Annual General Meeting ("12<sup>th</sup> AGM") which was held on 23 June 2022. The 12<sup>th</sup> AGM was conducted virtually through live streaming and online remote voting using Digital Ballot Form whereby the shareholders participated virtually and voted online at the 12<sup>th</sup> AGM.</p> <p>During the 12<sup>th</sup> AGM, the Company Secretaries assisted the Chairman and the Board to ensure that the proceedings were properly recorded in particular the questions raised by the shareholders. The Minutes of the 12<sup>th</sup> AGM was published on the Company's website at <a href="http://www.sunway.com.my">www.sunway.com.my</a> within 30 business days from the date of the 12<sup>th</sup> AGM.</p> <p>Based on the annual Board Effectiveness Evaluation, the Board was satisfied with the professionalism, competencies and support rendered by the Company Secretaries.</p> |
| <p><b>Explanation for departure</b></p>   | <p>:</p>   |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |  |
| <p><b>Measure</b></p>   | <p>:</p>   |
| <p><b>Timeframe</b></p>   | <p>:</p>   |

## Intended Outcome

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.

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| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>The Company Secretaries planned and tabled the annual meeting calendar in advance of each new year. On 25 November 2022, the schedule of Board and Board Committees Meetings for year 2023 were circulated to the Board to facilitate the Directors in planning ahead. The schedule of pre-planned meetings of the Board and Board Committees, annual general meeting as well as closed periods for dealings in securities of the Company by Directors are uploaded onto the Directors' electronic devices.</p> <p>The Board normally meets on a quarterly basis to review financial, operational and business performances. The meetings are scheduled in advance in the third quarter of the preceding year to allow the Board members to plan their schedules. Notices and agenda of meetings duly endorsed by the Chairman together with the relevant board papers are normally distributed at least one week prior to the meetings for the Directors to study and evaluate the matters to be discussed. Occasionally, Board meetings or Board Committee meetings may be held at short notice, when decisions of a time-critical nature need to be made.</p> <p>Management ensures that it provides the Board with relevant, complete, adequate and accurate information in a timely manner relating to matters to be brought before the Board and relevant Board Committees, prior to their meetings and on an on-going basis. Management has in place a procedure for papers to be circulated to the Board or to be submitted at Board meetings. Board meeting papers adhere to a standard format which includes background information, issues for deliberation, proposals and risk mitigation measures.</p> <p>The Board leveraged on digital technology by going paperless as part of its effort to protect the environment, in which board papers were uploaded onto a secure platform and were accessible via laptop, tablet devices and mobile phone. The Directors had access to the electronic board papers conveniently and immediately wherever they might be located. The board papers provided include <i>inter alia</i>, financial results, business plan and budget, progress report on the Company's developments, risk management and internal control reports, minutes of meetings of Board and Board Committees, regulatory/statutory updates and other operational and financial issues for the Board's information and/or approval.</p> |

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|  | <p>Every Director has full, free and unrestricted access to information of the Group. The Directors, whether as a group or individually, may seek and obtain independent professional advice in furtherance of their duties, the expenses of which are borne by the Company. The Board may also seek advice from the Management or request further explanation, information or update on any aspect of the Group's operations or business concerns.</p> <p>A Director who has an interest in any proposal or transaction, either direct or indirect, which is being presented for the Board's approval, will declare his or her interest and abstain from deliberation and voting of the same at the Board meeting. All conflicts of interests are disclosed and recorded in the minutes of the meeting.</p> <p>Notwithstanding the COVID-19, the Board was able to meet regularly and safely via virtual or physical or hybrid meetings without any disruption. Information flows between the Board and Management were not in any way hindered due to availability of secured online platform.</p> <p>All Directors' Circular Resolutions are approved using electronic means resulting in efficient and timely Board decision and facilitating speedy management implementation. All circular resolutions are accompanied by detailed board papers and Directors have an option to call a meeting should further deliberation is needed.</p> <p>Upon conclusion of each meeting, the minutes of meetings will be circulated for comments and for follow-up actions by the Management within two weeks from the date of meeting.</p> <p>Upon confirmation by the Board or Board Committees at the following meetings, the minutes will be signed by the Chairman of the said meeting as a correct record of the proceedings of the meeting. Actionable items would be recorded in the minutes as matters arising until they are eventually resolved.</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.

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| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>The Board has a Charter which clearly defines the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management as well as issues and decisions reserved for the Board. It is reviewed annually by the Board to be in line with any amendments to the relevant regulations and corporate governance practices. On 25 November 2022, the Board had reviewed and updated its Board Charter consequent upon amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance and Fit and Proper Policy. It is available on the Company's website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>.</p> <p>As stated in the Board Charter, the Board is in charge of leading, governing and managing the Company in an effective and responsible manner. Each Director has a legal duty to act for a proper purpose and in good faith in the best interest of the Company. The Board members shall exercise reasonable care, skills and due diligence in discharging their duties.</p> <p>As for the day-to-day management of the Group, it is delegated to the President. This formal structure of delegation is further cascaded by the President to the Senior Management team. The President and Senior Management remain accountable to the Board for the authority that is delegated and for the performance of the Group.</p> <p>The Board, however, takes full responsibility for the oversight and overall performance of the Company. The Board reserves full decision-making powers, amongst others, on the following matters:</p> <ul style="list-style-type: none"><li>• Conflict of interest issues relating to substantial shareholders or Directors and Key Senior Management;</li><li>• Material acquisitions and disposals of undertakings not in the ordinary course of business;</li><li>• Material investments in capital projects;</li><li>• Material bid/tenders for construction projects;</li><li>• Overseas ventures;</li></ul> |

- Annual business plan and budgets (including major capital commitments);
- Material corporate or financial exercise/restructuring;
- Dividend policy, declaration of dividend and directors' fees;
- Annual and interim financial results;
- Management approval authority limits; and
- Corporate Governance issues and related policies.

The President is supported by his team of Management on the day-to-day operations. The responsibilities of the Management are to:

- Formulate, recommend and implement the strategic objectives of the Company;
- Translate the approved strategic plans into operational and financial action plans;
- Manage the Company's human, physical and financial resources to achieve the Company's objectives;
- Operate within the delegated authority limits set by the Board;
- Assume the day-to-day responsibilities for the Group's conformance with relevant laws and regulations, compliance framework and all other aspects of the day-to-day running of the Group;
- Develop, implement and manage the Company's risk management and internal control systems within the risk appetite and framework;
- Develop, implement and update management policies and procedures;
- Keep pace with industry and economic trends in the Company's operating environment; and
- Provide the Board with accurate, timely and complete information to enable the Board to fulfil its responsibilities.

In relation to the Independent Non-Executive Directors, they are actively engaged in the following functions:

- Independent review of the performance of the operations of the Group;
- Advising and monitoring corporate governance framework, policies and practice as well as management of conflict of interest situations;
- Oversight over risk management as well as internal controls systems; and
- Providing independent insights and value add to management proposals as well as protecting the interests of the minority shareholders.

The Audit Committee and Risk Management Committee which comprise all Independent Non-Executive Directors, regularly engage in discussion with Senior Management, Group Internal Audit Department, Group Risk & Compliance, External Auditors and other relevant parties

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|   | <p>to ensure that the concerns and issues raised in regard to the business operations of the Group are properly addressed on a proactive basis.</p> <p>The Board also delegates certain responsibilities to the Board Committees namely, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Sustainability Committee, all of which operate within their defined terms of reference. Notwithstanding this, the Board remains responsible for its fiduciary duties.</p> <p>The Board Charter is continuously reviewed and updated to ensure its relevance and effectiveness as well as for compliance with legislation and governance standards. The Board Charter was last reviewed and amended by the Board on 25 November 2022.</p> |  |
| <b>Explanation for departure</b>  |   |  |
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| <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 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.

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| <b>Application</b>                                | : Applied  |
| <b>Explanation on application of the practice</b> | <p>The Board has established a Code of Conduct and Business Ethics Policy ("<b>Code</b>") which provides an ethical framework to guide actions and behaviours of all Directors and its employees. The Code is published at the Company's website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>. All employees of the Group are required by the Group Human Resources to read and sign off their commitment in adhering to the Code at all time during their services with the Group annually.</p> <p>The Company has the following key policies to guide its business conduct:</p> <ul style="list-style-type: none"><li>(i) Anti-Bribery and Corruption Policy;</li><li>(ii) Anti-Money Laundering Policy;</li><li>(iii) Insider Trading Policy;</li><li>(iv) Whistleblowing Policy and Procedures;</li><li>(v) Sunway e-Policy governing the use of corporate e-mails, information systems and intellectual assets owned by the Company;</li><li>(vi) Conflict of Interest Disclosure Policy;</li><li>(vii) Donations, Sponsorships and Corporate Responsibility Policy;</li><li>(viii) Gifts, Entertainment and Hospitality Policy;</li><li>(ix) Discretionary Authority Policy;</li><li>(x) Economic Sanction Compliance Policy;</li><li>(xi) Group Stakeholders Communications and Engagements Guidelines and Policies; and</li><li>(xii) Sustainability Policies.</li></ul> <p>All employees are required to sign off their understanding and acceptance of the above policies.</p> <p>The Code reflects the Company's emphasis on high integrity and the need for effective corporate governance compliance measures in the conduct of the Group's business domestically and internationally. It emphasizes and advocates the principles of honesty, discipline, good</p> |

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|  | <p>conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of the Group.</p> <p>The objective of the Code is to provide guidance on the standards of behaviour expected of all Directors and employees of the Group, and where applicable, counterparts, suppliers and business partners. The standards of behaviour are derived from the Group’s Core Values and Business Principles. All the Directors and employees shall always observe and ensure compliance with all applicable laws and regulations in the discharge of their duties.</p> <p>In line with good corporate governance practices, the Management and Board of the Company encourage all employees and stakeholders of the Group to report suspected inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuses involving the Group’s resources. No individual will be discriminated or suffer any act of retaliation for reporting in good faith.</p> <p>All employees of the Group are required to read and sign off their commitment in adhering to the Code at all time during their services with the Group. This serves to drive organisational culture and continuing awareness amongst the employees of the need to understand, develop and maintain a value-based culture beyond mere compliance.</p> <p>The Board has adopted an Anti-Bribery and Corruption Policy and Procedures (“<b>ABC Policy</b>”) as well as an Anti-Money Laundering Policy and Procedures (“<b>AML Policy</b>”).</p> <p>Under the ABC Policy, the Board had implemented a zero-tolerance policy against all forms of bribery and corruption. It is committed to conducting its business with the highest ethical standards. It has adequate policies and procedures to comply with the provisions of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 and MACC (Amendment) Act 2018.</p> <p>The ABC Policy provides guidance to the employees and persons associated with the Group on dealings in relation to bribery and corruption in the daily operations. It covers the Group’s policy on gifts, entertainment and hospitality; donations, sponsorship and corporate responsibilities; political contributions; facilitation payments and kickbacks, money laundering, dealing with associates and third parties, dealing with public officials; recruitment of employees and whistleblowing policy. The Group’s associates, partners, agents, vendors, suppliers, contractors, consultants and other third-party service providers are required to sign a separate agreement to signify their undertaking to comply with this Policy.</p> <p>The ABC Policy is under the oversight of the Risk Management Committee (“<b>RMC</b>”). The RMC will be assisted by the Group Internal</p> |
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|   | <p>Audit Department (“GIAD”) in its audit reviews on the Group. GIAD will include a review on the ABC programme in its annual audit plan.</p> <p>The RMC is also responsible in ensuring that structured policies and procedures on anti-corruption are in place. It places great emphasis on corruption risk as part of its annual risk assessment of the Group.</p> <p>The AML Policy provides guidance to the employees of the Group on anti-money laundering governance. It reiterates the Group’s commitment to comply with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 as well as terrorism financing. The Group strongly objects to all practices related to money laundering including dealings in the proceeds of criminal activities and terrorism financing. The AML Policy is under the oversight of the RMC.</p> <p>Regular trainings and communications to all employees and associates are provided to educate them on the requirements and obligations of the ABC Policy and AML Policy.</p> <p>Both policies are published at the Company’s website at <a href="http://www.sunway.com.my">www.sunway.com.my</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 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.

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| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>In line with the Group's core value of integrity, the Management and Board encourage all employees and stakeholders of the Group to report suspected inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuses involving the Group's resources.</p> <p>The Company has established a Whistleblowing Policy and Procedures and it is published in its website. The objective of this policy and procedure is to provide a mechanism for all level of employees and stakeholders of the Group to report concerns about any suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuse on a timely basis for management action.</p> <p>The whistleblowing procedure is intended to be used as an ultimate remedy, if no other means are available to address the matter. For the employees, if they wish to raise a specific concern, they are encouraged to try to solve the matter through existing procedures and discuss the matter first with their line supervisor(s) or head of department or profit centre manager before initiating the whistleblowing procedure.</p> <p>Any employee or member of the public who has knowledge or is aware of any improper conduct within the Group is encouraged to disclose through the following reporting channels:</p> <p><b>Whistleblowing hotlines</b><br/>Tel: +603 5639 8025<br/>E-mail: <a href="mailto:whistleblowing@sunway.com.my">whistleblowing@sunway.com.my</a><br/>Fax: +603 5639 8027</p> <p>The faxes and emails to these channels will be directed to the Head of Group Internal Audit Department ("GIAD") and the Chairperson of the Audit Committee ("AC").</p> <p>If the reporting individual is unsure of the type of evidence needed for the GIAD to start an investigation, he/she is encouraged to make use of the "Whistleblowing Report Form" provided in the Company's portal</p> |

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|  | <p>under the Governance Portal. The reporting individual may send this form via local postal service if he/she wishes to remain anonymous.</p> <p>The Head of GIAD will maintain a record of the complaints and will track their receipt, investigation and resolution. GIAD will investigate each claim independently based on standard internal audit practices and fraud response procedures. Upon completion of each investigation, GIAD will prepare a report to the Chairperson of the AC for further action. The Head of GIAD shall prepare a summary report and present it to the AC on a quarterly basis.</p> <p>During the financial year under review, there was 1 case reported through the channel. GIAD had taken the necessary steps to investigate and address the complaint made in accordance with the Whistleblowing Policy and Procedures.</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 4.1

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.

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| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>In 2020, the Company strengthened its sustainability governance by setting up a Board Sustainability Committee (“<b>BSC</b>”) which comprises 4 Directors namely, Tan Sri Dato’ (Dr.) Chew Chee Kin (Non-Independent Executive Director), Ms Sarena Cheah Yean Tih (Non-Independent Executive Director), Dr Philip Yeo Liat Kok (Senior Independent Non-Executive Director) and Datuk Tong Poh Keow (Independent, Non-Executive Director).</p> <p>The BSC’s roles provided in its terms of reference include the following:</p> <ul style="list-style-type: none"><li>• To review, supervise and recommend the Group’s sustainability strategies and issues, key ESG targets and performance, progress and scorecard to the Board of Directors to advance the sustainability leadership of the Group.</li><li>• To review the Company’s Sustainability Report and recommend it for the Board’s approval.</li></ul> <p>The BSC meets at least twice a year to review the Group’s sustainability strategies, initiatives and progress reports.</p> <p>To further strengthen its sustainability strategies, BSC is supported by Sunway Group Sustainability Department (“<b>GS</b>”) and the Jeffrey Sachs Center on Sustainable Development (“<b>JSC</b>”), which acts as the Advisory Panel to the BSC. JSC also supports GS with findings from their academic research. Acting as the ‘executive arm’ of BSC, GS assists BSC to make informed decisions to integrate the Group’s sustainability strategies into business operations and implement initiatives towards achieving the Group’s sustainability goals. GS also oversees and monitors the sustainability trends, governance and reporting besides overseeing key sustainability risks and opportunities, stakeholders’ engagement as well as materiality assessment. GS is the secretariat of Management Sustainability Committee (“<b>MSC</b>”), and communicates the Group’s sustainability direction to the MSC. The MSC comprises heads of</p> |

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|   | <p>department of the business divisions and their line managers, who are accountable for their ESG performances that are linked to their remuneration and appraisal. Each of the business division allocates resources for sustainability initiatives to be incorporated into their annual business plans to achieve the 2030 Sustainability Goals and Targets as well as the Net Zero Carbon Emissions by 2050.</p> |  |
| <p><b>Explanation for departure</b></p>   | :  |  |
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| <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 4.2

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.

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| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | <p>The Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its stakeholders regularly via:</p> <p><b>Internal and external stakeholders</b></p> <ul style="list-style-type: none"> <li>• Integrated Annual Report</li> <li>• Annual Sustainability Report</li> <li>• Corporate publication (i.e. Berita Sunway, Catalyst, etc.)</li> <li>• Analyst and investors presentation updates</li> <li>• Media release and interviews</li> <li>• Corporate website (<a href="https://www.sunway.com.my/">https://www.sunway.com.my/</a>)</li> <li>• Social media</li> <li>• Sustainability and ESG-related events (i.e. conferences, forums, panels, talks).</li> </ul> <p><b>Internal stakeholders</b></p> <ul style="list-style-type: none"> <li>• Employee engagement training and programmes</li> <li>• Learning and development via Learning Management System</li> <li>• Townhall by Senior Management.</li> </ul> |  |
| <b>Explanation for departure</b>   | : |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

**Intended Outcome**

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.

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| <p><b>Application</b></p>                                | <p>: Applied</p>  |
| <p><b>Explanation on application of the practice</b></p> | <p>a) Group Sustainability regularly compiles and shares sustainability and ESG-related information to the Company Secretaries for their onward dissemination to the Board of Directors, Senior Management and relevant employees. These include but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Regulatory requirements               <ul style="list-style-type: none"> <li>○ Bursa Malaysia Berhad’s Annual Chairman Letter</li> <li>○ Bursa Malaysia Sustainability Disclosure Review: Key Observations &amp; Recommendations</li> <li>○ Bursa Malaysia Berhad’s enhanced sustainability reporting requirements in the Main Market Listing Requirements</li> </ul> </li> <li>• Regular updates, newsletters, trainings, invitation to events, webinars, conferences and other communication materials relating to sustainability from:               <ul style="list-style-type: none"> <li>○ Corporate Governance Malaysia</li> <li>○ Bursa Sustain</li> <li>○ Securities Commission Malaysia</li> <li>○ Others.</li> </ul> </li> </ul> <p>b) Appointment of Jeffrey Sachs Center on Sustainable Development (JSC) to conduct a Value at Risk (VaR) assessment on the Company’s properties.</p> <ul style="list-style-type: none"> <li>• The assessment was conducted based on the worst-case scenario as described by the IPCC Assessment Report 6 published in August 2021.</li> <li>• The assessment also includes the potential financial implications of climate-related physical risks and transition risks for the Group based on the Task Force on Climate-Related Financial Disclosures (TCFD) framework.</li> <li>• To facilitate clear and insightful discussion, the Company’s business divisions were grouped into two categories where the constituents had similar climate risk characteristics:               <ul style="list-style-type: none"> <li>○ “Build” business divisions are exposed to similar risks in the property and construction production supply chain</li> <li>○ “Own and Operate” business divisions are exposed to similar risks in owning and operating property assets to serve consumers.</li> </ul> </li> </ul> |

The VaR assessment is published in the annual Sunway Berhad Sustainability Report as part of the Climate Report: Net Zero by 2050.

c) Capacity building for Board members.

In 2022, the Board members attended trainings related to ESG as follows:

**Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO**

- United Nations Sustainable Development Solutions Network (SDSN) Leadership Council
- Jeffrey Sachs United Nations SDGs Briefing

**Tan Sri Dato' (Dr) Chew Chee Kin**

- TCFD Climate Disclosure Training Programme - TCFD 101

**Tan Sri Datuk Dr Rebecca Fatima Sta Maria**

- The Economist Events' Sustainability Week Asia 2022
- ICLIF Lecture on Sustainability
- Virtual training session on "Sustainability & Impact on Organisations: What Directors Need to Know"
- Keynote Address: ESG World Summit and GRIT Awards 2022

**Datuk Tong Poh Keow**

- TCFD 102 Training Workshop - Building Experience in Climate Related Financial Reporting
- PNB Knowledge Forum 2022 - Sustainable Investing - ESG in the Forefront
- Sustainability and Its Impact on Organisations
- Preserving the Climate Through SD Business and Living
- Power Talk - ESG Series - Plan Your ESG Journey - Lessons for the Boardroom and Global Megatrends to Watch Out For
- Rystad Talks Energy - Powering the Energy Transition - China's Roles in Future Global Energy Scenarios
- Power Talks ESG Series - Climate Change and Carbon - From the Financial Risk and Reporting Perspectives
- Power Talks ESG Series - Characteristics of ESG and Sustainability Leadership
- SDG Investment Forum - ASEAN 2022

**Dr Philip Yeo Liat Kok**

- ESG - Environmental, Social and Governance Essentials

**Sarena Cheah Yeap Tih**

- Understanding Sustainability Taxonomies - Globally & Regionally

**Datuk Zaiton Binti Mohd Hassan**

- PNB Knowledge Forum 2022 - Sustainable Investing - ESG in the Forefront



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| <b>Explanation for departure</b> :   |  |  |
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| <b>Measure</b> :   |  |  |
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### Intended Outcome

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

### Practice 4.4

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.

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| <b>Application</b>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | Since 2021, the Company has integrated sustainability into Senior Management's performance evaluations and key performance indicators ("KPIs"), which are linked to remuneration. This included linking the remuneration of senior executives to ESG performance, including climate change matters. The KPIs are aligned to the Sunway Sustainability 2030 Goals and Targets and have been made part of the performance review of the Group's President, Tan Sri Dato' (Dr) Chew Chee Kin and Executive Director, Sarena Cheah Yean Tih. The KPIs will also be cascaded to employees within the organisation, tracked and reported annually. |  |
| <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>   | : |  |  |
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### Intended Outcome

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

### Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

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| <b>Application</b>                             | : | Adopted   |
| <b>Explanation on adoption of the practice</b> | : | <p>The Company has set up a Sustainability Department since 2017 to provide dedicated focus on sustainability matters. This department is headed by a full-time Group Sustainability Manager, Ms Jacqueline Wong Yin Teng who reports to Mr Ong Pang Yen, the Chief Sustainability Officer.</p> <p>The Department is responsible to:</p> <ul style="list-style-type: none"><li>• Coordinate the communication on the sustainability direction and initiatives between the Board of Directors and business divisions.</li><li>• Monitor sustainability performance to ensure the KPIs of the Board Sustainability Committee (“BSC”), Sustainability Committee (“SC”) as well as business division are achieved.</li><li>• Keep abreast with the relevant and current ESG developments and update the BSC and SC on the developments.</li><li>• Explore opportunities for adoption of relevant and current ESG developments in the Group.</li></ul> |

## 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.

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| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>The Board through the Nomination and Remuneration Committee (“NRC”) had established a formal policy on the selection process and assessment criteria for appointment of new Directors as well as re-election of Directors. The NRC would assess the potential candidates to be appointed to the Board and retiring Directors, taking into account the required mix of skills, knowledge, experience, fit and proper as well as independence that fit the Company’s objectives and strategic goals, before recommendation to the Board.</p> <p>The Company’s constitution provides that 1/3 of the Board is subject to retirement by rotation at each annual general meeting. Each Director shall retire once at least in each three years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in office since their last election or appointment.</p> <p>At the Twelfth Annual General Meeting (“12<sup>th</sup> AGM”) of the Company held on 23 June 2022, the following retiring Directors, being eligible, had been re-elected as Directors of the Company:</p> <ul style="list-style-type: none"><li>(a) Tan Sri Dato’ (Dr.) Chew Chee Kin and Ms Sarena Cheah Yean Tih who were retiring by rotation pursuant to Clause 106(1) of the Company’s constitution; and</li><li>(b) Datuk Zaiton Binti Mohd Hassan who was retiring pursuant to Clause 89 of the Company’s constitution.</li></ul> <p>Tan Sri Datuk Seri Razman M Hashim who was retiring by rotation pursuant to Clause 106(1) of the Company’s constitution, had expressed his intention not to seek for re-election and hence, he had retired as Director at the conclusion of the 12<sup>th</sup> AGM.</p> <p>The NRC through the Directors’ peer review and Executive Directors’ scorecards, had assessed the performance and contributions of the retiring Directors which included assessment of their skills, experience, character, integrity, competency, time commitment and contribution. As for the retiring Independent Director, the NRC was satisfied that Datuk Zaiton Binti Mohd Hassan had complied and satisfied the independence criteria as required by the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa</p> |

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|   | <p><b>Securities”).</b> She had also contributed actively to the board discussions and remained objective as well as “independent in mind”. Her tenure as Director was less than 9 years. Based on the assessments, the NRC had recommended to the Board, the re-election of the retiring Directors at the 12<sup>th</sup> AGM and their re-election was subsequently approved by the shareholders.</p> <p>In 2021, the Board had appointed the Institute of Corporate Directors Malaysia (“<b>ICDM</b>”) to conduct an external independent evaluation of the Board effectiveness for the financial year 2021. In view of that, the said exercise for the financial year 2022 was conducted internally and facilitated by the Company Secretary.</p> <p>Based on the reports of the Board effectiveness for the financial year 2022 and the assessment based on the Fit and Property Policy which had been adopted in 2022, the NRC recommended the re-election of the retiring Directors at the forthcoming AGM in 2023 for the Board’s approval. Upon the NRC’s recommendation, the Board had endorsed the re-election of the retiring Directors subject to the shareholders’ approval at the AGM. The tenure of all the Independent Directors in the Board have not exceeded 9 years.</p> <p>In order to assist the shareholders in their decision, the information of the Directors such as their personal profile, record of attendance of meetings and the shareholding of each Director (where applicable) are disclosed in the Integrated Annual Report 2022.</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

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

### Practice 5.2

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Board comprises majority Independent Directors. Out of 10 Directors, 7 of them are Independent Non-Executive Directors. The Co-Chairman of the Board is an Independent Non-Executive Director.</p> <p>A review and assessment were performed on the independence status of the Independent Non-Executive Directors on 25 February 2022. Based on the assessment, all the Independent Non-Executive Directors met the independence standards prescribed under the Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>All the Independent Directors had confirmed their ability to protect the minority interests and to ensure that there are proper checks and balances in the Company.</p> <p>The composition of the Board reflects a diversity of age, skills, experiences, gender and professional qualifications in the areas of business, corporate strategy and finance, engineering, accounting, business development, public administration and information technology. 40% of the Board members comprises women Directors. The diverse skills, experiences, age and gender contribute to dynamic, constructive and creative Board discussions.</p> <p>In order to leverage on the collective wisdom and benefit from the greater participation of the Independent Directors, a private session of the Independent Directors, without the presence of the Executive Directors, had been held during the financial year under review.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

**Intended Outcome**

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

**Practice 5.3**

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

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

|  |   |                                      |  |
|--|---|--------------------------------------|--|
| <b>Application</b>   | : | Not applicable - Step Up 5.4 adopted |  |
| <b>Explanation on application of the practice</b>  | : |                                      |  |
| <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.

|  |  |
|--|--|
| <i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i> |  |
| <b>Application</b>   | : Adopted  |
| <b>Explanation on adoption of the practice</b>   | : The Board has adopted the policy of a 9-year tenure for the Independent Director in its Board Charter on 25 November 2021. Upon completion of 9 years, an Independent Director may continue to serve on the Board as a Non-Independent Director. |



## 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 Company has a formal policy on the selection process and assessment criteria for appointment of new Directors. The policy details the processes and the criteria for selection and assessment of potential candidates for appointment to the Board. It sets out the criteria for assessment of the appropriateness of the Board mix and composition.</p> <p>Potential candidates for appointment as Non-Executive Directors must, amongst others:</p> <ul style="list-style-type: none"><li>(a) possess high standards of ethics, integrity and professionalism;</li><li>(b) meet the fit and proper criteria set in the Fit and Proper Policy;</li><li>(c) display independent and sound judgment; and</li><li>(d) have meaningful experience and expertise in business, corporate, real estate, property, accountancy, law, finance or other relevant endeavours.</li></ul> <p>To ensure that Directors are able to devote the required time to serve the Board effectively, Directors are required to notify the Chairman of the Board before accepting any new directorship in public listed companies.</p> <p>The Board has delegated the responsibility for recommending a potential candidate to fill a board vacancy to the Nomination and Remuneration Committee (“NRC”) but the ultimate decision on the appointment of a candidate is solely that of the Board as a whole.</p> <p>The NRC has a policy to source for potential candidates for board appointment from professional bodies such as the Institute of Corporate Directors Malaysia (ICDM), professional bodies and other search agencies. Nomination for candidates may also come from the Directors and shareholders. The NRC will screen the initial selection of the candidates and assess the candidates before recommending to the Board for approval. This is to ensure that the candidate possesses the appropriate knowledge, skills, competencies, experience, integrity and time commitment to effectively discharge his/her role as a Director. In addition, the NRC will also take into consideration diversity of the</p> |

Board's composition which inter alia, includes gender, ethnicity, age, etc. It reviews the structure, size and composition of the Board to ensure appropriate balance and diversity.

The Board has adopted a diversity and inclusion policy. It is committed to diversity and inclusion in the workplace. The Board has 40% women representation. The Company aims to create a culture that respects and values each other's differences, promotes equality and diversity, as well as encourages individuals to grow and develop in order to realize their full potential. Diversity and inclusion are closely tied to the Group's core values of integrity, humility and excellence which are embedded into every facet of the Group's businesses and goals. Nonetheless, the Board will also prioritize selection criteria based on merit with an effective mix of competencies, skills as well as relevant experience and knowledge in order to strengthen the Board.

The Board had assessed and reviewed the competencies of each Director using Board Skills Matrix. It will also be used as a guide when deciding on future appointment of new Director(s) to identify any complementary skills.

The Directors have devoted their time to serve the Board effectively as shown in the record of attendances below:

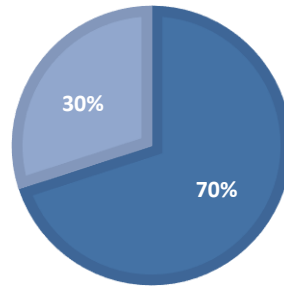
|   | <b>Attendance<br/>(Attended/Held)</b> | <b>% of<br/>Attendance</b> |
|---|---------------------------------------|----------------------------|
| Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO             | 9/9                                   | 100%                       |
| Dato' Sri Idris Jala  | 7/9                                   | 77.7%                      |
| Tan Sri Dato' Dr Lin See Yan                                  | 8/9                                   | 88.8%                      |
| Tan Sri Datuk Dr Rebecca Fatima Sta Maria                     | 8/9                                   | 88.8%                      |
| Tan Sri Dato' (Dr.) Chew Chee Kin                             | 9/9                                   | 100%                       |
| Datuk Tong Poh Keow   | 9/9                                   | 100%                       |
| Dr Philip Yeo Liat Kok  | 7/9                                   | 77.7%                      |
| Tan Sri Jamaludin Bin Ibrahim                                 | 9/9                                   | 100%                       |
| Sarena Cheah Yean Tih   | 9/9                                   | 100%                       |
| Datuk Zaiton Binti Mohd Hassan<br>(Appointed on 8 March 2022) | 6/6*                                  | 100%                       |

\* reflects the number of meetings held during the time the Director held office

The current Board's diversity (total of 10 directors) is depicted as follows:

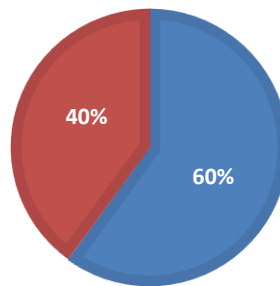
## INDEPENDENCE

■ Independent Directors   ■ Non-Independent



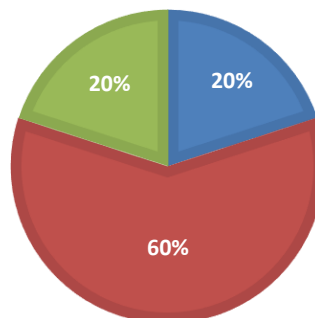
## GENDER

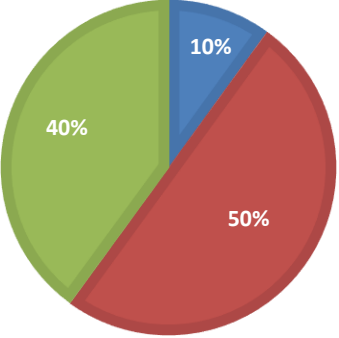
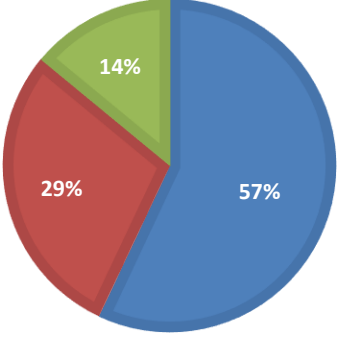
■ Male   ■ Female



## ETHNICITY

■ Malay   ■ Chinese   ■ Others



|   | <p style="text-align: center;"><b>AGE BAND</b></p> <p style="text-align: center;">■ 50 years below ■ 60 – 70 years ■ Above 70 years</p>  <table border="1"> <thead> <tr> <th>Age Band</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>50 years below</td> <td>10%</td> </tr> <tr> <td>60 – 70 years</td> <td>50%</td> </tr> <tr> <td>Above 70 years</td> <td>40%</td> </tr> </tbody> </table>  | Age Band | Percentage | 50 years below    | 10% | 60 – 70 years | 50% | Above 70 years | 40% |  |
|---|---|----------|------------|-------------------|-----|---------------|-----|----------------|-----|--|
| Age Band  | Percentage  |          |            |                   |     |               |     |                |     |  |
| 50 years below  | 10%   |          |            |                   |     |               |     |                |     |  |
| 60 – 70 years   | 50%   |          |            |                   |     |               |     |                |     |  |
| Above 70 years  | 40%   |          |            |                   |     |               |     |                |     |  |
|   | <p style="text-align: center;"><b>TENURE OF INDEPENDENT DIRECTORS</b></p> <p style="text-align: center;">■ Less than 3 years ■ 3 to 6 years ■ 7 to 9 years</p>  <table border="1"> <thead> <tr> <th>Tenure</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Less than 3 years</td> <td>57%</td> </tr> <tr> <td>3 to 6 years</td> <td>29%</td> </tr> <tr> <td>7 to 9 years</td> <td>14%</td> </tr> </tbody> </table>  | Tenure   | Percentage | Less than 3 years | 57% | 3 to 6 years  | 29% | 7 to 9 years   | 14% |  |
| Tenure  | Percentage  |          |            |                   |     |               |     |                |     |  |
| Less than 3 years   | 57%   |          |            |                   |     |               |     |                |     |  |
| 3 to 6 years  | 29%   |          |            |                   |     |               |     |                |     |  |
| 7 to 9 years  | 14%   |          |            |                   |     |               |     |                |     |  |
|   | <p>The Directors have also provided confirmation on their directorships in other listed and non-listed companies biannually.</p> <p>The NRC was mindful that the appointment of Senior Management should be made with due regards for skills, experience, age, gender and race/ethnicity. It reviewed the succession plan of the Senior Management at its meeting held on 25 November 2022. At the same meeting, it had also amended its terms of reference to include the responsibility to review the core competencies, experience and skills of candidates for Key Management position and to recommend their appointment to the Board.</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> |   |          |            |                   |     |               |     |                |     |  |

|                  |   |  |  |
|------------------|---|--|--|
| <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 Company has a formal policy on selection process and assessment criteria for appointment of new Directors. It sets out the criteria for assessment of the appropriateness of the board mix and composition. In the process of searching for qualified persons to serve on the Board, the Nomination and Remuneration Committee (“<b>NRC</b>”) will assess the experience, expertise and business relationships represented by the existing Board members in light of the existing and planned businesses and to determine the skills and background of the potential candidates in order to complement those of the existing Board members.</p> <p>The NRC leads the process and makes recommendations to the Board for approval. The Board will consider, inter alia, skills, industry and business experience, gender, age, culture, and other distinguishing qualities of the candidates, before selecting the most suitable candidate. The Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the Board is continually under review. The Board would consider refreshing the age diversity by bringing younger Board members onto the Board, who are more adept at new business models and technologies while bringing perspectives of the younger generation.</p> <p>The policy allows the Board to engage executive search firms and other channels such as professional bodies e.g. the Institute of Corporate Directors Malaysia (ICDM), etc, to assist in finding candidates with the relevant skills and background. Under the policy, the candidate must possess high standards of ethics, integrity and professionalism, display independent and sound business judgment and have meaningful experience as well as expertise in business, corporate, property, accountancy, law, finance or other relevant endeavours. The qualifications of a candidate will be considered in addition to other factors it deems appropriate based on the current needs and requirements of the Board including specific desired business and financial expertise as well as experience as a director of public listed company, age, gender and ethnic diversity. In addition to the criteria set above, the nominee for an Independent Director’s vacancy must fulfil</p> |

|   |   |
|---|---|
|   | <p>the independence test under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>During the financial year under review, Datuk Zaiton Binti Mohd Hassan was appointed as an Independent Board member on 8 March 2022. Her nomination was proposed by an Independent Director of the Company. Datuk Zaiton's nomination would strengthen the Audit Committee and increase the number of women Directors on the Board. The NRC having assessed her qualifications, her board experiences and expertise in accounting and finance as well as her time commitment, was satisfied that she would be a good fit to the existing Board composition. Upon the NRC's recommendation, the Board had subsequently approved her appointment.</p> <p>As a general rule, each Director must not hold directorships of more than five (5) public listed companies, which is consistent with Paragraph 15.06 of the Listing Requirements. Each of the Directors is required to notify the Chairman of the Board prior to accepting any new directorship in public listed companies or further commitments which might either give rise to a conflict of interest or a conflict with any of his/her duties to the Group.</p> <p>None of the Board members hold more than five (5) directorships in public listed companies as set out in the Board of Directors' profile in the 2022 Integrated Annual Report of the Company.</p> |
| <p><b>Explanation for departure</b></p>   | <p>:</p>  |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |
| <p><b>Measure</b></p>   | <p>:</p>  |
| <p><b>Timeframe</b></p>   | <p>:</p>  |

## Intended Outcome

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>In accordance with the Company's constitution, 1/3 of the Board is subject to retirement by rotation at each annual general meeting. Each Director shall retire once at least in each three years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in office since their last election or appointment.</p> <p>The names of the retiring Directors are disclosed in the notice of the annual general meeting together with an explanatory note on their re-election. In the explanation note, the Company disclosed that the Nomination and Remuneration Committee ("<b>NRC</b>") had assessed the retiring Directors as well as the independence of the retiring Independent Director who were seeking re-election at the annual general meeting. The assessment areas include their skills, experiences, character, integrity, competency, commitment and contribution to the Company. The NRC was also satisfied that the retiring Independent Director had complied with the independence criteria as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Upon NRC's recommendation, the Board had endorsed the re-election of the retiring Directors subject to the shareholders' approval at the annual general meeting.</p> <p>The retiring Directors' profiles and details of conflict of interest (if any), position or relationship with Director and/or major shareholder, conviction for offences and attendance at board meetings are also disclosed in the Integrated Annual Report.</p> <p>All the Directors standing for re-election had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and Board Meetings. They had also abstained from deliberations and decisions on their own eligibility to stand for re-election at the annual general meeting.</p> <p>Based on the information disclosed in the Integrated Annual Report, the shareholders would be able to make an informed decision on the re-election of the retiring Directors at the annual general meeting.</p> |



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| <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 5.8**

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 Nomination and Remuneration Committee (“<b>NRC</b>”) is chaired by Tan Sri Datuk Dr Rebecca Fatima Sta Maria, an Independent Non-Executive Director.</p> <p>In addition, the NRC comprises 4 members, all of whom are Independent Non-Executive Directors. The terms of reference of the NRC provides that the NRC shall comprise not fewer than three (3) Non-Executive Directors, a majority of whom must be independent.</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>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | For the financial year 2022, the Board comprises 40% women Directors. Out of 10 Directors, 4 are women namely, Tan Sri Datuk Dr Rebecca Fatima Sta Maria, Datuk Tong Poh Keow, Datuk Zaiton Binti Mohd Hassan and Sarena Cheah Yean Tih. |  |
| <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 5.10

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 Board has disclosed the Group's diversity and inclusiveness policy in the Integrated Annual Report 2022 and Sustainability Report 2022. It recognises that diversity at the Board and Senior Management is critical in ensuring their effectiveness, competitiveness and compliance with the best governance practices.</p> <p>Diversity and inclusion are closely tied to the Group's core values of integrity, humility and excellence which are embedded into every facet of the Group's businesses and goals. Nonetheless, the Board will also prioritize selection criteria based on merit with an effective mix of competencies, skills as well as relevant experience and knowledge in order to strengthen the Board.</p> <p>The Nomination and Remuneration Committee ("NRC") is responsible to review and assess the composition and performance of the Board as well as identifying suitable candidates for Board appointments before recommending to the Board for approval. Among the criteria reviewed and assessed are the appropriate knowledge, skills, competencies, experience, integrity, time commitment and diversity of the Board composition which include gender, ethnicity, age, etc.</p> <p>The Board has achieved 40% women representation which was higher than the recommendation of the Malaysian Code on Corporate Governance (MCCG) of at least 30% women Directors.</p> <p>The Company also recognises the importance of diversity and inclusiveness in Senior Management to achieve its strategic objectives and sustainable growth as well as to promote good corporate governance within the Group. It has a Diversity and Inclusion Policy which is applicable to the employees of the Group including the Senior Management. The Group is committed to diversity and inclusion in the workplace.</p> <p>The Group is focused on empowering its people by creating an inclusive and engaging work environment for them. Recognising and embracing the diversity of its people will not only enable the Group to create a diverse workforce that can generate different ideas and perspectives; the various background and experiences will also foster greater innovation as well as better problem-solving and decision-making skills.</p> |

|   |  |  |
|---|--|--|
|   | <p>The Group does not discriminate against any demographic background including gender, age, ethnicity (nationality and religion), sexual orientation and disability, as it ensures equal opportunities and treatment across its workforce when it comes to employment, rewards, remuneration and recognition. In 2022, there were no cases of discrimination reported and the Group targets to maintain the status of zero cases of discrimination.</p> |  |
| <p><b>Explanation for departure</b></p>   | <p>:</p>   |  |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |  |  |
| <p><b>Measure</b></p>   | <p>:</p>   |  |
| <p><b>Timeframe</b></p>   | <p>:</p>   |  |

## Intended Outcome

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>  | :<br><p>The Nomination and Remuneration Committee (“NRC”) makes an assessment each year to determine whether the performance of its Board, Board Committees and the individual Directors are effective and to identify steps for improvement.</p> <p>The Board had appointed the Institute of Corporate Directors Malaysia (ICDM) to undertake an external independent evaluation of the Board and Directors Effectiveness for the financial year 2021.</p> <p>In 2022, the exercise was conducted internally and facilitated by the Company Secretaries. The Board remained satisfied with the current evaluation methodology as each Director was able to provide candid and frank opinions as well as recommendations to improve its performance and the overall governance process of the Group.</p> <p>At the start of the board evaluation process, the NRC reviewed the scope of the assessment and determined the key areas to focus on.</p> <p>A total of 8 assessment areas were covered as follows:</p> <ul style="list-style-type: none"><li>a) Board Skills Matrix;</li><li>b) Evaluation on Board effectiveness;</li><li>c) Assessment of the Independent Non-Executive Directors;</li><li>d) Director’s peers review;</li><li>e) Audit Committee Evaluation Questionnaire;</li><li>f) Audit Committee Members’ Self and Peer Evaluation Form;</li><li>g) Independent Directors’ Self-Assessment Checklist; and</li><li>h) Board Committee Evaluation Form.</li></ul> <p>The scope of evaluation was tabled for discussion and approval on 24 August 2022. This process was undertaken at the last quarter of the financial year.</p> |

The annual evaluation of Board effectiveness was undertaken by way of self and peer assessment covering areas such as Board composition, Board roles and responsibilities, effectiveness of Chairman, legal and regulatory compliance, trainings attended, conduct of meetings, time commitment, engagement and communication with Management and stakeholders, as well as competency and service quality of the Company Secretaries.

The evaluation of individual Directors is based on a set of performance criteria comprising contribution to interaction, quality of input and ideas, understanding of roles and responsibilities as well as individual's competencies and experiences.

The NRC also undertook annual assessment of the effectiveness of various Board Committees. The assessments were used to identify the Board Committees' strengths and shortcomings as well as to recommend areas for improvement.

The Board Committees were assessed on the following aspects:

- a) Size and Composition;
- b) Ability to provide useful recommendations;
- c) Relevant knowledge and expertise in the subject area;
- d) Effective communication;
- e) Sufficiency and frequency of meeting;
- f) Rights and authority conferred upon the Committees;
- g) Effectiveness of the Chairpersons of the Committees; and
- h) Minutes of meeting.

The results of the assessments were compiled by the Company Secretaries into summarised executive reports which were then tabled for review and discussion at the NRC meeting. The executive reports were then presented to the Board for further deliberation on 23 February 2023. At the Board meeting, all critical comments and recommendations for improvement contained in the reports were highlighted by the NRC Chairperson for immediate actions and improvement. The outcomes and key action steps to be taken to enhance the effectiveness of the Board and Board Committees were duly recorded in the minutes of the respective meetings. All recommended improvements were immediately acted upon.

Generally, the Directors were satisfied with the performance of the Board as a whole. The Director's peer review indicated that all the Directors had performed their respective roles and functions effectively and responsibly during the financial year ended 31 December 2022. Each member was satisfied with each other's contribution in sharing their insights and active participation in Board and Board Committees' discussions. All the Board Committees were assessed to be effective in discharging their roles and responsibilities as required under their respective terms of reference.

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



### Intended Outcome

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

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

### Practice 7.1

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

|   |   |  |
|---|---|--|
| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>The Group's remuneration policy is available at its website.</p> <p>The Group recognizes that in order to attract and retain the Executive Directors and Senior Management, it is important to have a fair and competitive remuneration package that commensurate with their qualification, experience, skills, responsibilities, performance, contribution as well as benchmarking industry peers. In view of this, a framework and guidelines provided by an independent consultant and market data on the remuneration practices of comparable peers are taken into consideration in determining the remuneration package for Executive Directors and Senior Management.</p> <p>The total remuneration package of Executive Directors and Senior Management is made up of various components, primarily consisting of fixed monthly salary, performance bonus, incentive pay as well as benefits-in-kind. Executive Directors are not entitled to Directors' fees and meeting allowances for his/her services.</p> <p>The remuneration of the Executive Directors and Senior Management are structured on the basis of linking rewards to corporate and individual performance. The Group uses the SAP SuccessFactors system to facilitate performance management and measurement process for Executive Directors and Senior Management. The review is conducted on a half-yearly basis. The key performance indicators ("KPIs") includes digital and strategic investment, management succession planning, employee engagement survey score, ESG initiatives, corporate governance initiatives, new land bank acquisition, international expansion, financing cost, investors relation, etc.</p> <p>The Nomination and Remuneration Committee ("NRC") had reviewed and discussed the goal setting in the beginning of the year and mid-year performances of the Executive Directors against their approved KPIs</p> |

|   | <p>during the third quarter of the year. As for the final assessment, it was conducted in the first quarter of the following year.</p> <p>For Independent Non-Executive Directors, the level of remuneration reflects their experiences, level of responsibilities and industry’s benchmark as well as complexity of the Group’s businesses. The remuneration of Independent Non-Executive Directors including the Non-Executive Chairman consists of fixed annual Directors’ fees and fixed meeting allowances for each meeting attended. The fees have been benchmarked against peers of similar size in the same industry and taking into account the complexity of the Group, time commitment required and additional roles required from time to time. The NRC reviews the annual fees for the Independent Non-Executive Directors periodically.</p> <p>The fees for the Independent Non-Executive Directors are not linked to the financial results of the Company. Independent Non-Executive Directors are not entitled to any performance bonus or any incentive arrangements.</p> <p>The Board reviews and proposes the fees for the Independent Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The fees including allowances payable to the Independent Non-Executive Directors are subject to the approval of shareholders at the annual general meeting (“AGM”). For the financial year ended 31 December 2022, the Independent Non-Executive Co-Chairman is entitled to a director’s fee of RM360,000 per year while the rest of the Independent Non-Executive Directors are entitled to directors’ fees of RM120,000 per individual per year. Their meeting allowance is set at RM1,000 per individual per meeting.</p> <p>In addition to the Directors’ fees, the Chairperson and members of the following Board Committees are entitled to the following fees in respect of their roles and responsibilities as outlined in their respective terms of reference:</p> <table border="1" data-bbox="560 1491 1366 1644"> <thead> <tr> <th></th> <th><b>Chairperson</b></th> <th><b>Member</b></th> </tr> </thead> <tbody> <tr> <td>Audit Committee</td> <td>RM25,000</td> <td>RM15,000</td> </tr> <tr> <td>Risk Management Committee</td> <td>RM10,000</td> <td>RM5,000</td> </tr> <tr> <td>NRC</td> <td>RM10,000</td> <td>RM5,000</td> </tr> </tbody> </table> <p>The Board Committees’ fees are subject to the shareholders’ approval at the AGM. The fees will be reviewed periodically. The Board Committees’ fees are payable annually together with the payment of the Directors’ fees.</p> |               | <b>Chairperson</b> | <b>Member</b> | Audit Committee | RM25,000 | RM15,000 | Risk Management Committee | RM10,000 | RM5,000 | NRC | RM10,000 | RM5,000 |
|---|---|---------------|--------------------|---------------|-----------------|----------|----------|---------------------------|----------|---------|-----|----------|---------|
|   | <b>Chairperson</b>  | <b>Member</b> |                    |               |                 |          |          |                           |          |         |     |          |         |
| Audit Committee                         | RM25,000  | RM15,000      |                    |               |                 |          |          |                           |          |         |     |          |         |
| Risk Management Committee               | RM10,000  | RM5,000       |                    |               |                 |          |          |                           |          |         |     |          |         |
| NRC                                     | RM10,000  | RM5,000       |                    |               |                 |          |          |                           |          |         |     |          |         |
| <p><b>Explanation for departure</b></p> | <p>:</p>  |               |                    |               |                 |          |          |                           |          |         |     |          |         |

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

|                    |  |  |
|--------------------|--|--|
| <b>Measure</b> :   |  |  |
| <b>Timeframe</b> : |  |  |

### Intended Outcome

The 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 Board has established a Nomination and Remuneration Committee ("<b>NRC</b>") to ensure that remuneration arrangements support the strategic aims of the Group's businesses and to enable the recruitment, motivation and retention of Executive Directors and Senior Management.</p> <p>The NRC members are Tan Sri Datuk Dr Rebecca Fatima Sta Maria as Chairperson, Tan Sri Dato' Dr Lin See Yan, Tan Sri Jamaludin Bin Ibrahim and Dr Philip Yeo Liat Kok, all of whom are Independent Non-Executive Directors.</p> <p>The NRC with the assistance of the Chief Human Resources Officer, evaluated the performance of the Executive Directors and Key Senior Management twice a year. The Executive Directors and Key Senior Management were assessed based on a set of pre-approved key performance indicators ("<b>KPIs</b>") using balanced scorecard. The KPIs of Tan Sri Dato' (Dr) Chew Chee Kin (President) and Ms Sarena Cheah (Executive Director) included financial targets, strategic initiatives and business growth, organisation effectiveness, targeted land acquisition, employee engagement score, leadership competencies, people development, management succession plan, business sustainability initiatives, etc. As for the Key Senior Management, the KPIs of Dato' Lau Beng Long (President, Sunway Healthcare Group) and Mr Chong Chang Choong (Group Chief Financial Officer) comprised inter alia, financial targets, strategic initiatives, operations and organisation effectiveness.</p> <p>Based on the performance appraisals, the NRC recommends the performance bonus for the Executive Directors for the Board's approval. The NRC also reviews the remuneration package of the Executive Directors to ensure that it commensurate with their scope of responsibilities and performance achieved. It also deliberated and</p> |

|   |  |
|---|--|
|   | <p>recommended the renewal of the terms of employment contracts for Executive Director, with the aim of ensuring that the Company attracts and retains the Directors needed to run the Group successfully.</p> <p>The terms of reference of the NRC is set out at the Company's website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>.</p> <p>During the financial year under review, NRC met to deliberate on the following performance appraisal and remuneration package of the Executive Directors as well as the KPIs of the Key Senior Management before recommending the same to the Board for approval:</p> <p>(a) <u>First NRC Meeting held on 25 February 2022</u></p> <ul style="list-style-type: none"> <li>(i) Discussed the 2021 year-end performance appraisal of the Executive Directors; and</li> <li>(ii) Reviewed and recommended for the Board's approval, the proposed bonus for the Executive Directors for year 2021 and proposed salary increment for the Executive Directors for year 2022.</li> </ul> <p>(b) <u>Second NRC Meeting held on 12 April 2022</u></p> <ul style="list-style-type: none"> <li>(i) Reviewed and endorsed the KPIs of the Executive Directors and Key Senior Management for the year 2022.</li> </ul> <p>(c) <u>Third NRC Meeting held on 24 August 2022</u></p> <ul style="list-style-type: none"> <li>(i) Reviewed and discussed on the achievement of mid-year KPIs and mid-year performance appraisal of the Executive Directors and Key Senior Management.</li> </ul> <p>(d) <u>Fourth NRC Meeting held on 25 November 2022</u></p> <ul style="list-style-type: none"> <li>(i) Reviewed and endorsed its terms of reference;</li> <li>(ii) Reviewed the management succession plan; and</li> <li>(iii) Reviewed and endorsed the renewal of contracts of employment of Tan Sri Dato' (Dr) Chew Chee Kin for another year.</li> </ul> <p>The representatives of the Group Human Resource attended the abovementioned meetings at the invitation of the NRC.</p> <p>The Board was satisfied that the NRC has effectively and efficiently discharged its roles and responsibilities in accordance with its terms of reference.</p> |
| <p><b>Explanation for departure</b></p> | <p>:</p>   |

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

|                    |  |  |
|--------------------|--|--|
| <b>Measure</b> :   |  |  |
| <b>Timeframe</b> : |  |  |

## Intended Outcome

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> | :  | <p>The remuneration received/receivable by each of the Directors for the financial year 2022 is set out in the table below:</p> <ul style="list-style-type: none"><li><b>Independent Non-Executive Directors</b></li></ul> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Directors' Fee (RM'000)</th><th>Board Committee's fees (RM'000)</th><th>Meeting Allowance (RM'000)</th></tr></thead><tbody><tr><td>1.</td><td>Dato' Sri Idris Jala</td><td>360.00</td><td>-</td><td>7.00</td></tr><tr><td>2.</td><td>Tan Sri Dato' Dr. Lin See Yan</td><td>120.00</td><td>30.00</td><td>24.00</td></tr><tr><td>3.</td><td>Tan Sri Datuk Dr Rebecca Fatima Sta Maria</td><td>120.00</td><td>30.00</td><td>24.00</td></tr><tr><td>4.</td><td>Dr Philip Yeo Liat Kok</td><td>120.00</td><td>5.00</td><td>11.00</td></tr><tr><td>5.</td><td>Datuk Tong Poh Keow</td><td>120.00</td><td>30.00</td><td>23.00</td></tr><tr><td>6.</td><td>Tan Sri Jamaludin Bin Ibrahim</td><td>120.00</td><td>7.75</td><td>14.00</td></tr><tr><td>7.</td><td>Datuk Zaiton Binti Mohd Hassan (Appointed w.e.f. 8 March 2022)</td><td>98.30</td><td>16.38</td><td>16.00</td></tr></tbody></table> <ul style="list-style-type: none"><li><b>Non-Independent Executive Directors</b></li></ul> <p>Please refer to the table below.</p> <p>Other emoluments include statutory contribution to the Employees Provident Fund by the employer.</p> <p>Remuneration for Tan Sri Dato' (Dr) Chew Chee Kin also includes Director's fee (in column "Fee") and meeting allowance (in column "Other emoluments") from Sunway Construction Group Berhad ("<b>SunCon</b>"), a listed subsidiary, of which the amount will only be paid upon approval of the shareholders of SunCon.</p> <p>Tan Sri Datuk Seri Razman M Hashim's remuneration was reported up to his retirement date i.e. 23 June 2022.</p> | No.                             | Name                       | Directors' Fee (RM'000) | Board Committee's fees (RM'000) | Meeting Allowance (RM'000) | 1. | Dato' Sri Idris Jala | 360.00 | - | 7.00 | 2. | Tan Sri Dato' Dr. Lin See Yan | 120.00 | 30.00 | 24.00 | 3. | Tan Sri Datuk Dr Rebecca Fatima Sta Maria | 120.00 | 30.00 | 24.00 | 4. | Dr Philip Yeo Liat Kok | 120.00 | 5.00 | 11.00 | 5. | Datuk Tong Poh Keow | 120.00 | 30.00 | 23.00 | 6. | Tan Sri Jamaludin Bin Ibrahim | 120.00 | 7.75 | 14.00 | 7. | Datuk Zaiton Binti Mohd Hassan (Appointed w.e.f. 8 March 2022) | 98.30 | 16.38 | 16.00 |
| No.   | Name   | Directors' Fee (RM'000)  | Board Committee's fees (RM'000) | Meeting Allowance (RM'000) |                         |                                 |                            |    |                      |        |   |      |    |                               |        |       |       |    |   |        |       |       |    |                        |        |      |       |    |                     |        |       |       |    |                               |        |      |       |    |  |       |       |       |
| 1.  | Dato' Sri Idris Jala   | 360.00   | -                               | 7.00                       |                         |                                 |                            |    |                      |        |   |      |    |                               |        |       |       |    |   |        |       |       |    |                        |        |      |       |    |                     |        |       |       |    |                               |        |      |       |    |  |       |       |       |
| 2.  | Tan Sri Dato' Dr. Lin See Yan                                  | 120.00   | 30.00                           | 24.00                      |                         |                                 |                            |    |                      |        |   |      |    |                               |        |       |       |    |   |        |       |       |    |                        |        |      |       |    |                     |        |       |       |    |                               |        |      |       |    |  |       |       |       |
| 3.  | Tan Sri Datuk Dr Rebecca Fatima Sta Maria                      | 120.00   | 30.00                           | 24.00                      |                         |                                 |                            |    |                      |        |   |      |    |                               |        |       |       |    |   |        |       |       |    |                        |        |      |       |    |                     |        |       |       |    |                               |        |      |       |    |  |       |       |       |
| 4.  | Dr Philip Yeo Liat Kok   | 120.00   | 5.00                            | 11.00                      |                         |                                 |                            |    |                      |        |   |      |    |                               |        |       |       |    |   |        |       |       |    |                        |        |      |       |    |                     |        |       |       |    |                               |        |      |       |    |  |       |       |       |
| 5.  | Datuk Tong Poh Keow  | 120.00   | 30.00                           | 23.00                      |                         |                                 |                            |    |                      |        |   |      |    |                               |        |       |       |    |   |        |       |       |    |                        |        |      |       |    |                     |        |       |       |    |                               |        |      |       |    |  |       |       |       |
| 6.  | Tan Sri Jamaludin Bin Ibrahim                                  | 120.00   | 7.75                            | 14.00                      |                         |                                 |                            |    |                      |        |   |      |    |                               |        |       |       |    |   |        |       |       |    |                        |        |      |       |    |                     |        |       |       |    |                               |        |      |       |    |  |       |       |       |
| 7.  | Datuk Zaiton Binti Mohd Hassan (Appointed w.e.f. 8 March 2022) | 98.30  | 16.38                           | 16.00                      |                         |                                 |                            |    |                      |        |   |      |    |                               |        |       |       |    |   |        |       |       |    |                        |        |      |       |    |                     |        |       |       |    |                               |        |      |       |    |  |       |       |       |

| No | Name   | Directorate        | Company ('000) |           |        |       |                  |                  |       | Group ('000) |           |          |           |                  |                  |           |
|----|--|--------------------|----------------|-----------|--------|-------|------------------|------------------|-------|--------------|-----------|----------|-----------|------------------|------------------|-----------|
|    |  |                    | Fee            | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee          | Allowance | Salary   | Bonus     | Benefits-in-kind | Other emoluments | Total     |
| 1  | Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO | Executive Director | -              | -         | -      | -     | -                | -                | -     | -            | -         | 8,927.10 | 13,402.55 | 31.62            | 5,242.23         | 27,603.50 |
| 2  | Tan Sri Dato' (Dr) Chew Chee Kin                 | Executive Director | -              | -         | -      | -     | -                | -                | -     | 100.00       | 7.50      | 2,466.72 | 3,131.42  | 24.91            | 1,170.74         | 6,901.29  |
| 3  | Sarena Cheah Yean Tih                            | Executive Director | -              | -         | -      | -     | -                | -                | -     | -            | -         | 960.00   | 648.50    | 42.94            | 305.61           | 1,957.06  |
| 4  | Tan Sri Datuk Seri Razman M Hashim               | Executive Director | -              | -         | -      | -     | -                | -                | -     | -            | -         | 120.00   | 40.00     | 11.11            | 69.60            | 240.71    |



**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>   | : | Not applicable – adopted Step Up 8.3 |  |
| <b>Explanation on application of the practice</b>  | : |                                      |  |
| <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>   | : |                                      |  |

| 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>                             | : | Adopted   |
| <b>Explanation on adoption of the practice</b> | : | The detailed remuneration of the top 5 Senior Management on named basis are disclosed in the table below. |

| No | Name                | Position  | Company ('000) |           |          |          |                  | Total    |
|----|---------------------|---|----------------|-----------|----------|----------|------------------|----------|
|    |                     |   | Salary         | Allowance | Bonus    | Benefits | Other emoluments |          |
| 1  | Dato' Lau Beng Long | President - Sunway Healthcare Group             | 1,295.50       | 69.95     | 1,560.00 | 16.76    | 351.05           | 3,293.27 |
| 2  | Chong Chang Choong  | Group Chief Financial Officer                   | 1,261.92       | 64.20     | 1,303.92 | 20.30    | 499.70           | 3,150.04 |
| 3  | Dato' Tan Kia Loke  | Senior Managing Director - Chairman's Office    | 1,155.42       | 90.00     | 1,192.07 | 21.01    | 463.12           | 2,921.62 |
| 4  | Liew Kok Wing       | Group Managing Director - Construction Division | 941.70         | -         | 1,438.82 | 95.09    | 285.66           | 2,761.28 |
| 5  | Chung Soo Kiong     | Managing Director - International               | 1,035.84       | -         | 1,060.36 | 26.15    | 251.54           | 2,373.90 |

## 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 Audit Committee ("<b>AC</b>") is led by Datuk Tong Poh Keow, an Independent Non-Executive Director who is not the Chairperson of the Board.</p> <p>The AC comprises four (4) members who are all Independent Non-Executive Directors for the financial year 2022. The members of the AC are:</p> <table border="1"><thead><tr><th>No.</th><th>Director/Designation</th><th>Membership</th></tr></thead><tbody><tr><td>1</td><td>Datuk Tong Poh Keow<br/><i>(Independent Non-Executive Director)</i></td><td>Chairperson</td></tr><tr><td>2</td><td>Tan Sri Dato' Dr Lin See Yan<br/><i>(Independent Non-Executive Director)</i></td><td>Member</td></tr><tr><td>3</td><td>Tan Sri Datuk Dr Rebecca Fatima Sta Maria<br/><i>(Independent Non-Executive Director)</i></td><td>Member</td></tr><tr><td>4</td><td><i>Datuk Zaiton Binti Mohd Hassan<br/>(Independent Non-Executive Director)<br/>(Appointed w.e.f 8 March 2022)</i></td><td>Member</td></tr><tr><td>5</td><td><i>Tan Sri Jamaludin Bin Ibrahim<br/>(Independent Non-Executive Director)<br/>(Resigned w.e.f 8 March 2022)</i></td><td>Member</td></tr></tbody></table> <p>The detailed report of the AC is set out in the Company's Integrated Annual Report 2022.</p> | No. | Director/Designation | Membership | 1 | Datuk Tong Poh Keow<br><i>(Independent Non-Executive Director)</i> | Chairperson | 2 | Tan Sri Dato' Dr Lin See Yan<br><i>(Independent Non-Executive Director)</i> | Member | 3 | Tan Sri Datuk Dr Rebecca Fatima Sta Maria<br><i>(Independent Non-Executive Director)</i> | Member | 4 | <i>Datuk Zaiton Binti Mohd Hassan<br/>(Independent Non-Executive Director)<br/>(Appointed w.e.f 8 March 2022)</i> | Member | 5 | <i>Tan Sri Jamaludin Bin Ibrahim<br/>(Independent Non-Executive Director)<br/>(Resigned w.e.f 8 March 2022)</i> | Member |
| No.  | Director/Designation  | Membership  |     |                      |            |   |  |             |   |   |        |   |  |        |   |   |        |   |   |        |
| 1  | Datuk Tong Poh Keow<br><i>(Independent Non-Executive Director)</i>  | Chairperson   |     |                      |            |   |  |             |   |   |        |   |  |        |   |   |        |   |   |        |
| 2  | Tan Sri Dato' Dr Lin See Yan<br><i>(Independent Non-Executive Director)</i>                                       | Member  |     |                      |            |   |  |             |   |   |        |   |  |        |   |   |        |   |   |        |
| 3  | Tan Sri Datuk Dr Rebecca Fatima Sta Maria<br><i>(Independent Non-Executive Director)</i>                          | Member  |     |                      |            |   |  |             |   |   |        |   |  |        |   |   |        |   |   |        |
| 4  | <i>Datuk Zaiton Binti Mohd Hassan<br/>(Independent Non-Executive Director)<br/>(Appointed w.e.f 8 March 2022)</i> | Member  |     |                      |            |   |  |             |   |   |        |   |  |        |   |   |        |   |   |        |
| 5  | <i>Tan Sri Jamaludin Bin Ibrahim<br/>(Independent Non-Executive Director)<br/>(Resigned w.e.f 8 March 2022)</i>   | Member  |     |                      |            |   |  |             |   |   |        |   |  |        |   |   |        |   |   |        |
| <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 terms of reference of the Audit Committee ("<b>AC</b>") allows a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the AC. This is to ensure the independence of the said person before joining the Committee.</p> <p>Since the incorporation of the Company on 10 November 2010, none of the members of the AC were former key audit partners or held any financial interest in the external auditors.</p> <p>The terms of reference of the AC are set out at the Company's website.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

|   |   |   |
|---|---|---|
| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>The Audit Committee ("<b>AC</b>") is responsible for assessing the suitability, objectivity and independence of the External Auditors annually. It is tasked with ensuring there are proper checks and balances in place so that the provision of non-audit services is not in conflict with their audit function and does not impair the independence and objectivity of the External Auditors. Prior approval of the AC was obtained before the non-audit services were provided by the External Auditors.</p> <p>The Board, through the AC, maintains an appropriate, formal and transparent relationship with both Internal and External Auditors.</p> <p>The Company has in place a Policy on External Auditors. The objectives of the Policy are to outline the criteria and procedures for the AC to assess and select the External Auditors and to monitor the provision of non-audit services rendered by the External Auditors. The Policy is available online at the Company's website.</p> <p>Further, the AC has also considered the information presented by the External Auditors in their Annual Transparency Report 31 December 2021, in its assessment of the External Auditors' system of quality control and their audit quality.</p> <p>On 25 February 2022, BDO PLT ("<b>BDO</b>") declared its independence from the Group in relation to its engagement as External Auditors in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statements of the Group for the financial year 2021. In addition, the provision of non-audit services by the External Auditors was not in conflict with their audit function and did not impair their independence and objectivity.</p> <p>The annual assessment of the External Auditors encompassed areas such as objectivity, independence, competency, quality of services, communication and interaction, audit planning, delivery, fees as well as adequacy of resources. They were assessed by the AC, the President, the Group Chief Financial Officer ("<b>GCFO</b>") and the Group Internal Audit Department ("<b>GIAD</b>").</p> |

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|  | <p>The results of the External Auditors' assessment were tabled to the AC on 8 April 2022. The AC, the President, GCFO and GIAD were satisfied that the External Auditors had been independent, effective and adequately resourced. As such, the AC had recommended the re-appointment of BDO as the External Auditors of the Company for the financial year 2022 for the shareholders' approval at the Twelfth Annual General Meeting ("AGM") of the Company. The Board had subsequently approved the AC's recommendation.</p> <p>The External Auditors will rotate their engaging partner in charge of the audited financial statements of the Company and the Group once every seven (7) years to maintain their independence from the Group in accordance with the Malaysian Institute of Accountants' By-Laws. As the audit engagement partner had held the position for seven (7) years, a new audit engagement partner had taken over the audit of the Group for the financial year 2022.</p> <p>In consideration of the evaluation results of the performance and effectiveness of the External Auditors, the present challenging market conditions due to COVID-19 and the major development in the Healthcare Division, the AC had decided to defer the exercise to invite quotations from audit firms until the conditions are more stabilised.</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 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

|  |   |   |
|--|---|---|
| <b>Application</b>                             | : | Adopted   |
| <b>Explanation on adoption of the practice</b> | : | All the members of the Audit Committee are Independent Non-Executive Directors. |

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

|   |   |  |
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| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>The Audit Committee ("<b>AC</b>") comprises a mix of qualified and experienced professionals in the fields of accountancy, economy and human capital development.</p> <p>Datuk Tong Poh Keow, the Chairperson of the AC, is a Chartered Accountant. She is a member of the Association of Chartered Certified Accountants, United Kingdom (ACCA) and a member of the Malaysian Institute of Accountants. Accordingly, the Company has complied with Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>All the members of the AC are financially literate and have the ability to discharge their responsibilities as follows:</p> <ul style="list-style-type: none"><li>(i) overseeing the financial reporting process and ensuring that the financial reports of the Company are true and accurate and in compliance with relevant accounting standards and legislations. The AC also focused on any significant and unusual events which could affect the financial reports;</li><li>(ii) assessing and ensuring the adequacy and effectiveness of the internal control over financing reporting;</li><li>(iii) monitoring the performance of the external and internal audit functions;</li><li>(iv) evaluating the fairness and reasonableness of all related party transactions; and</li><li>(v) monitoring and resolving potential management conflict of interest.</li></ul> <p>The AC had demonstrated an appropriate level of vigilance and professional scepticism towards significant matters requiring judgement and detection of irregularities in the financial statements of the Company by asking the Management probing questions and</p> |

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|   | <p>challenging the basis of estimates and the appropriate relevant accounting treatment in the preparation of the financial reports and statements. The AC had also performed detailed review of business sections affected by the COVID-19 to ensure appropriate disclosure of the financial impact in the financial statements as well as the accounting treatment and disclosure of the Group’s investments in various wholesale funds.</p> <p>The detailed report of the AC’s activities for the financial year 2022 is set out under the AC Report in the Integrated Annual Report 2022.</p> <p>The members of the Board including the AC members, had during the financial year, attended various training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations, information technology, sustainability matters and the business environment. Details of the trainings or seminars attended by the members of the AC during the financial year ended 31 December 2022 are set out in the Corporate Governance Overview Statement under “Directors’ Professional Development and Trainings” in the Integrated Annual Report 2022 of the Company.</p> <p>The members of the AC had also been briefed on the relevant changes in the financial reporting standards by the Group Chief Financial Officer and External Auditors at the AC meetings held in the financial year.</p> <p>In 2022, the Board through the Nomination and Remuneration Committee, had assessed the effectiveness and performance of the AC and its members based on their relevant knowledge, experiences and competencies through an annual AC effectiveness assessment. The Board was satisfied that the AC and its members had performed their duties and responsibilities effectively.</p> <p>The detailed report of the AC’s activities for the financial year 2022 is set out in the AC Report of the Company’s Integrated Annual Report 2022.</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

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 Company's risk management and internal control framework are established to identify, evaluate, mitigate and monitor key risks with significant adverse impact on the achievement of the Group's objectives and strategies.</p> <p>The Board assumes overall responsibility in maintaining a sound system of risk management and internal control including both the Group's internal policies and standard operating procedures, that provides reasonable assurance of effective operations and legal compliance.</p> <p>The Group's internal control framework includes an effective IT system, clear, formalised and documented internal policies, standards and procedures to ensure compliance with internal controls and relevant laws and regulations. It enables all divisions and operating subsidiaries to effectively and efficiently operate, and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives. These documents are regularly reviewed to ensure relevance and applicability and are published in the Group's portals for employees' reference.</p> <p>The Group's risk management framework is benchmarked against the ISO31000:2018 Risk Management – Guidelines and is designed to embed Enterprise Risk Management into key activities, initiatives and processes of the Group. This enables the Group to identify, evaluate, mitigate and monitor risks that may prevent the Group from achieving its objectives. In doing so, the stakeholders are assured that their interests are protected. During the financial year, the Group constantly reinforces its risk management framework to remain relevant and effective given the present business environment.</p> <p>The framework is enterprise-wide and outlines policies and practices for effective risk mitigation. It allows the Group to:</p> <ol style="list-style-type: none"><li>1. establish clear functional responsibilities and accountabilities within the business units and departments for management of risks;</li><li>2. enhance and improve corporate governance with a clear, concise and robust structure for the Group;</li></ol> |

|  |  |
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|  | <ol style="list-style-type: none"> <li>3. determine risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of the Group;</li> <li>4. set risk policies and limits consistent with the risk appetite and tolerance of the Group; and</li> <li>5. ensure appropriate skills and resources are applied to risk management.</li> </ol> <p>The Board is assisted by the Risk Management Committee (“<b>RMC</b>”) in identifying, mitigating and monitoring the critical risks highlighted by the Business Divisions. The RMC comprises four (4) Independent Non-Executive Directors, the composition of which complies with Practice 10.3.</p> <p>During the financial year, RMC had held five (5) meetings. In its quarterly meetings held on 25 February 2022, 8 April 2022, 24 May 2022, 23 August 2022 and 22 November 2022, RMC deliberated on the identified top risks of the Group including risk impact of COVID-19 on certain business operations as well as action plans to manage or mitigate the said risks. The key Business Units which had been invited to present their key business risks and action plans to address the said risks in 2022 were Theme Park Division, Sunway Property and Facility Management Sdn Bhd, Sunway Resort Hotel and Property Development Division.</p> <p>The Board has established an internal audit function by setting up a Group Internal Audit Department (“<b>GIAD</b>”). GIAD reports functionally to the Audit Committee and administratively to the Executive Chairman or his designate. GIAD has full, free and unrestricted access to all the Group’s activities, policies, records, properties and personnel at all levels and agents, in pursuance of its objectives. It assists the Audit Committee in reviewing, evaluating and monitoring the effectiveness of the Group’s governance, risk management and internal control processes.</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>The Group's Internal Control system includes clear, formalised and documented internal policies, standards and procedures to ensure compliance with internal controls and relevant laws and regulations. It enables all divisions and operating subsidiaries to effectively and efficiently, operate and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives. These documents are regularly reviewed to ensure relevance and applicability and are published in the Group's portals for employees' reference.</p> <p>The policies in place include:</p> <ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption;</li> <li>• Anti-Money Laundering Policy;</li> <li>• Biodiversity Policy;</li> <li>• Code of Conduct and Business Ethics;</li> <li>• Diversity &amp; Inclusion Policy;</li> <li>• Economic Sanctions Compliance Policy;</li> <li>• External Auditors Policy;</li> <li>• Fit &amp; Proper Policy;</li> <li>• Green Building Policy;</li> <li>• Group Occupational Health, Safety &amp; Environment Policy;</li> <li>• Group Sustainability Policy;</li> <li>• Human Rights Policy;</li> <li>• Members of the Board of Directors &amp; Board Composition Selection &amp; Assessment Policy;</li> <li>• Remuneration Policy for Directors &amp; Senior Management;</li> <li>• Sustainable Procurement Policy;</li> <li>• Water Management Policy; and</li> <li>• Whistle Blowing Policy &amp; Procedure.</li> </ul> <p>The Group Internal Audit Department ("<b>GIAD</b>") carries out audits on divisions and operating units of the Group based on a risk-based audit plan approved annually by the Audit Committee ("<b>AC</b>"). Based on these audits, GIAD provides the AC with periodic reports highlighting observations, recommendations and action plans to improve the Group's internal control system. The AC reviews and deliberates on any</p> |

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|  | <p>matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group. Additionally, subsidiaries accredited with certifications are audited as scheduled by the auditors of relevant certification bodies. Results of these audits are reported to Management for necessary follow-up action.</p> <p>GIAD’s functions and summary of its activities are set out in the Audit Committee Report in the Integrated Annual Report 2022.</p> <p>The Group’s risk management framework is benchmarked against the ISO31000:2018 Risk Management – Guidelines and is designed to embed Enterprise Risk Management (“<b>ERM</b>”) into key activities, initiatives and processes of the Group. This enables the Group to identify, evaluate, mitigate and monitor risks that may prevent the Group from achieving its objectives. In doing so, the stakeholders are assured that their interests are protected. During the financial year, the Group constantly reinforces its risk management framework to remain relevant and effective given the present business environment.</p> <p>The framework is enterprise-wide and outlines policies and practices for effective risk mitigation. It allows the Group to:</p> <ul style="list-style-type: none"> <li>• establish clear functional responsibilities and accountabilities within committee structures for management of risks;</li> <li>• enhance and improve corporate governance with a clear, concise and robust structure for the Group;</li> <li>• determine risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of the Group;</li> <li>• set risk policies and limits consistent with the risk appetite and tolerance of the Group; and</li> <li>• ensure appropriate skills and resources are applied to risk management.</li> </ul> <p>The Statement on Risk Management and Internal Control as set out in the Company’s Integrated Annual Report 2022 provides an overview of the state of risk management and internal controls within the Group.</p> <p>The Risk Management Committee (“<b>RMC</b>”) comprising all Independent Directors, oversees the Group’s risk management and internal control. Accountable to the Board, the RMC meets quarterly to:</p> <ul style="list-style-type: none"> <li>• Identify, assess and monitor key business risks and review risk mitigation strategies;</li> <li>• Review and recommend risk management strategies, policies and levels of risk tolerance; and</li> <li>• Ensure infrastructure, resources and systems are in place to manage risks.</li> </ul> |
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|  | <p>In 2022, the RMC had duly reviewed, appraised and assessed the efficacy of the controls and progress of action plans taken to mitigate, monitor and manage the Group’s risk exposure and in particular, the impact of COVID-19 on the operations of the Group. It also reviewed the anti-bribery and corruption policy roll-out for the Group. RMC had subsequently provided assurance to the Board that the Group’s risk management framework and internal controls are operating adequately and effectively in all material aspects.</p> <p>RMC had also recommended the appointment of KPMG Management &amp; Risk Consulting Sdn Bhd (“<b>KPMG</b>”), an external consultant, for the establishment of the Group Compliance Framework to review the Group’s compliance with all applicable legal and regulatory requirements, internal policies and limits as well as operational guidelines and procedures. The appointment of KPMG was subsequently approved by the Board at its meeting held on 24 August 2022.</p> |  |
| <b>Explanation for departure</b> :   |  |  |
|  |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |  |
| <b>Measure</b> :   |  |  |
| <b>Timeframe</b> :   |  |  |



### Intended Outcome

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

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

### Practice 10.3 - Step Up

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

| <b>Application</b>                             | :  | Adopted   |     |                      |            |   |   |             |   |  |        |   |  |        |   |  |        |
|--|--|---|-----|----------------------|------------|---|---|-------------|---|--|--------|---|--|--------|---|--|--------|
| <b>Explanation on adoption of the practice</b> | :  | <p>The Risk Management Committee ("<b>RMC</b>") has oversight over the Company's risk management framework and policies.</p> <p>The Risk Management Committee comprises all Independent Non-Executive Directors. The members of the Committee are:</p> <table border="1"><thead><tr><th>No.</th><th>Director/Designation</th><th>Membership</th></tr></thead><tbody><tr><td>1</td><td>Tan Sri Dato' Dr Lin See Yan<br/><i>(Independent Non-Executive Director)</i></td><td>Chairperson</td></tr><tr><td>2</td><td>Tan Sri Datuk Dr Rebecca Fatima Sta Maria<br/><i>(Independent Non-Executive Director)</i></td><td>Member</td></tr><tr><td>3</td><td>Datuk Tong Poh Keow<br/><i>(Independent Non-Executive Director)</i></td><td>Member</td></tr><tr><td>4</td><td>Datuk Zaiton Binti Mohd Hassan<br/><i>(Independent Non-Executive Director)</i><br/>(Appointed w.e.f. 8 March 2022)</td><td>Member</td></tr></tbody></table> <p>The terms of reference of the RMC is set out at the Company's website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>.</p> | No. | Director/Designation | Membership | 1 | Tan Sri Dato' Dr Lin See Yan<br><i>(Independent Non-Executive Director)</i> | Chairperson | 2 | Tan Sri Datuk Dr Rebecca Fatima Sta Maria<br><i>(Independent Non-Executive Director)</i> | Member | 3 | Datuk Tong Poh Keow<br><i>(Independent Non-Executive Director)</i> | Member | 4 | Datuk Zaiton Binti Mohd Hassan<br><i>(Independent Non-Executive Director)</i><br>(Appointed w.e.f. 8 March 2022) | Member |
| No.  | Director/Designation   | Membership  |     |                      |            |   |   |             |   |  |        |   |  |        |   |  |        |
| 1  | Tan Sri Dato' Dr Lin See Yan<br><i>(Independent Non-Executive Director)</i>                                      | Chairperson   |     |                      |            |   |   |             |   |  |        |   |  |        |   |  |        |
| 2  | Tan Sri Datuk Dr Rebecca Fatima Sta Maria<br><i>(Independent Non-Executive Director)</i>                         | Member  |     |                      |            |   |   |             |   |  |        |   |  |        |   |  |        |
| 3  | Datuk Tong Poh Keow<br><i>(Independent Non-Executive Director)</i>   | Member  |     |                      |            |   |   |             |   |  |        |   |  |        |   |  |        |
| 4  | Datuk Zaiton Binti Mohd Hassan<br><i>(Independent Non-Executive Director)</i><br>(Appointed w.e.f. 8 March 2022) | Member  |     |                      |            |   |   |             |   |  |        |   |  |        |   |  |        |

## 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.

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| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>The Group's Internal Audit ("IA") function is an integral part of the assurance framework and it is performed in-house and undertaken by Group Internal Audit Department ("GIAD"). The mission of GIAD is to enhance and protect Sunway Berhad Group's organizational value by providing risk-based and objective assurance, advice and insight. GIAD helps the Group to achieve its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. GIAD reports functionally to the Audit Committee ("AC") and administratively to the Executive Chairman. The Head of GIAD has unrestricted access to the AC and reports directly to the AC Chairperson.</p> <p>GIAD is a member of the Malaysian Chapter of the Institute of Internal Auditors ("IIA") and carries out its function based on the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") laid down in the International Professional Practices Framework (IPPF) issued by the IIA. The Company had appointed KPMG Management &amp; Risk Consulting Sdn Bhd ("KPMG") to undertake an external Quality Assessment Review ("QAR") on GIAD in 2022. Based on KPMG's report, GIAD had conformed with the IIA Standards. GIAD had subsequently implemented the action plans recommended in the QAR.</p> <p>GIAD carried out its activities based on a risk-based annual audit plan approved by the AC. The AC reviews annually the adequacy of the scope, function and resources of the IA to ensure that the responsibilities of GIAD are fully discharged.</p> <p>The internal audit reports carried out in 2022, were issued to the respective Business Unit Management for their responses. Management were made responsible to ensure that the corrective actions are taken to address the reported risks and weaknesses within the agreed timeline. Follow-up audit engagements were carried out by GIAD to ensure that the key corrective actions were implemented. The internal audit reports were subsequently tabled to the AC for its review. In its current structure, the GIAD has been able to provide the Directors and Senior Management with pertinent information about the weaknesses in the system of internal control allowing the Management to take prompt remedial actions.</p> |

On 25 February 2022, the AC reviewed and approved the annual risk-based internal audit plan for the financial year 2022 (“**Audit Plan FY2022**”). The Audit Plan FY2022 was prepared in accordance with IIA Standards. GIAD assured the AC of the adequacy of its resources and its competencies to carry out the internal audit assignments. The planned audit assignments were selected based on the review of audit universe, inputs from Management and an assessment of risk and exposures affecting the entities within the Group.

The key emphasis areas covered under the Audit Plan FY2022 were:

- (i) to review the adequacy and effectiveness of internal controls system of key business processes of all major subsidiaries and Business Units including information technology (IT) systems of the Group; and
- (ii) to review the governance and compliance framework of the Company to ensure compliance with policies, procedures, law and regulations.

A total of 69 audit assignments were planned to be carried out for the financial year 2022 covering the following areas:

- (a) review internal control for key business processes of the tender and award, and project management for Property Development Division;
- (b) review internal control for key processes for Trading & Manufacturing Division including new businesses and implementation of new systems;
- (c) review internal control for key processes for Healthcare Division;
- (d) review the internal control processes of ticketing and in-park revenue and park operations for Leisure Division;
- (e) Review internal control for selected processes for Building Materials Division including site audits for Quarry Division;
- (f) Review the processes in the Group for management of cybersecurity risks, data governance as well as IT compliance audit for selected business units; and
- (g) Review internal controls on compliance with regulatory requirements on selected business units within the Group.

The AC on a quarterly basis:

- (i) monitored and reviewed the Audit Plan FY2022 to ensure adequate audit coverage of the key risk areas of the Group; and
- (ii) reviewed the internal audit reports comprising audit findings, GIAD’s recommendations, management responses and corrective actions taken. Management are made responsible for ensuring the effective implementation of corrective action plans within the agreed timeframe and regular follow-up audits are performed by GIAD.

The AC also met with the Head of GIAD once a year without the presence of Management.

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|   | <p>The AC had undertaken annual assessment on the performance of GIAD and reviewed its effectiveness in terms of scope and compliance with relevant regulatory standards. The AC also assessed the adequacy of resources and core skills and competencies of staff within GIAD. GIAD develops and maintains professional competency by attending relevant seminars and training workshops conducted by accredited external organisations.</p> <p>From its evaluation, the AC was satisfied with the performance of GIAD and was of the opinion that the size of the internal audit team was appropriate to its function, the nature and scope of its activities. The AC was of the view that GIAD was effective and able to function independently and able to provide the Board and Management with pertinent information on potential weaknesses in the system of internal controls as well as providing the Management with constructive inputs and ideas for remedial action.</p> <p>A summary of the GIAD’s activities during the financial year ended 31 December 2022 is set out in the Audit Committee Report in the Integrated Annual Report 2022.</p> |  |
| <p><b>Explanation for departure</b></p>   | <p>:</p>  |  |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |  |
| <p><b>Measure</b></p>   | <p>:</p>  |  |
| <p><b>Timeframe</b></p>   | <p>:</p>  |  |

## Intended Outcome

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>In accordance with the Internal Audit Charter, the Group Internal Audit Department (“<b>GIAD</b>”) acts as an independent, objective assurance and advisory function to assist the members of the Management team and the Board of Directors [including members of the Audit Committee (“<b>AC</b>”)] in the effective discharge of their duties and responsibilities. It was established for purposes of examining and evaluating the system of internal controls, risk management and governance processes.</p> <p>GIAD had confirmed its organisational independence where the Head of GIAD and all the internal auditors had signed a declaration that they were and had been independent, objective and in compliance with the Code of Conduct and Business of the Company and the professional standards laid down by the Institute of Internal Auditors (“<b>IIA</b>”) in carrying out their duties as internal auditors. The Head of GIAD and the audit executives have confirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independence in their audit assignments.</p> <p>The GIAD is headed by Mr Yee Meng Haw who is a Certified Internal Auditor (CIA). He is a member of the Malaysian Institute of Certified Public Accountant (MICPA), a member of the Malaysian Institute of Accountants (MIA) and a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). GIAD has 18 internal auditors and all of them have either tertiary or professional qualifications. Some are members of Certified Information System Auditors (CISA) and Certified Internal Auditor (CIA).</p> <p>The GIAD is a member of the Malaysian Chapter of the Institute of Internal Auditors and adopts the IIA Standards laid down in the International Professional Practices Framework issued by the IIA. The GIAD had successfully completed its external Quality Assessment Review (“<b>QAR</b>”) by KPMG Management &amp; Risk Consulting Sdn Bhd (“<b>KPMG</b>”) in 2022 and it was concluded that GIAD had generally conformed with the IIA Standards promulgated by IIA.</p> |

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|   | <p>In accordance with the terms of reference of the AC, the AC had in the first quarter of 2022, conducted an annual assessment of the performance of the Internal Audit function for the financial year 2021. The results were compiled and tabled to the AC at its meeting held on 8 April 2022. The AC was satisfied with the performance of the internal audit function for the financial year 2021. It had concluded that GIAD was able to provide the Directors and Senior Management with pertinent information on potential weaknesses in the system of internal control and providing the Management with constructive inputs and ideas for remedial actions.</p> |  |
| <p><b>Explanation for departure</b></p>   |  |  |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |  |  |
| <p><b>Measure</b></p>   |  |  |
| <p><b>Timeframe</b></p>   |  |  |

### Intended Outcome

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

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

### Practice 12.1

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

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|---|---|---|
| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>As part of the effort in strengthening its relationship with the shareholders, the Company is committed to continuously disclose and disseminate comprehensive and timely information to its shareholders as well as to the general investing public. The Board believes that by maintaining consistent and extensive communication with its shareholders, its mutual relationship with its shareholders would be strengthened. This would also enhance the shareholders' understanding of the Group as well as their ability in making informed investment decisions.</p> <p>The Board through its corporate disclosure practices, has authorised the following designated persons to communicate information to all stakeholders including the public:</p> <ul style="list-style-type: none"><li>a) Executive Chairman</li><li>b) President</li><li>c) Group Chief Financial Officer</li><li>d) Head of Group Corporate Development.</li></ul> <p>One of the platforms used for communication with its stakeholders is announcements released through Bursa LINK which can also be accessed via the Company's website.</p> <p>The Company has also incorporated a section for "Investor Relations" in its website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>, which provides all relevant information on the Group such as quarterly results, audited financial statements, Board Charter, minutes of general meetings, general announcements, policies, investor presentations, share price and financial information. The information is easily accessible by the public. Annual reports and circulars to shareholders are also made available at this website. The annual report of the Company is another key channel of communication between the Group and its shareholders and other stakeholders. The annual report communicates comprehensive information on the financial results and activities undertaken by the Group.</p> <p>The Board also recognizes the importance of shareholders' participation in general meetings and encourages such participation.</p> |

The Annual General Meeting (“**AGM**”) of the Company provides the principal forum for dialogue and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutions at general meetings on clarifications of pertinent and relevant information is encouraged.

In 2022, the Company served the notice of its Twelfth AGM (“**12<sup>th</sup> AGM**”) more than 28 days before the meeting. The notice was sent on 29 April 2022 and the date of 12<sup>th</sup> AGM was 23 June 2022.

The notice period given was well in advance of the 21-day requirements under the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The additional time given to the shareholders would allow them to have sufficient time to scrutinise the Annual Report and to take the necessary actions to participate in the meeting virtually.

The Chairman provided ample time for the questions and answers (Q&A) sessions at the 12<sup>th</sup> AGM. All suggestions and comments given by the shareholders were attended by the Board and Management for consideration. The Company also distributed together with the notice of the 12<sup>th</sup> AGM, information on administrative details such as details of the virtual meeting, shareholders’ entitlement to participate in the virtual meeting, their right to appoint proxy and information as to who may act as a proxy, steps to participate and vote in the virtual meeting, etc.

At the commencement of the virtual 12<sup>th</sup> AGM, the appointed Poll Administrator from Mega Corporate Services Sdn Bhd, briefed the shareholders on the submission of questions and online voting through the live streaming platform.

The President gave a video presentation on the Group’s overall financial performance and the performances of each core businesses for the financial year 2021 as well as the Group’s outlook for 2022.

In addition, the questions raised by the Minority Shareholders Watch Group (“**MSWG**”) prior to the 12<sup>th</sup> AGM were shown and addressed at the 12<sup>th</sup> AGM by the Management and Board members. The Management and Board members had also answered the questions raised by the shareholders before and during the 12<sup>th</sup> AGM. Questions posed by MSWG and/or shareholders were displayed on the screen for the shareholders’ viewing during the 12<sup>th</sup> AGM. The minutes and answers to the questions raised by the shareholders at the 12<sup>th</sup> AGM were uploaded onto the Company’s website within 30 business days from the date of the 12<sup>th</sup> AGM.

The Board values constant dialogue and is committed to clear communication with its shareholders and investors. In this respect, as part of the Group’s active investor relations program, discussions and dialogues are held with fund managers, financial analysts, shareholders



and the media to convey information about the Group's performance, corporate strategies and other matters affecting shareholders' interests. The Group has established a Group Stakeholder Communications and Engagements Guidelines and Policy and an investor relations team to address all communications with its shareholders, the media and the investing public.

During the financial year, the Group had participated in two virtual investor conferences organized by local and foreign brokerage houses. The Company also engaged regularly with the local and foreign analysts to brief on the results, performance and prospects of the Group, as well as to answer any queries that the analysts might have. In the financial year 2022, 11 such analyst briefings continued to be organized and held virtually.

With the COVID-19 pandemic transitioning to the endemic phase, the Group had conducted various site visits for investors and analysts to provide valuable visual perspective on the strategic location, connectivity and seamless integration of Sunway's portfolio. The investors and analysts are updated on the development progress and future plans through these site visits. During the financial year, Sunway Medical Centre Sunway City and Sunway Iskandar Puteri Johor gained investors' interest with a total of 6 visits in 2022.

The Group organized its inaugural Sunway Corporate Day Series in October 2022 with the objective to provide coverage to more investors and analysts. The Sunway Corporate Day will be held once a year with a series of engagement activities with the investment community. The programme will feature corporate leaders from Sunway's core divisions sharing key highlights and strategies of their respective divisions. The Sunway Corporate Day Series 2022 held two sessions focused on Healthcare where the participants engaged with the President of Sunway Healthcare Group and his team for a briefing session and a tour of Sunway Medical Centre at Sunway City. There was another session focused on Sustainability, where Sunway Group's Chief Sustainability Officer shared Sunway's sustainability journey and goals towards achieving net zero carbon by 2050. Participants were also given the opportunity to ride on the electric Bus Rapid Transit (BRT) which uses a dedicated elevated track around Sunway's smart and sustainability city and visited several sustainability initiatives which Sunway had embarked on such as composting and urban farming.

In the event of major announcement by the Group, press media and analyst briefings are specially organized to communicate the details of the same to the investing community.

In addition to published annual reports and quarterly results announced to Bursa Securities, the Group has established a website at [www.sunway.com.my](http://www.sunway.com.my) from which investors and shareholders can access for information.

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|   | <p>Besides announcing through Bursa Securities' website, all significant corporate developments involving the Group are made known through press releases to the media.</p> <p>While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Group has in place an insider trading policy to safeguard confidentiality of its material and price-sensitive information.</p> <p>The Group's website has a section dedicated to shareholders and investor relations which provides detailed information on the Group's businesses and latest developments. Any enquiries on investor related matters may be directed to this email address, <b><i>irsunwayberhad@sunway.com.my</i></b> or may also be conveyed to the following persons:-</p> <ol style="list-style-type: none"> <li>1. Mr Chong Chang Choong<br/>Group Chief Financial Officer<br/>Tel No: (603) 5639 8187<br/>Fax No: (603) 5639 9566<br/>Email: chongcc@sunway.com.my</li> <li>2. Ms Janet Lim<br/>Senior Manager – Corporate Finance<br/>Tel No: (603) 5639 9257<br/>Fax No: (603) 5639 9566<br/>Email: janetlls@sunway.com.my</li> </ol> |
| <p><b>Explanation for departure</b></p>   | <p>:</p>   |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |  |
| <p><b>Measure</b></p>   | <p>:</p>   |
| <p><b>Timeframe</b></p>   | <p>:</p>   |

### Intended Outcome

There is 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.

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|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | As part of the Group's efforts to continue to enhance the quality of corporate reporting to its stakeholders, Sunway continued its integrated reporting journey in its latest Integrated Annual Report 2022. With this Report, Sunway continues to provide narratives and enhance its disclosures on business strategies, business models, risks and opportunities and strategic priorities of the Sunway Group of companies, going beyond past financial and performance disclosures to provide its readers line of sight into how Sunway developed its future strategic plans to sustain its relevance, resilience and competitiveness amidst the dynamic operating environment post-pandemic. The Group aims to progressively achieve a level of reporting that reflects the best practices of the guiding principles and content elements of the Integrated Reporting Framework as set out by the International Integrated Reporting Council (IIRC). On 9 June 2021, the IIRC merged with the Sustainability Accounting Standards Board (SASB) to form the Value Reporting Foundation. |
| <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 13.1

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

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| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Company had served more than 28 days' notice for its Twelfth Annual General Meeting ("<b>12<sup>th</sup> AGM</b>") which was scheduled on 23 June 2022. The notice period given to the shareholders would allow them to have sufficient time to scrutinise the Annual Report and to make the necessary arrangements to participate in the 12<sup>th</sup> AGM.</p> <p>Administrative Guides which furnished useful information regarding the conduct of the virtual 12<sup>th</sup> AGM by way of live streaming and online remote voting using Digital Ballot Form ("<b>DBF</b>") provided by the appointed Poll Administrator for the 12<sup>th</sup> AGM, shareholders' entitlement to participate in the virtual meeting, their right to appoint proxy, etc, were given to the shareholders and proxies.</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.

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|--|---|--|
| <b>Application</b>   | : | Departure  |
| <b>Explanation on application of the practice</b>  | : |  |
| <b>Explanation for departure</b>   | : | <p>Dato' Sri Idris Jala, the Non-Executive Co-Chairman was absent from the 12<sup>th</sup> Annual General Meeting ("<b>12<sup>th</sup> AGM</b>") held on 23 June 2022 as he was overseas due to urgent overseas assignment.</p> <p>Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling had chaired the 12<sup>th</sup> AGM in the absence of Dato' Sri Idris Jala.</p> <p>Most of the Directors of the Company (except Dato' Sri Idris Jala) had attended the 12<sup>th</sup> AGM. The Chair of the Audit, Risk Management as well as Nomination and Remuneration Committees were present to respond to any questions addressed to them.</p> <p>At the 12<sup>th</sup> AGM, the President's video presentation provided the shareholders an overview of the performance of the Group and its core businesses for the financial year 2021, as well as the Group's outlook for 2022.</p> <p>During the questions and answers (Q&amp;A) session of the 12<sup>th</sup> AGM, the Chairman and the Board responded to all the questions raised by the shareholders pertaining to the agenda and resolutions tabled before putting them for voting. The Directors, including the President, Group Chief Financial Officer, Management and External Auditors were in attendance at the Broadcast Venue to respond to the shareholders' online questions and comments. The Board and the Management also presented the Group's response to written questions received from the Minority Shareholders Watch Group ("<b>MSWG</b>") at the 12<sup>th</sup> AGM. Questions posed by MSWG and shareholders were shown online for the shareholders' information during the 12<sup>th</sup> AGM. The minutes as well as the answers to the questions raised at the 12<sup>th</sup> AGM were uploaded onto the Company's website within 30 business days from the date of the meeting.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |

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| <b>Measure</b>   | : | The absence of Dato' Sri Idris Jala at the 12 <sup>th</sup> AGM was a one-off event. |  |
| <b>Timeframe</b> | : | Choose an item.  |  |

### 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.

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| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>The Company had since 2020, conducted its general meetings virtually through live streaming and remote online voting. The virtual meetings had enabled shareholders, proxies and corporate representatives to participate in the general meetings of the Company remotely from wherever they are. If a shareholder is not able to participate in the general meetings due to any reason, he or she could appoint a proxy to participate remotely and vote online on his or her behalf.</p> <p>The Board decided to hold the Twelfth Annual General virtually due to the on-going risk of COVID-19 infection. The Board was concerned over the health safety of shareholders as well as the Company's employees.</p> <p>The shareholders, proxies and corporate representatives who wish to participate in the virtual general meetings through the live streaming and online remote voting, are required to register themselves at the appointed Poll Administrator's online portal. Detailed registration procedures have been provided to the shareholders in the Company's Administrative Details for Shareholders attending the Twelfth Annual General Meeting ("12<sup>th</sup> AGM"). After verification that he/she was a shareholder based on the Record of Depositors as at 16 June 2022, the shareholder or proxy was notified via email that his/her registration for the remote participation at the 12<sup>th</sup> AGM had been approved. Shareholders also had option to register directly at <a href="https://vps.megacorp.com.my/U004M6">https://vps.megacorp.com.my/U004M6</a> to submit their proxy forms electronically.</p> <p>At the 12<sup>th</sup> AGM, the appointed Poll Administrator from Mega Corporate Services Sdn Bhd, briefed the shareholders on the submission of questions and online voting through the live streaming platform, prior to the announcement by the Chairman on the commencement of online voting session.</p> <p>Shareholders and proxies were allowed to start voting online at the beginning of the 12<sup>th</sup> AGM upon declaration by the Chairman. The online polling results were tabulated upon completion of the deliberation of all resolutions tabled at the 12<sup>th</sup> AGM. Prior to the</p> |

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|   | <p>closure of the voting window, shareholders and proxies were given another 5 minutes to vote.</p> <p>The voting results of all votes cast in respect of each resolution were displayed on the screen for information. The Chairman then declared the resolutions carried based on the results shown on the screen.</p> <p>The independent Scrutineers, Cygnus Technology Solutions Sdn Bhd, had verified the poll results and the poll results detailing the number of votes cast for and against each resolution and the respective percentages were announced via Bursa LINK after 5.00 pm on the same day.</p> <p>The Board of Directors is committed to ensuring proper and adequate protection of personal data of all shareholders within its control in compliance with the Personal Data Protection Act 2010.</p> <p>The Company's Information Technology Shared Services Centre adheres to ISO 27001:2013 international standards which focuses on Information Security Management System (ISMS). ISMS is a framework of policy and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes. In addition to that, the Group Information Technology has established a Data Governance Framework, Policies and Procedures which outlines how businesses within the Group should manage the availability, usability, integrity, sharing and security of data. The framework ensures that there is consistency in the way data is handled within the Group and reduces the risk of data misuse.</p> <p>The Group manages cybersecurity challenges through a stringent series of codes, policies and security controls. Customer data is protected from intrusions and unauthorised access. Employees are subjected to the strictest standards of privacy and confidentiality. The Group takes this responsibility seriously and has established a group-wide governance infrastructure to take a holistic approach to data privacy and security. This practice is applied across all the Business Units to protect the privacy of all stakeholders of the Group.</p> <p>The Group also conducts monthly Data Governance Office meetings and training sessions for their employees and send out informative emails to them throughout the year to continuously create awareness on data governance and cyber security, and protect them from being victims of fraudulent practices.</p> |
| <p><b>Explanation for departure</b></p>   | <p>:</p>  |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |



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| <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.

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| <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>Shareholders and proxies who attended the Twelfth Annual General Meeting (“<b>12<sup>th</sup> AGM</b>”) of the Company, could participate, speak (in the form of real-time submission of typed texts) and vote remotely at the 12<sup>th</sup> AGM using the remote participation and voting (“<b>RPV</b>”) Facility provided by the Company’s appointed Poll Administrator.</p> <p>At the commencement of the 12<sup>th</sup> AGM, the Chairman informed the shareholders and proxies of their right to ask questions and vote on the resolutions tabled at the 12<sup>th</sup> AGM.</p> <p>The President’s video presentation provided the shareholders an overview of the performance of the Group and its core businesses for the financial year 2021, as well as the Group’s outlook for 2022.</p> <p>Shareholders and proxies are encouraged to use the Live-Streaming solution to submit questions in real time during the 12<sup>th</sup> AGM. The questions posed were shown on the screen for the information of the shareholders and proxies. Shareholders may also submit questions to the Board prior to the 12<sup>th</sup> AGM by emailing to <a href="mailto:irsunwayberhad@sunway.com.my">irsunwayberhad@sunway.com.my</a> or <a href="mailto:AGM-support.Sunway@megacorp.com.my">AGM-support.Sunway@megacorp.com.my</a>.</p> <p>The Board and Management endeavour to answer all the questions raised, immediately upon completion of the tabling of the last resolution. However, due to time constraint, the Company posted all answers of the questions on the Company’s website after the 12<sup>th</sup> AGM.</p> |
| <b>Explanation for departure</b>   | :<br><br>   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>   |   |

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| <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.

*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.*

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| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>The Twelfth Annual General Meeting (“<b>12<sup>th</sup> AGM</b>”) of the Company were held virtually through live streaming and online remote voting via the online meeting platform hosted by Mega Corporate Services Sdn Bhd, the appointed Poll Administrator of the 12<sup>th</sup> AGM. The Board (except Dato’ Sri Idris Jala) and Management were present either in person or virtually at the 12<sup>th</sup> AGM in accordance with the Guidance on Virtual Meeting of Listed Issuers issued by Securities Commission Malaysia.</p> <p>Shareholders and proxies are encouraged to participate and speak (in the form of real-time submission of typed texts) via Live-Streaming solution and vote remotely at the 12<sup>th</sup> AGM using Digital Ballot Form provided by the appointed Poll Administrator of the 12<sup>th</sup> AGM. Shareholders may also submit questions to the Board prior to the 12<sup>th</sup> AGM by emailing to <a href="mailto:irsunwayberhad@sunway.com.my">irsunwayberhad@sunway.com.my</a> or AGM-support.Sunway@megacorp.com.my.</p> <p>During the 12<sup>th</sup> AGM, following the presentation by the President and briefing on the agendas by the Chairman, the Chairman invited the shareholders to submit their questions online in respect to the Company’s financial performance and its affairs before putting the resolutions to vote. The shareholders were provided with ample opportunity to communicate their views and discuss with the Board and Management on matters affecting the Company in the Q&amp;A session. All the questions and concerns raised by the shareholders before and during the 12<sup>th</sup> AGM were made visible and duly addressed and responded by the Board and Management. The voting results of all votes cast in respect of each resolution were displayed on the screen for information.</p> |

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| <b>Explanation for departure</b> :   |  |  |
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| <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.

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| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>         |   |
| <b>Application</b>   | : Applied   |
| <b>Explanation on application of the practice</b>  | : The minutes of the Twelfth Annual General Meeting (“AGM”) of the Company held on 23 June 2022 were uploaded onto Sunway’s corporate website at <a href="http://www.sunway.com.my">www.sunway.com.my</a> within 30 business days from the date of the AGM. |
| <b>Explanation for departure</b>   | :<br><br>   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |
| <b>Measure</b>   | :<br><br>   |
| <b>Timeframe</b>   | :<br><br>   |

**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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