

CORPORATE GOVERNANCE REPORT

STOCK CODE : TH PLANT
COMPANY NAME : TH PLANTATIONS BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibilities for the overall governance and accountability towards the shareholders for the performance of the Company. The Board is committed to the pursuit of its objectives and goals with the assurance that the high standards of corporate governance are being practiced within the Company.</p> <p>Amongst others, outlined below are the key responsibilities of the Board:</p> <ol style="list-style-type: none">1. Reviewing and adopting strategic plans for the Company, primarily the five (5) year rolling strategic plan for THP Group;2. Overseeing the conduct of the Company's business to ensure that it is being properly managed. Key operational matters are discussed during Board meetings and expert or independent advice is sought where necessary;3. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;4. Implementing succession planning, including the appointment and recruitment of Senior Management team members;5. Developing and implementing an investor relations policy or shareholders' communications policy for the Company;6. Reviewing the adequacy and integrity of the Company's internal controls and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines; and7. Developing and implementing a Sustainability Framework for the THP Group.

	<p>For effective oversight and monitoring function of the Board, the Management at every quarter Board meeting had presented the performance of the Company via the financial and operational status report, including providing clarification to the queries raised by the Board.</p> <p>In 2023, the Board had approved the Strategic Business Plan 2024 – 2028 known as Al-Falah 22/22 which serves as a roadmap, guiding THP Group’s operations and decision-making processes while providing stakeholders with a clear understanding of the business and its potential for sustainable growth and profitability.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board carries out a leadership role in managing the Board, shareholders and other stakeholders. The roles and responsibilities of the Chairman are as follows:</p> <ul style="list-style-type: none"> i. Provides leadership to the Board <ul style="list-style-type: none"> - Plans Board meetings; - Ensures the Board receives proper information in a timely manner; - Chairs all Board/shareholders' meetings; - Ensures that all Directors contribute and participate at Board meetings; and - Drives discussion towards consensus and achieves closure on such discussions. ii. Represents the Board to shareholders and be the spokesperson at the Annual General Meeting ("AGM"). Supports the role of CEO in reporting operational and public relations matters; iii. Ensures the integrity and effectiveness of the governance process; and iv. Performs other responsibilities as assigned by the Board from time to time.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and CEO of THP are held by two (2) different individuals namely Datuk Dr. Ahmad Kushairi bin Din as Chairman and Mohamed Zainurin bin Mohamed Zain as CEO.</p> <p>Both positions have distinct roles and responsibilities. This is to ensure that there is a balance of power and authority between the Chairman and the CEO and thus, avoiding any unfettered power of decision-making in any one individual.</p> <p>The CEO is responsible for the day-to-day management of the business and operation of the Company. He is supported by the senior management team as well as the management committees. The performance of the management under the leadership of the CEO is monitored by the Board through a financial and operational status report presented at every quarter Board meeting.</p> <p>In turn, the Chairman leads the Board during the Q&A session with the management, including challenging the justification given for every achievement.</p> <p>The roles of Chairman and the CEO are set out in the Board Charter and made available on THP's website at www.thplantations.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
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Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman of THP is Datuk Dr. Ahmad Kushairi bin Din.</p> <p>Datuk Dr. Ahmad Kushairi was appointed to the THP Board on 18 March 2022 as an Independent Non-Executive Director and on 28 June 2022, he was re-designated as the Chairman of THP.</p> <p>Since being appointed as the Chairman of THP, Datuk Dr. Ahmad Kushairi has never been a member of any Board Committees.</p>
Explanation for departure :	
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Timeframe :	

Intended Outcome

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

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries of THP are Aliatun binti Mahmud and Wan Nurul Hidayah bin Wan Yusoff. Both are qualified to act as Company Secretaries under Section 235(2) of the Companies Act, 2016. Both had also obtained practicing certificates under Section 241 of the Companies Act, 2016.</p> <p>Their roles and responsibilities during the year, amongst others are as follows:</p> <ul style="list-style-type: none">- Attended all meetings of the Board, Board Committees and Board of subsidiaries as well as the Annual General Meetings of the Company and its subsidiaries.- Ensuring accurate records of all the meetings and that all decisions made are properly minuted and thereafter communicated to the relevant Management for appropriate actions.- Advised the Board in relation to the Constitution of the Company, Board policies and procedures, corporate governance best practices and the regulatory requirements. <p>The Company Secretaries are kept informed of regulatory changes and developments in corporate governance and Main Market Listing Requirements through continual education and professional training.</p>
Explanation for departure	:	
<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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Timeframe	:		
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Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meetings for the ensuing financial year are scheduled before the end of the current financial year to facilitate the planning of Board meetings by the Directors. A corporate calendar will be issued and circulated to all Directors and key senior management thereafter.</p> <p>Special Board Meetings are convened between the scheduled meetings to consider urgent proposals or matters that require urgent decisions or deliberation by the Board.</p> <p>All meeting materials, including the Minutes of meetings are provided to the Board on average five (5) days prior to meetings to ensure the Directors have sufficient time to assess the proposals or information.</p> <p>In 2023, an average of five (5) days were recorded for the distribution of Board papers save for Special Board Meetings for which a shorter time frame had been agreed upon by the Board.</p> <p>To ensure information between the Board and the management are disseminated efficiently and in a timely manner, the Company has adopted digital board papers instead of the distribution of hard copies. The Board is able to access the digital board papers on a real-time basis from the comfort of their home.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board formally adopts a Board Charter, which guides the Board in the fulfillment of its roles, duties and responsibilities.</p> <p>The Board Charter outlines the roles and responsibilities of the Board, the balance and composition of the Board, the Board's authorities, the schedule of matters reserved for the Board, the establishment of the Board Committees, processes and procedures for convening Board meetings, director's training, compliance with standard code of conducts and ethics as well as Board's access to information.</p> <p>In 2023, the Board has undertaken a comprehensive review of its existing Board Charter for conciseness and completeness as well as to be in line with the Main Market Listing Requirement, the application of the practices of MCCG 2021, the Constitution of the Company and the Companies Act, 2016. Accordingly, the revised Board Charter is made available on THP's website at www.thplantations.my.</p> <p>The Board Charter is reviewed every three (3) years or earlier to be consistent with the Board's objectives, the needs of the Company, any applicable laws and practices.</p>
Explanation for departure	:	
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Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied												
Explanation on application of the practice	:	<p>As ethical culture is set from the top, the Board upholds and adopts the highest standards of ethics and corporate behavior as guided by its Directors' Code of Conduct & Ethics contained in the Board Charter, the same is made available on THP's website at www.thplantations.my.</p> <p>In 2023, the guiding principles of the Directors' Code of Conduct & Ethics had been broadened, to include amongst others, the anti-corruption & whistleblowing principle. The Board had zero tolerance for any form of corruption, bribery or any other forms of offenses defined under the Malaysian Anti-Corruption Commission Act, 2009 ("MACC Act") among its members, senior management and employees within the Group.</p> <p>Accordingly, the Group adopted the T.R.U.S.T Principles under the Guidelines on Adequate Procedures under Section 17A(5) of the MACC Act, as summarized below:</p> <table border="1"><thead><tr><th colspan="2">T.R.U.S.T Principles</th></tr></thead><tbody><tr><td>Principle I</td><td>Top Level Commitment</td></tr><tr><td>Principle II</td><td>Risk Assessment</td></tr><tr><td>Principle III</td><td>Undertake Control Measures</td></tr><tr><td>Principle IV</td><td>Systematic Review, Monitoring & Enforcement</td></tr><tr><td>Principle V</td><td>Training & Communication</td></tr></tbody></table> <p>In addition, the Board had recognized the pivotal roles of the Integrity & Governance Unit ("IGU") by restructuring the reporting line of the IGU under the Board Audit, Risk & Governance Committee.</p>	T.R.U.S.T Principles		Principle I	Top Level Commitment	Principle II	Risk Assessment	Principle III	Undertake Control Measures	Principle IV	Systematic Review, Monitoring & Enforcement	Principle V	Training & Communication
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	<p>Amongst others, the roles of the IGU include upholding the highest ethical standard, promoting compliance with laws and regulations and managing risks associated with integrity and governance within the Group. Reporting to the highest level puts the IGU in a better position in maintaining independence and objectivity where all the IGU's findings and recommendations are not influenced by the Management's bias or conflict of interest.</p> <p>The responsibilities of the Board Audit, Risk & Governance Committee covering integrity and governance are outlined in detail in the Terms of Reference of the Board Audit, Risk & Governance Committee which is made available on THP's website at www.thplantations.my.</p>	
Explanation for departure		
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Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>THP has in place a Whistleblowing Policy (“the Policy”) intended to enable employees and other persons to make disclosures about wrongdoings at any time to a designated person in THP without fear of reprisal so that problems can be identified and resolved quickly within THP. This Policy also ensures people exercise their rights (to make a disclosure) responsibly and sensibly when suspecting something amiss.</p> <p>The Policy is made available on THP’s website at www.thplantations.my.</p>	
Explanation for departure	:		
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Intended Outcome

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

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied																																							
Explanation on application of the practice	:	<p>The 'tone at the top' is set by the Board, with whom the ultimate responsibility of setting the Group's sustainability strategic direction rests. The Board is supported by the CEO and the Sustainability Committee. The CEO is tasked with reporting to the Board on the Group's sustainability performance, as well as reviewing updates from the Sustainability Committee on THP's sustainability management and preparation of the annual Sustainability Statement.</p> <p>The Sustainability Committee which was reformed in November 2020 comprises various Heads of Departments (as listed below). This requires vibrant, competent, and effective members to steer THP into the mainstream supply chain of palm oil products. In addition, the Sustainability Committee is also responsible for monitoring the execution of the Board's strategic sustainability directions and overseeing the preparation of the Sustainability Statement.</p> <table border="1"><tr><td>Chairman</td><td>:</td><td>CEO</td></tr><tr><td>Secretariat</td><td>:</td><td>Sustainability</td></tr><tr><td>Members</td><td>:</td><td>Head of Operations</td></tr><tr><td></td><td></td><td>Plantation Controllers</td></tr><tr><td></td><td></td><td>Marketing</td></tr><tr><td></td><td></td><td>CEO's Office</td></tr><tr><td></td><td></td><td>Mills & Engineering</td></tr><tr><td></td><td></td><td>Estate Department</td></tr><tr><td></td><td></td><td>Agronomy</td></tr><tr><td></td><td></td><td>Legal & Secretarial</td></tr><tr><td></td><td></td><td>Administration (Foreign Labour Unit)</td></tr><tr><td>By invitation</td><td>:</td><td>Heads of other Departments</td></tr><tr><td></td><td></td><td>Representatives from Lembaga Tabung Haji</td></tr></table>	Chairman	:	CEO	Secretariat	:	Sustainability	Members	:	Head of Operations			Plantation Controllers			Marketing			CEO's Office			Mills & Engineering			Estate Department			Agronomy			Legal & Secretarial			Administration (Foreign Labour Unit)	By invitation	:	Heads of other Departments			Representatives from Lembaga Tabung Haji
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Intended Outcome

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

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	: Applied						
Explanation on application of the practice	<p>: THP has a broad range of stakeholder groups that have an effect on or are affected by the Group and our activities. The key stakeholder groups include Shareholders, Directors, Management, Employees, Customers, Local Communities as well as Local Authorities.</p> <p>THP recognise the stakeholders as being key enablers who support the business activities, contribute to our success, and to whom we owe a duty to care for and to share the value created. Our approach to sustainability takes into consideration the long-term impact of the activities on both the Group and our stakeholders. As such, THP proactively engaged with the stakeholders through the approach summarised below, which highlights their main concerns as well as THP’s response:</p> <table border="1" data-bbox="560 1088 1396 1948"> <thead> <tr> <th data-bbox="560 1088 994 1160">STAKEHOLDER GROUPS & ENGAGEMENT PLATFORMS</th> <th data-bbox="994 1088 1396 1160">STAKEHOLDER CONCERNS</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 1160 994 1518"> <p>Shareholders</p> <ul style="list-style-type: none"> • Annual General Meetings • Quarterly announcements • Special meetings </td> <td data-bbox="994 1160 1396 1518"> <ul style="list-style-type: none"> • Management Discussion & Analysis from pages 12 to 25 of the Annual Report 2023 • Product Quality and Operational Efficiency on page 35 of the Annual Report 2023 • Audited Financial Statements from pages 136 to 253 of the Annual Report 2023 </td> </tr> <tr> <td data-bbox="560 1518 994 1948"> <p>Directors</p> <ul style="list-style-type: none"> • Quarterly and special Board meetings • Quarterly and special Board Committee meetings </td> <td data-bbox="994 1518 1396 1948"> <ul style="list-style-type: none"> • Governance and Ethics on page 39 of the Annual Report 2023 • Corporate Governance Overview Statement from pages 97 to 117 of the Annual Report 2023 • Statement of Risk Management and Internal Control from pages 118 to 125 of the Annual Report 2023 </td> </tr> </tbody> </table>	STAKEHOLDER GROUPS & ENGAGEMENT PLATFORMS	STAKEHOLDER CONCERNS	<p>Shareholders</p> <ul style="list-style-type: none"> • Annual General Meetings • Quarterly announcements • Special meetings 	<ul style="list-style-type: none"> • Management Discussion & Analysis from pages 12 to 25 of the Annual Report 2023 • Product Quality and Operational Efficiency on page 35 of the Annual Report 2023 • Audited Financial Statements from pages 136 to 253 of the Annual Report 2023 	<p>Directors</p> <ul style="list-style-type: none"> • Quarterly and special Board meetings • Quarterly and special Board Committee meetings 	<ul style="list-style-type: none"> • Governance and Ethics on page 39 of the Annual Report 2023 • Corporate Governance Overview Statement from pages 97 to 117 of the Annual Report 2023 • Statement of Risk Management and Internal Control from pages 118 to 125 of the Annual Report 2023
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	<p>Management</p> <ul style="list-style-type: none"> Operational meetings and ad hoc meetings 	<ul style="list-style-type: none"> Product Quality and Operational Efficiency on page 35 of the Annual Report 2023 Traceability and Supply Chain Management on page 38 of the Annual Report 2023 Effluent and Water Discharge Management on page 50 of the Annual Report 2023 Waste Management on page 45 of the Annual Report 2023 Water Management on page 52 of the Annual Report 2023 Human Rights on page 57 of the Annual Report 2023 Occupational Safety and Health on page 54 of the Annual Report 2023 Employee Welfare and Development on page 58 of the Annual Report 2023
	<p>Employees</p> <ul style="list-style-type: none"> 'Open-door' policy Company intranet, special briefings and bulletins Training 	<ul style="list-style-type: none"> Governance and Ethics on page 39 of the Annual Report 2023 Human Rights on page 57 of the Annual Report 2023 Occupational Safety and Health on page 54 of the Annual Report 2023 Employee Welfare and Development on page 58 of the Annual Report 2023
	<p>Customers</p> <ul style="list-style-type: none"> Regular emails/in-person correspondence to discuss issues raised 	<ul style="list-style-type: none"> Product Quality and Operational Efficiency from page 35 of the Annual Report 2023 Traceability and Supply Chain Management on page 38 of the Annual Report 2023 Governance and Ethics on page 39 of the Annual Report 2023 Biodiversity and Conservation from pages 41 to 45 of the Annual Report 2023 NDPE Commitment on page 42 of the Annual Report 2023 Local Communities on page 64 of the Annual Report 2023

	<p>Local Communities (i.e. towns, villages)</p> <ul style="list-style-type: none"> • Informal grievance channels • Community programmes • Land management schemes 	<ul style="list-style-type: none"> • Effluent and Water Discharge Management on page 50 of the Annual Report 2023 • Biodiversity and Conservation from pages 41 to 45 of the Annual Report 2023 • Local Communities on page 64 of the Annual Report 2023
	<p>Local Authorities (i.e. Malaysian Palm Oil Board (“MPOB”), DOSH, DOE, municipal councils, etc.)</p> <ul style="list-style-type: none"> • Monthly, annual and special reporting • Forums 	<ul style="list-style-type: none"> • Governance and Ethics on page 39 of the Annual Report 2023 • Effluent and Water Discharge Management on page 50 of the Annual Report 2023 • Waste Management on page 45 of the Annual Report 2023 • Water Management on page 52 of the Annual Report 2023 • Human Rights on page 57 of the Annual Report 2023 • Occupational Safety and Health on page 54 of the Annual Report 2023
<p>Throughout the process, THP recognised the limitations of the current stakeholder engagement scope. Nevertheless, as part of the process for MSPO certification, THP has expanded and formalised additional platforms for engagement with the stakeholders, including formal stakeholder meetings at each complex level as well as the provision of grievance channels for the stakeholders to submit their concerns regarding THP’s operations.</p>		
Explanation for departure	:	
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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 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has been in the forefront of the sustainability issues including climate-related risks by complying with Principal 5 in MSPO (Environment). This includes the monitoring of the Group’s Green House Gas (“GHG”) emissions annually to ensure that the Group is in line with the goal of being an environmentally conscious Company.</p> <p>The Board also attended conferences, seminars and training programmes related sustainability matters such as:</p> <ol style="list-style-type: none"> 1. MIA Webinar Series Integrating ESG into Organization’s Financial Reporting Framework 2. Achieving Investor-Grade GHG Reporting: The Role of Accounting and Finance Professionals 3. Bursa 2023 Market Intermediaries and Advocacy Programmes: Understanding Cyber Security 4. Bursa Academy – Bursa 2023 Market Intermediaries and Advocacy Programmes: Governance & Risk Management 5. Revised OECD/G20 Governance Principles: What Companies Do To Promote Sustainability and Investors Confidence. 6. IFRS1 – General Requirement for Sustainability Related Disclosure. An In-depth Explainer with ISSB (virtual) 7. IFAC Sustainability Summit Asia Pacific 8. Seminar on Section 17A Malaysian Anti-Corruption Act, 2009 & Adequate Procedures. 9. Anti-Corruption Pledge and TH Integrity Plan 10. Climate Change 2023: Synthesis Report of the IPCC AR 6 – Implication for Disaster Risk 11. Board Oversight of Climate Risks and Opportunities <p>THP is also continuously exploring other viable efforts in order to further reduce the GHG emissions and improve the day-to-day operations. This includes the adoption of the No Deforestation, Peat and Exploitation (“NDPE”) policy which is crucial in the environmental effort at a global level.</p>
Explanation for departure	:	

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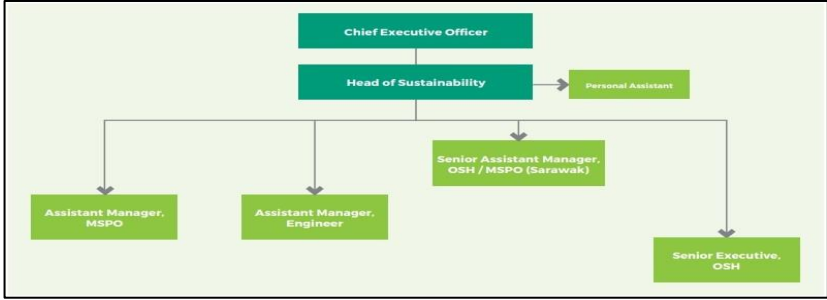
Intended Outcome

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.

Application	: Applied
Explanation on application of the practice	<p>In recognition of the ever-changing Sustainability Agenda, THP has made incremental improvements to strengthen the sustainability commitment. A dedicated Sustainability Department was formed in November 2020 which reports directly to the CEO.</p> <p>The Sustainability Department comprises two (2) units, namely MSPO Certification/Sustainability Unit and the OSH Unit. The CEO oversees the overall implementation of the Group’s sustainability efforts, while the Head of Sustainability directs and monitors the implementation of sustainability initiatives within the Group.</p> <p>The Sustainability Unit ensures and monitors our operations comply with MSPO standards through the process of MSPO internal audit by Sustainability Department team and MSPO external audit by an accredited Certification Body annually. This MSPO audit process comprises of following Principles & Criteria:</p> <ol style="list-style-type: none"> 1. Management Commitment & Responsibility 2. Transparency 3. Compliance with Legal Requirements 4. Social Responsibility, Health, Safety & Employment Condition 5. Environment, Natural Resources, Biodiversity & Ecosystem Services 6. Best Practices 7. Development of New Plantings <p>Besides the MSPO audit process, the Sustainability Unit also monitors the implementation of sustainability initiatives through the ESG monitoring checklist report which is reported by Regional Plantation Controllers twice a year.</p> <p>Whereas the OSH Unit is responsible for the implementation of the OSH management system aligns with policies, acts and regulations through inspection visits annually.</p> <p>The ESG risks are also deliberated in the Risk Management Committee. This exercise is coordinated by the Risk & Compliance Department. The ESG risks are one of the components in 20 Company’s risk registers.</p>

	<p>Sustainability Department also committed to GHG emissions and mitigation efforts such as:</p> <ol style="list-style-type: none"> 1. Avoiding deforestation by complying with NDPE commitment & policy. 2. Methane Capture (JVC with Cenergi SEA at Kilang Sawit Bukit Lawiang. 3. Enhancement of Renewable Energy Initiatives such as rooftop solar panel installation at estates and mills building.  <pre> graph TD CEO[Chief Executive Officer] --> HOS[Head of Sustainability] HOS --> PA[Personal Assistant] HOS --> AM1[Assistant Manager, MSPO] HOS --> AM2[Assistant Manager, Engineer] HOS --> SAM[Senior Assistant Manager, OSH / MSPO (Sarawak)] HOS --> SE[Senior Executive, OSH] </pre>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Head of Sustainability Department, namely Samshul Bahri Muhammad has been appointed to manage sustainability of THP's operations since November 2020.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied																				
Explanation on application of the practice	:	<p>The Board Nomination & Remuneration Committee is mindful that, for the Board to be effective, the composition of the Board should have a mix of skills and experiences (including gender diversity) that are needed to meet the current and future needs of the Company. For a formal and transparent assessment of the candidate, the Company has adopted the Directors' Fit & Proper policy that tightens up the current process.</p> <p>For that purpose, the Board upon recommendation of the Board Nomination & Remuneration Committee, had approved several appointments of directors. As a result, the current composition of the Board with the mix of skills and experience were as follows:</p> <table border="1"><thead><tr><th>Directors</th><th>Background</th></tr></thead><tbody><tr><td>Datuk Dr. Ahmad Kushairi bin Din</td><td>Plantation</td></tr><tr><td>Syed Hamadah bin Syed Othman</td><td>Actuarial Science</td></tr><tr><td>Tengku Dato' Seri Hasmuddin bin Tengku Othman</td><td>Legal</td></tr><tr><td>Bakri bin Jamaluddin</td><td>Plantation</td></tr><tr><td>Muhammad Ramizu bin Mustaffa</td><td>Finance & Accounting</td></tr><tr><td>Dr. Nurmazilah binti Dato' Mahzan</td><td>Finance & Accounting</td></tr><tr><td>Dr. Shahril bin Simon</td><td>Finance & Asset Management</td></tr><tr><td>Kasmuri bin Sukardi</td><td>Plantation</td></tr><tr><td>Fahda Nur binti Ahmad Kamar</td><td>Legal</td></tr></tbody></table> <p>The profiles for each director are detailed on pages 78 to 88 of the Annual Report 2023.</p> <p>In relation to the re-election of directors, the Board Nomination & Remuneration Committee had reviewed the performance of the Board and Board Committees through the Board Evaluation Assessment ("BEA") 2023. Amongst others, the assessment focused on the following areas:</p> <ul style="list-style-type: none">• The Director's performance and contribution to the Board and Board Committees meetings;• The effectiveness of the Board and Board Committees meetings; and	Directors	Background	Datuk Dr. Ahmad Kushairi bin Din	Plantation	Syed Hamadah bin Syed Othman	Actuarial Science	Tengku Dato' Seri Hasmuddin bin Tengku Othman	Legal	Bakri bin Jamaluddin	Plantation	Muhammad Ramizu bin Mustaffa	Finance & Accounting	Dr. Nurmazilah binti Dato' Mahzan	Finance & Accounting	Dr. Shahril bin Simon	Finance & Asset Management	Kasmuri bin Sukardi	Plantation	Fahda Nur binti Ahmad Kamar	Legal
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Kasmuri bin Sukardi	Plantation																					
Fahda Nur binti Ahmad Kamar	Legal																					

	<ul style="list-style-type: none"> • The level of independence demonstrated by the Directors and their ability to act in the best interest of the Company. <p>Based on the assessment conducted, the Board Nomination & Remuneration Committee is satisfied with the performance of the Director who stands for re-election at the forthcoming 50th AGM of THP scheduled to be held on 6 May 2024, namely:</p> <p>i) Retirement by rotation under Clause 89 of the Company's Constitution</p> <ul style="list-style-type: none"> • Haji Bakri bin Jamaluddin <p>ii) Retirement by casual vacancy under Clause 94 of the Company's Constitution</p> <ul style="list-style-type: none"> • Syed Hamadah bin Syed Othman; • Dr. Nurmazilah binti Dato' Mahzan; • Dr. Shahril bin Simon; • Kasmuri bin Sukardi; and • Fahda Nur binti Ahmad Kamar. <p>The abovementioned Directors have demonstrated their dedication, commitment and diligence as members of the THP Board as well as effectively contribute sound and wise advice in all the THP Board and Board Committees deliberations.</p> <p>Accordingly, the Board has endorsed the Board Nomination & Remuneration Committee's recommendation that the re-election of the above directors be tabled at the forthcoming 50th AGM of THP, for approval of the shareholders.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied																	
Explanation on application of the practice	:	As at 31 December 2023, there are nine (9) members of the Board, of whom three (3) are Non-Independent Non-Executive Directors, and the remaining six (6) are Independent Non-Executive Directors detailed as follows:																	
		<table border="1"> <thead> <tr> <th>Designation</th> <th>No. of Directors</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Independent Non-Executive Director</td> <td>6</td> <td>67</td> </tr> <tr> <td>Non-Independent Non-Executive Director</td> <td>3</td> <td>33</td> </tr> <tr> <td>Total</td> <td>9</td> <td>100</td> </tr> </tbody> </table>			Designation	No. of Directors	%	Executive Director	Nil	Nil	Independent Non-Executive Director	6	67	Non-Independent Non-Executive Director	3	33	Total	9	100
Designation	No. of Directors	%																	
Executive Director	Nil	Nil																	
Independent Non-Executive Director	6	67																	
Non-Independent Non-Executive Director	3	33																	
Total	9	100																	
Explanation for departure	:																		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																			
Measure	:																		
Timeframe	:																		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The tenure of the Independent Directors of THP is nine (9) years as set out in its Board Charter, which can be accessed on THP's website at www.thplantations.my.</p> <p>As at 31 December 2023, THP has six (6) Independent Non-Executive Directors and none of them have exceeded the maximum nine (9) years.</p>

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied												
Explanation on application of the practice	:	<p><u>Appointment of Director</u></p> <p>The Board remains focused on enhancing the diversity of Directors' perspectives. Directors are chosen for their corporate leadership skills, experience and expertise. Diversity of experience in business as well as academic backgrounds are also considered. The right blend of skills and experience is crucial in ensuring the attainment of long-term value for THP's Shareholders.</p> <p>The Board Nomination & Remuneration Committee adopted a thorough appointment process for a director, including the assessment of the candidate's ability to provide an undivided commitment to the Company. The current directorship of the candidate on the board of other public listed companies in compliance with Paragraph 15.06 of MMLR, is also a part of the selection criteria for appointing a director on the Board. In addition, the candidate must disclose directorships in non-listed companies, including the non-profit organization, which will also indicate the candidate's ability to provide commitment.</p> <p>Thereafter, upon satisfactory assessment results, the Board Nomination & Remuneration Committee will recommend the successful candidate for approval of the Board.</p> <p>During the financial year 2023, the Board has appointed new members of the Board as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Date Appointed</th></tr></thead><tbody><tr><td>Syed Hamadah bin Syed Othman</td><td>5 September 2023</td></tr><tr><td>Dr. Nurmazilah binti Dato' Mahzan</td><td>11 September 2023</td></tr><tr><td>Dr. Shahril bin Simon</td><td>17 November 2023</td></tr><tr><td>Kasmuri bin Sukardi</td><td>8 December 2023</td></tr><tr><td>Fahda Nur binti Ahmad Kamar</td><td>28 December 2023</td></tr></tbody></table>	Name	Date Appointed	Syed Hamadah bin Syed Othman	5 September 2023	Dr. Nurmazilah binti Dato' Mahzan	11 September 2023	Dr. Shahril bin Simon	17 November 2023	Kasmuri bin Sukardi	8 December 2023	Fahda Nur binti Ahmad Kamar	28 December 2023
Name	Date Appointed													
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Dr. Shahril bin Simon	17 November 2023													
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Fahda Nur binti Ahmad Kamar	28 December 2023													

	<p>As at 31 December 2023, the Company has two (2) woman directors, namely Dr. Nurmazilah binti Dato' Mahzan and Fahda Nur binti Ahmad Kamar, to which THP has yet to achieve 30% women directors on its Board. Stemming thereto, the Board shall endeavor to increase the number of women directors on its Board at least 30%.</p> <p><u>Appointment of Senior Management</u></p> <p>In respect of the appointment of Senior Management, the same process has been taken, i.e. the Board Nomination & Remuneration Committee had conducted a thorough assessment of the eligibility of the candidate prior to being table to the Board for approval.</p> <p>In 2023, Mohd Jafri bin Arshad, Head of Plantation Controllers of THP, was promoted and re-designated as the Head of Operations of THP.</p> <p>As the post of Chief Financial Officer ("CFO") has been vacant since November 2022, the Board Nomination & Remuneration Committee has undertaken a rigorous recruitment process to determine a suitable candidate for the post, both internally and externally. A reliable recruitment agency was also appointed to assist the Company in sourcing qualified candidates.</p> <p>Upon satisfactory result, the Board Nomination & Remuneration Committee has recommended to the THP Board to promote Marliyana binti Omar, General Manager of Finance as the CFO of THP with effect from 14 April 2023.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 5.6

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

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

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

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of each Director of THP, including new Directors are set out on pages 78 to 88 of the Annual Report 2023. Their profiles consist of their age, gender, directorships in other companies, qualifications, working experience, shareholdings in THP and any conflict of interest with THP, if any.</p> <p>In 2023, based on the recommendation from Board Nomination & Remuneration Committee, the Board has approved the appointments of the following new Directors on the Board of THP as follows:</p> <ul style="list-style-type: none">i. Syed Hamadah bin Syed Othman was appointed to the Board with effect from 5 September 2023 as a Non-Independent Non-Executive Director of THP. He was appointed to the Board by virtue of his position as the Group Managing Director & Chief Executive Officer of Lembaga Tabung Haji, a major shareholder of THP.ii. Dr. Nurmazilah binti Dato' Mahzan was appointed to the Board with effect from 11 September 2023 as an Independent Non-Executive Director of THP. She had vast experience, knowledge and reputation in accounting and finance. She also contributes to the Board Committees, namely the Board Audit, Risk & Governance Committee and Board Investment Committee.iii. Dr. Shahril bin Simon was appointed to the Board with effect from 17 November 2023 as a Non-Independent Non-Executive Director of THP. He was appointed to the Board by virtue of his position as a Nominee Director representing Lembaga Tabung Haji, a major shareholder of THP. He had vast experience in finance and asset management. He also contributes to the Board Committee, namely the Board Investment Committee.

	<p>iv. Kasmuri bin Sukardi was appointed to the Board with effect from 8 December 2023 as an Independent Non-Executive Director of THP. He had vast experience in plantations. He also contributes to the Board Committees, namely, the Board Nomination & Remuneration Committee and Board Tender Committee.</p> <p>v. Fahda Nur binti Ahmad Kamar was appointed to the Board with effect from 28 December 2023 as an Independent Non-Executive Director of THP. She had vast experience in legal matters. She also contributes to the Board Committee, namely, the Board Investment Committee.</p>
<p>Explanation for departure</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>Measure</p>	<p>:</p>
<p>Timeframe</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 5.8

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

Application	:	Applied							
Explanation on application of the practice	:	<p>The Chairman of the Board Nomination & Remuneration Committee must be an Independent Non-Executive Director as required by its Terms of Reference and the same is made available on THP's website at www.thplantations.my.</p> <p>During the year 2023, the post of Chairman of the Board Nomination & Remuneration Committee has undergone several changes, detailed as follows:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Changes</th> </tr> </thead> <tbody> <tr> <td>27 June 2023</td> <td>Datuk Dr. Kamalia binti Ibrahim, an Independent Non-Executive Director had retired at the conclusion of the 49th AGM of THP held on 27 June 2023. Concurrently, she had relinquished her position as the Chairman of the Board Nomination & Remuneration Committee.</td> </tr> <tr> <td>24 July 2023</td> <td>Haji Bakri bin Jamaluddin, an Independent Non-Executive Director of THP had been re-designated from an ordinary member to the Chairman of the Board Nomination & Remuneration Committee.</td> </tr> </tbody> </table>		Date	Changes	27 June 2023	Datuk Dr. Kamalia binti Ibrahim, an Independent Non-Executive Director had retired at the conclusion of the 49 th AGM of THP held on 27 June 2023. Concurrently, she had relinquished her position as the Chairman of the Board Nomination & Remuneration Committee.	24 July 2023	Haji Bakri bin Jamaluddin, an Independent Non-Executive Director of THP had been re-designated from an ordinary member to the Chairman of the Board Nomination & Remuneration Committee.
Date	Changes								
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24 July 2023	Haji Bakri bin Jamaluddin, an Independent Non-Executive Director of THP had been re-designated from an ordinary member to the Chairman of the Board Nomination & Remuneration Committee.								
Explanation for departure	:								
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>									
Measure	:								
Timeframe	:								

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As at 31 December 2023, there were two (2) woman Directors on the THP Board which complies with Paragraph 15.02(1)(b) of the MMLR.	
		However, THP has yet to achieve 30% women directors on its Board.	
		Consistent with its Board Diversity Policy contained in the Board Charter, an additional woman representation on the Board shall be increased when a suitable and qualified candidate is identified in the future.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>THP has adopted the Board Diversity Policy as contained in the Board Charter which is made available on THP's corporate website at www.thplantations.my.</p> <p>In this regard, the Board Nomination & Remuneration Committee is responsible for ensuring that the mix profiles of the Board members in terms of age, gender, knowledge and skills could provide the necessary range of perspective, experience and expertise required to achieve effective stewardship and management. Through this, the Board believes that a truly diverse and inclusive Board will ensure that THP retains its competitive advantage.</p> <p>Based on the current composition of the Board, THP has yet to achieve 30% women directors on its Board. However as compared to 2022, THP had shown its commitment with the increasing number of women directors on the Board from (1) to two (2) directors, namely, Dr. Nurmazilah binti Dato' Mahzan and Fahda Nur binti Ahmad Kamar, both being appointed as the Independent Non-Executive Directors of THP with effect from 11 September 2023 and 28 December 2023 respectively.</p> <p>The profiles of the above women directors are set out on pages 86 and 88 of the Annual Report 2023.</p> <p>For the Management team, THP has also committed to increase the number of women at the management level. In 2023, there were four (4) women holding the position of the Head of Department. The profiles of the management team are set out on pages 89 to 96 of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: During the year 2023, all directors had completed their BEA 2023. The BEA 2023 was conducted internally through questionnaires. The questionnaires were based on the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad. The Board Nomination & Remuneration Committee, upon the satisfactory result of the assessment, concluded that the current size and background of the members of the Board are sufficient and reasonable to contribute to the effective decision-making process. Details of the appraisal process and actions are set out on pages 106 to 107 of the Annual Report 2023.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

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

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Nomination & Remuneration Committee on an annual basis shall review the existing remuneration package of the Company prior to making recommendations for the approval of Board.</p> <p>For this purpose, the Board Nomination & Remuneration Committee had thoroughly reviewed the remuneration package of the directors, which takes into account the demands, complexities and performance of the Company as well as appropriately reflects the future needs of the Company.</p> <p>In compliance with Section 230 of the Companies Act, 2016 and Clause 97 of the Company's Constitution, the Company had at the last 49th AGM obtained the shareholders' approval on the directors' fees and benefits payable of up to RM1.2 million for the period from 28 June 2023 until the next 50th AGM of the Company to be held in 2024.</p> <p>Up to the 50th AGM to be held on 6 May 2024, the expected amount to be utilized is approximately RM808,900.00 or 68% of the approved amount.</p> <p>The Terms of Reference of the Board Nomination & Remuneration Committee are available on THP's website at www.thplantations.my.</p> <p>Please refer to pages 104 to 111 of the Annual Report 2023 for details on the Board Nomination & Remuneration Committee Report for the year under review.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>THP has been disclosing in detail, on a named basis, the remuneration of THP's individual directors which includes fees at the Company and Group level, meeting allowances, salary, bonus, other emoluments and benefits-in-kind such as medical and insurance coverage.</p> <p>Details of the remuneration (including benefits-in-kind) for each Director are disclosed on pages 110 to 111 of the Annual Report 2023.</p>

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	Datuk Dr. Ahmad Kushairi bin Din	Independent Director	144,000	12,000	-	-	32,429	-	188,429	108,000	1,500	-	-	-	-	109,500
2	Syed Hamadah bin Syed Othman Appointed on 5 September 2023	Non-Executive Non-Independent Director	-	3,000	-	-	1,165	-	4,165	-	-	-	-	-	-	-
3	Tengku Dato' Seri Hasmuddin bin Tengku Othman	Non-Executive Non-Independent Director	72,000	46,000	-	-	6,711	-	124,711	180,700	17,000	-	-	-	-	197,700
4	Haji Bakri bin Jamaluddin	Independent Director	72,000	49,000	-	-	9,492	-	130,492	208,500	19,500	-	-	-	-	228,000
5	Muhammad Ramizu bin Mustaffa	Independent Director	84,000	34,000	-	-	6,711	-	124,711	120,995	6,500	-	-	-	-	127,495
6	Dr. Nurmazilah binti Dato' Mahzan Appointed on 11 September 2023	Independent Director	18,882	4,000	-	-	3,412	-	26,294	4,129	-	-	-	-	-	4,129
7	Dr. Shahril bin Simon Appointed on 17 November 2023	Non-Executive Non-Independent Director	-	4,000	-	-	1,165	-	5,165	-	-	-	-	-	-	-
8	Kasmuri bin Sukardi Appointed on 8 December 2023	Independent Director	3,871	2,000	-	-	1,165	-	7,036	-	-	-	-	-	-	-
9	Fahda Nur binti Ahmad Kamar Appointed on 28 December 2023	Independent Director	645	-	-	-	-	-	645	-	-	-	-	-	-	-

10	Dato' Sri Amrin bin Awaluddin Resigned on 5 May 2023	Non-Executive Non-Independent Director	-	1,000	-	-	1,165	-	2,165	-	-	-	-	-	-	-
11	Datuk Dr. Kamalia binti Ibrahim Retired on 27 June 2023	Independent Director	29,500	14,000	-	-	1,274	-	44,774	105,020	10,000	-	-	-	-	115,020
12	Ir. Mohamed Ajmel Hafiz bin Jamaludin Retired on 27 June 2023	Independent Director	35,400	27,000	-	-	7,124	-	69,524	50,740	4,500	-	-	-	-	55,240
13	Dzul Effendy bin Ahmad Hayan Resigned on 29 August 2023	Non-Executive Non-Independent Director	-	16,000	-	-	1,165	-	17,165	-	-	-	-	-	-	-
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

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

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board Audit, Risk & Governance Committee is Muhammad Ramizu bin Mustaffa, an Independent Non-Executive Director of THP.</p> <p>Muhammad Ramizu is a Chartered Accountant by profession. He is also a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), a member of the Malaysian Institute of Accountants (MIA). He holds the International Baccalaureate Diploma from Mara College, Banting and a Bachelor of Science in Finance and Accounting from the University of Salford, Manchester, United Kingdom. He has vast experience in the fields of accounting, auditing, finance, and corporate services.</p> <p>The Chairman of the Board Audit, Risk & Governance Committee is not the Chairman of the Board, so as not to impair the objectivity of the Board's views on the Board Audit, Risk & Governance Committee's findings and recommendations.</p> <p>The composition and activities of the Board Audit, Risk & Governance Committee are outlined in the Board Audit, Risk & Governance Committee Report as disclosed on pages 112 to 115 of the Annual Report 2023.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Terms of Reference of the Board Audit, Risk & Governance Committee have stated a provision that any former audit partner of the Company's external auditors is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the Board Audit, Risk & Governance Committee.</p> <p>Currently, none of the members of the Board Audit, Risk & Governance Committee is a former audit partner of the Company's external auditors.</p> <p>Profiles of the members of the Board Audit, Risk & Governance Committee are disclosed on pages 82, 84, 85 and 86 of the Annual Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Audit, Risk & Governance Committee conducts assessment on the suitability, objectivity and independence of the Company's external auditors. The assessment is based on the Board Audit, Risk & Governance Committee's Terms of Reference under its functions and responsibilities, among others:-</p> <ul style="list-style-type: none">i. To review and consider the appointment, resignation and dismissal of external auditor(s) and make appropriate recommendations to the Board including the audit fees;ii. To review audit scope, plan, reports and management letters presented by the external auditors;iii. To discuss issues arising from the interim and final audit and any other matters that external auditor may wish to discuss, in the absence of management, if necessary. <p>During the financial year 2023-</p> <ul style="list-style-type: none">i. The Board Audit, Risk & Governance Committee had reviewed the adequacy, competency and experience of external auditors assigned to the audit engagement, audit quality and effectiveness and also audit fees and re-appointment to be recommended to the Board;ii. The Board Audit, Risk & Governance Committee had reviewed the scope of audit work and plan, results of the audit reports and management letters presented by the external auditors. <p>Significant issues from the external auditor's reports and management letter are presented and deliberated by the Board Audit, Risk & Governance Committee in its meeting with the presence of the Senior Management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application :	Applied																
Explanation on application of the practice :	<p>The Board Audit, Risk & Governance Committee members collectively possess a wide range of necessary skills to discharge their duties and are financially literate, competent and able to understand matters under the purview of the Board Audit, Risk & Governance Committee.</p> <p>The Chairman of the Board Audit, Risk & Governance Committee is a Chartered Accountant by profession. He is also a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), a member of the Malaysian Institute of Accountants, He holds the International Baccalaureate Diploma and a BSc (Hons) degree in Finance and Accounting from the University of Salford, Manchester, United Kingdom. He has a vast experience in the field of accounting, auditing, finance and corporate services.</p> <p>The other three members of the Board Audit, Risk & Governance Committees, have experience and knowledge in the plantation industry, corporate legal and finance.</p> <p>The relevant qualifications and experience of each member of the Board Audit, Risk & Governance Committee are disclosed on pages 82, 84, 85 and 86 of the Annual Report 2023.</p> <p>The members of the Board Audit, Risk & Governance Committee have undertaken continuous professional development and during the financial year 2023, the members had attended trainings relevant to their roles as listed below:-</p> <table border="1"><thead><tr><th>Training Program Title</th><th>Organiser</th></tr></thead><tbody><tr><td>PIPOC 2023</td><td>MPOB</td></tr><tr><td>Mandatory Accreditation Programme Part 1</td><td>Institute of Corporate Director Malaysia</td></tr><tr><td>TH Nominee Directors Retreat Programme 2023</td><td>TH</td></tr><tr><td>Directors & Officers Liability</td><td>THP</td></tr><tr><td>Plantation Managers' Conference</td><td></td></tr><tr><td>MIA International Accountants Conference</td><td>Malaysian Institute of Accountants</td></tr><tr><td>MIA Webinar Series Integrating ESG into Organization's Financial Reporting Framework</td><td></td></tr></tbody></table>	Training Program Title	Organiser	PIPOC 2023	MPOB	Mandatory Accreditation Programme Part 1	Institute of Corporate Director Malaysia	TH Nominee Directors Retreat Programme 2023	TH	Directors & Officers Liability	THP	Plantation Managers' Conference		MIA International Accountants Conference	Malaysian Institute of Accountants	MIA Webinar Series Integrating ESG into Organization's Financial Reporting Framework	
Training Program Title	Organiser																
PIPOC 2023	MPOB																
Mandatory Accreditation Programme Part 1	Institute of Corporate Director Malaysia																
TH Nominee Directors Retreat Programme 2023	TH																
Directors & Officers Liability	THP																
Plantation Managers' Conference																	
MIA International Accountants Conference	Malaysian Institute of Accountants																
MIA Webinar Series Integrating ESG into Organization's Financial Reporting Framework																	

	Climate Finance Summit – Sasana Kijang BNM	Perdana Fellows Alumni Association & Chevening
	IFRS1 – General Requirement for Sustainability Related Disclosure. An In-depth Explainer with ISSB	International Financial Reporting Standards Foundation
	Bursa 2023 Market Intermediaries and Advocacy Programmes: Understanding Cyber Security	Bursa Malaysia Berhad
	Bursa Academy – Bursa 2023 Market Intermediaries and Advocacy Programmes: Governance & Risk Management	
	36 th Asia Pacific Roundtable – The Age of Strategic Uncertainty	ISIS Malaysia & ASEAN -ISIS
	Achieving Investor-Grade GHG Reporting : The Role of Accounting and Finance Professionals	International Federation of Accountants
	Revised OECD/G20 Governance Principles : What Companies Do To Promote Sustainability and Investors Confidence	
	IFAC Sustainability Summit Asia Pacific	
	COP28 – Climate Finance Summit : Financing Survival	Global Ethical Finance Initiative
	Evening Lecture ‘Adam Smith and Ibn Khaldun at COP8	
	Terengganu Inc Group Director Training-Workshop on Strategic Roles of Board of Director	Terengganu Inc
	2023 SSSM National Conference: “Shared Responsibility In Strengthening AML/CFT Compliance: Risks, Challenges And Collaboration”	Suruhanjaya Syarikat Malaysia
	Seminar on Pathway for Beginners Series Company Secretary & Getting Started with Companies	
	Seminary on Section 17A Malaysian Anti-Corruption Act, 2009 & Adequate Procedures	
Explanation : for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board affirms its overall responsibility in maintaining a sound system of risk management and internal control framework to safeguard the interest of the Group's shareholders and assets. The Board's focus is on effective risk oversight by setting the tone and culture towards effective risk management and internal control.</p> <p>The intention of establishing such framework is to provide the Board with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is properly identified, evaluated and mitigated.</p> <p>The Board has assigned the Board Audit, Risk & Governance Committee to perform the oversight function in evaluating the performance and effectiveness of the risk management and internal control framework.</p> <p>The Board also recognises that such framework needs constant reviews and designed to manage and reduce the risks to acceptable levels, rather than to eliminate it. Thus, the implementation of the framework should only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss, fraud and breaches of laws or regulations.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The risk management framework involves three (3) basic processes which are: -</p> <ol style="list-style-type: none">1. Risk assessment process;2. Risk communication;3. Risk action plan and monitoring. <p>These processes allow the Group to identify, evaluate and track the status of the risk profile and changes in the risk context and ensure that the risk treatment and control measures are adequate in design and operations and effective in its implementation.</p> <p>The internal control system is designed to protect the integrity of assets, promote accountability and increase the efficiency of operations within the Group's risk management framework. The system has been developed and maintained based on the industry's best practices and guidelines and relevant laws, rules, and regulations to control and mitigate risks according to risk appetite set and approved by the Board. The Risk Management Committee and Risk & Compliance Department would continuously review, monitor and update the existing risks, including identifying new emerging risks faced by the Group and reporting them to Board Audit, Risk & Governance Committee accordingly.</p> <p>Thus, the Group has designed and implemented a sound system of internal control that enables the business to be operated effectively and efficiently to achieve the Group's business objectives and to safeguard its interests.</p> <p>The key elements of the Group's internal control system are as follows:-</p> <ol style="list-style-type: none">1. Board oversight function;2. Policies and procedures;3. Organisational structure and authority;4. Human capital management;5. Performance review and monitoring;6. Tender and procurement management.

	More comprehensive features of the Group's risk management and internal controls, and its adequacy and effectiveness are elaborated further in the Statement on Risk Management and Internal Control on pages 118 to 125 of the Annual Report 2023.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The responsibility to oversee the Group's risk management and internal control framework and policies was placed under the purview of the Board Audit, Risk & Governance Committee since November 2017.</p> <p>The Terms of Reference of the Board Audit, Risk & Governance Committee was also revised and expanded to include additional responsibilities. Its main roles and functions are to oversee the Group's financial reporting and performance oversight, internal and external audit functions and risk management and internal control oversight.</p> <p>Currently, the Board Audit, Risk & Governance Committee has four (4) members and majority of them are Independent Non-Executive Directors.</p>

Intended Outcome

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

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The existence of the internal audit function is to provide the Board, through the Board Audit, Risk & Governance Committee, with independent and objective assurance with regards to the performance and effectiveness of risk management, internal control and governance of the Group. Its primary function is to support and assist in discharging the duties and responsibilities of the Board Audit, Risk & Governance Committee. The internal audit function is independent from the operational and financial activities of the Group.</p> <p>The Board Audit, Risk & Governance Committee has the authority to review and approve the internal audit’s scope of work, plan, reports and budgets. The committee also has the authority in evaluating the performance of the internal audit function, appointment and removal of the internal audit personnel.</p> <p>The internal audit function is governed by the Group’s internal audit charter that enables them to have sufficient authority and access to the information and guided by the internal audit standards set out by the Institute of Internal Auditors to ensure the quality of their works.</p> <p>The Board Audit, Risk & Governance Committee is satisfied with the overall performance of the Group’s internal audit function and its resources to perform their functions effectively and independently.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit Department's functions is independent from the operational and financial activities of the Group and shall remain free from interference by any elements within the Group. It has no direct or indirect operational responsibility or authority over any of the activities operated by the Group.</p> <p>All internal audit personnel are free from any relationships or conflicts of interest, except one (1) personnel that has family ties with one (1) of the company's Estate's Manager. In maintaining the independence and objectivity of the internal audit function, that personnel will not be included in any audit engagement with the respective Estates.</p> <p>The internal Audit Department is led by Mohd Izray bin Ibrahim. He holds a Bachelor's Degree (Honours) in Plantation Technology & Management and a Diploma in Planting Industry Management both from MARA University of Technology (UiTM). He is currently an Associate Member of the Institute of Internal Auditors ("IIA") and an Associate Member of the Association of Certified Fraud Examiners ("ACFE").</p> <p>There are 10 internal audit executives and 1 clerical staff, all of whom are qualified and possess the required skills, competencies, knowledge and experience to perform internal audit functions. In addition, the internal audit personnel had also participated in several trainings and webinars to enhance their knowledge and competencies during the year 2023. All executives are members of the Institute of Internal Auditors Malaysia.</p> <p>The Internal Audit Department's activities are carried out according to the Group's internal audit charter, internal audit standards and annual internal audit planning that was approved by the Board Audit, Risk & Governance Committee.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 12.1

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

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

Intended Outcome

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

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

Practice 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	This Practice is not applicable to THP as we are not considered a large company.	
		However, in reflecting its value creation process and principles, THP has committed itself to sustainability reporting. The Company's approach to sustainability reporting is detailed in its Sustainability Statement which is disclosed on pages 26 to 75 of the Annual Report 2023.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	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 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of 49th AGM of THP was dispatched on 28 April 2023 to notify the shareholders that the 49th AGM shall be held on 27 June 2023. Thus, the notice was given to shareholders at least 28 days prior to the meeting consistent with the provision of the Company’s Constitution that required the notice of AGM to be given at least 28 days before the AGM.</p> <p>The 49th AGM was held on a virtual basis through live streaming from the Broadcast Venue at Bilik Bunga Raya, Level 3, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur and via https://meeting.boardroomlimited.my. The shareholders had used the Remote Participation and Electronic Voting (“RPEV”) facilities to attend, speak (in the form of real-time submission of typed texts) and vote (collectively, “participate”) at the 49th AGM.</p> <p>Ample time was given to the shareholders to make necessary arrangements to participate at the 49th AGM, either in person or through corporate representatives or proxies. Detailed explanations on the proxy and entitlement of participation were provided in the Notice. In addition, the Administrative Guide was also dispatched together with the Notice of 49th AGM that provided detailed explanations on the procedure of RPEV and a link to download the Annual Report 2022, Circular to Shareholders, Corporate Governance Report 2022, Notice of 49th AGM, Proxy Form and Request Form.</p> <p>The Notice of 49th AGM provided details explanations for each resolution to allow the shareholders to make an informed decision making at the said AGM. For example, THP had provided ample explanation for resolution on the directors’ fees and benefits payable such as remuneration structure/breakdown, the utilized directors’ fees and benefits payable obtained at the last 48th AGM and justifications for the increase in directors’ fees and benefits payable to be obtained at the 49th AGM as well as assessment made by the Board Nomination & Remuneration Committee.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>At the 49th AGM, majority of the Directors of THP, members of the Board Committees, the CEO, the Company Secretary, and external auditors were present at the Broadcast Venue of the 49th AGM whilst the Senior Management were present remotely via RPEV facilities at the said 49th AGM.</p> <p>The Chairman had conveyed the apologies of Encik Muhammad Ramizu bin Mustaffa who was unable to attend the 49th AGM as he was in Mekah performing Hajj whilst Ir. Mohamed Ajmel Hafiz Jamaludin and Datuk Dr. Kamilia Ibrahim were unable to attend the 49th AGM due to unforeseen circumstances.</p> <p>Before proceeding with the agenda of the 49th AGM, the Chairman had informed that the Company had received a letter from Ir. Mohamed Ajmel Hafiz bin Jamaludin stated that he was not seeking re-election as Director of THP. In this regard, Datuk Chairman informed that Ordinary Resolution No. 3 in relation to the re-election of Ir. Mohamed Ajmel Hafiz bin Jamaludin be withdrawn from the Notice of the 49th AGM and for voting at the Meeting. Stemming thereto, Datuk Chairman's announced that Ir. Mohamed Ajmel Hafiz bin Jamaludin would retire as a director of THP immediately after the conclusion of the 49th AGM i.e on 27 June 2023.</p> <p>During the 49th AGM, the shareholders of THP were invited to submit question(s) (typed texts) to the messaging window via RPEV facilities at any time until the commencement of the e-polling voting session. Apart from the above, the shareholders were allowed to submit their questions prior to the 49th AGM via email to info@thplantations.com.</p> <p>The Chairman and the CEO responded to all the relevant questions submitted by the shareholders of THP on every resolution tabled at the AGM before putting them for voting.</p> <p>The minutes of the 49th AGM together with the answered and unanswered questions raised during the meeting were published on THP's website at www.thplantations.my</p>

	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	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.

Application	:	Applied
Explanation on application of the practice	:	<p>The 49th AGM was held on 27 June 2023 on a virtual basis through live streaming from the Broadcast Venue at Bilik Bunga Raya, Level 3, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur and via https://meeting.boardroomlimited.my. The RPEV facilities allowed the shareholders of THP to participate at the 49th AGM remotely from the comfort of their homes.</p> <p>THP had also allowed the shareholders to submit their proxy forms electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com to encourage the shareholders' participation at the AGM via proxies.</p> <p>The Administrative Guide had provided detailed procedures on the registration of RPEV prior to the 49th AGM before the shareholders could attend and participate at the 49th AGM remotely. Ample time was given to shareholders for registration commencing from 28 April 2023 until 26 June 2023, i.e. 24 hours before time set for holding the virtual 49th AGM. Thereafter, within 24 hours and upon verification against the General Meeting ROD as of 26 June 2023, relevant shareholders were notified via email by Boardroom Share Registrars Sdn. Bhd. on their approved registration including Meeting ID, RPEV User ID and Password.</p> <p>The voting of all resolutions at the 49th AGM were conducted electronically by e-Polling through RPEV facilities. For that purpose, THP had appointed the Boardroom as the Poll Administrator and Mega Corporate Services Sdn. Bhd. as the Independent Scrutineers to verify the results of the e-Polling. The electronic voting had provided accurate outcomes of the results within shorter time.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>Shareholders are provided with sufficient opportunities to pose questions. Prior to the 49th AGM, shareholders were invited to submit questions via email to info@thplantations.com. During the 49th AGM, shareholders may submit questions via the Messaging Window of the RPEV facilities that were open commencing from 10.00 a.m. until the commencement of e-polling voting.</p> <p>The Chairman of the Board chaired the 49th AGM whilst the Directors, Senior Management and External Auditors were present at the Broadcast Venue of the 49th AGM to respond to the questions/comments raised by the shareholders or proxies during the meeting.</p> <p>During the 49th AGM, the CEO had presented the Company's performance in 2022 which covered the following areas:</p> <ul style="list-style-type: none">i. THP Overview;ii. Financial Performance;iii. Operational Statistic;iv. Transformation Phase;v. Challenges & Outlook; andvi. Conclusion & Appreciation. <p>The above presentation was supported by visual and graphical presentation of key financial figures and key operational highlights to facilitate the shareholders' understanding and analyses of the Company's performance. The CEO's presentation slides were published on THP's corporate website after the meeting.</p> <p>The Chairman had invited the shareholders to pose questions/comments at the end of each Agenda item of the 49th AGM.</p>

	<p>The pertinent questions/comments raised by shareholders and proxies were displayed on the screen and the responses were read out by the CEO. The said pertinent questions and responses provided by the CEO including the unanswered questions raised during the meeting were published on THP's corporate website.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 13.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>For the 49th AGM, THP had engaged the Company's Share Registrars i.e. the Boardroom Share Registrars Sdn. Bhd. ("Boardroom") to broadcast the proceedings of the 49th AGM via live streaming and shareholders were allowed to participate via the RPEV facilities.</p> <p>At the 49th AGM, 392 shareholders and proxies representing 654,528,866 ordinary shares or equivalent to 74.05% of the total issued shares of THP have registered via the RPEV facilities to participate.</p> <p>With the RPEV facilities, shareholders were given sufficient time and opportunities to communicate via the Messaging Window in real-time at any time until the commencement of the e-polling voting. At the 49th AGM, THP had received a total of 66 questions/comments from the shareholders.</p> <p>The pertinent questions/comments raised by shareholders and proxies were displayed on the screen and the responses were read out by the CEO. The said pertinent questions and responses provided by the CEO including the unanswered questions raised during the meeting were published on THP's corporate website.</p> <p>In addition, shareholders were allowed to exercise their voting rights efficiently from the comfort of their homes. To facilitate smooth e-polling voting, shareholders were briefed via interactive video by the Poll Administrator on the procedure of voting.</p> <p>For this purpose, THP had appointed the Boardroom as the Poll Administrator and Mega Corporate Services Sdn. Bhd. as the Independent Scrutineers to verify the results of the e-Polling. Upon verification of Scrutineers, the results were displayed on the screen and read out by the Chairman prior to the conclusion of the 49th AGM.</p>

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

Intended Outcome

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

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of 49 th AGM duly confirmed and signed by the Chairman together with the CEO's slides presentation and responses to questions/comments raised during the meeting were published on THP's corporate website on 31 July 2023.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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