

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5239  
**COMPANY NAME** : TITIJAYA LAND BERHAD  
**FINANCIAL YEAR** : June 30, 2021

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>• The Board of Directors ("<b>Board</b>") provides overall stewardship over the Management of the Company and its subsidiaries ("<b>Group</b>").</li><li>• The Board's roles and responsibilities include but are not limited to the following:<ul style="list-style-type: none"><li>➤ reviewing, monitoring and approving the overall strategies, direction and policies of the Company and Group;</li><li>➤ overseeing and evaluating the conduct and performance of the Company and Group;</li><li>➤ identifying principal risks and ensuring the implementation of an appropriate system to manage risk;</li><li>➤ establishing succession plan and reviewing remuneration packages of Senior Management;</li><li>➤ considering Management's recommendations on key issues including acquisition, disposal, restructuring and significant capital expenditure; and</li><li>➤ reviewing the adequacy and the integrity of the management information and internal control systems of the Company.</li></ul></li><li>• The roles and responsibilities of the Board are set out in the Board Charter. The roles and responsibilities of the Board Committees in discharging their functions are set out in each respective Terms of Reference ("<b>TOR</b>") of the Board Committees.</li><li>• The Board has delegated certain functions to Board Committees namely, Audit Committee, Nomination Committee, Remuneration Committee and Board Risk Management Committee. The Board provides overall stewardship over the Management.</li></ul>

	<ul style="list-style-type: none"> <li>• Annual Report is the key channel of communication with stakeholders. Another important avenue is timely announcements made by the Company on material information.</li> <li>• The Board has overall responsibility for promoting the sustainable growth and financial soundness of the Company and its subsidiaries.</li> </ul>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 1.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The role of the Chairman of the Board is set out in the Board Charter and the Chairman of the Board is responsible for:-</p> <ul style="list-style-type: none"> <li>• Setting the agenda for meetings of the Board and focus on strategic direction and performance;</li> <li>• Maintaining ongoing dialogue and relationship of trust with and between the Directors and Management;</li> <li>• Ensuring clear and relevant information is provided to the Directors in a timely manner; and</li> <li>• Ensuring sufficient time is allowed for the discussion of complex or critical issues.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of the Chairman and the Group Managing Director are held by different individuals.</p> <p>Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired) is the Independent Non-Executive Chairman and is responsible for leadership, effectiveness and governance of the Board.</p> <p>In the financial year ended 30 June 2021, Tan Sri Dato' Lim Soon Peng, had retired from his position as the Group Managing Director and subsequently, the Board welcomed Mr. Lim Poh Yit as the new Group Managing Director who was appointed on 31 March 2021. Mr. Lim Poh Yit is responsible for the day-to-day business management and implementation of the Board's policies and decisions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as company secretary under Section 235(2) of the Companies Act 2016. They are responsible for providing the Directors with advice on compliance and corporate governance issues.</p> <p>The Company Secretaries regularly update the Board on new changes to the statutory and regulatory requirements and the resultant implications to the Company and the Board in discharging their duties and responsibilities.</p> <p>One (1) of the Company Secretaries attends the Board and Board Committee meetings and ensures the meetings are properly convened and deliberations at those meetings are well captured and minuted. All the Directors have access to the advice and services of the Company Secretaries in carrying out their duties.</p> <p>The Company Secretaries also undertake the statutory duties as prescribed under the Companies Act 2016 and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“<b>Bursa Securities</b>”).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>• In order to allow Directors to have an appropriate review of the Board Papers, the Board Papers are distributed to all Board Members at least three (3) working days prior to the Board Meeting.</li> <li>• A comprehensive Board Paper pack comprises the objective, the background of the subject matter, issues, risks, recommendations, and other relevant information for the Board to make informed decisions.</li> <li>• The Board Paper pack also consists of the minutes of the previous Board meeting, comprehensive reports from subsidiary companies and a summary of Directors' dealings, Bursa announcements and circular resolutions passed by the Directors since the last Board meeting.</li> <li>• Minutes of meetings are circulated for review and comments and thereafter, confirmed as a correct record by the Board and Board Committees at the following meeting.</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is guided by its Board Charter which outlines the roles and responsibilities of the Board of Directors, Board Committees, Chairman, Group Managing Director and the individual Directors. The Board Charter also stipulates the matters that are reserved for the Board's deliberation and decision.</p> <p>The Board will periodically review the Board Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current laws/regulations and good governance practices.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.titijaya.com.my">www.titijaya.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board established a Code of Conduct and Ethics for the Directors that sets out the standards of conduct for the Directors to observe and abide by strictly. The Code sets out high ethical business standards, honesty, personal as well as professional integrity expected from the Directors in all aspects of the Group's business and activities. The Directors are required to declare any personal, professional or business interest that may conflict with the Directors' responsibilities.</p> <p>The Company has in place a Code of Conduct and Ethics that is applicable to all employees. It sets out the standards of good conduct and ethical practices that aim to maintain a harmonious standard in the workplace among employees of all levels.</p> <p>The Code of Conduct and Ethics for employees sets out the rules of conduct and include, amongst others:</p> <ul style="list-style-type: none"><li>• compliance with rules and regulations;</li><li>• managing conflicts of interest;</li><li>• confidentiality;</li><li>• safeguarding of the Group's intellectual property and assets; and</li><li>• prevention of sexual harassment</li></ul> <p>The Code of Conduct and Ethics for Directors and Employees, respectively, are available on the Company's website at <a href="http://www.titijaya.com.my">www.titijaya.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a formal Whistleblowing Policy for its employees and stakeholders to report any whistleblowing complaint to the Management of Titijaya for immediate action.</p> <p>The main objective of the Whistleblowing Policy is to provide an objective point of escalation for employees or stakeholders to disclose in a bona fide manner any suspected acts of wrongdoings without any fear of reprisal. The Whistleblowing Policy provides guidelines for the reporting and the investigation of any wrongdoings. Such misconducts may be reported in writing directly to a dedicated e-mail address, <a href="mailto:whistleblowing@titijaya.com.my">whistleblowing@titijaya.com.my</a>.</p> <p>The other channels for whistleblowing can be accessed at the Company's website, <a href="http://www.titijaya.com.my">www.titijaya.com.my</a>. The Board together with the Management, review the Whistleblowing Policy periodically or as and when the need arises to ensure it is kept contemporaneous.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>As at the date of this Corporate Governance Report, the Board consists of eight (8) members comprising three (3) Executive Directors, three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The current Board composition complies with 1/3 of the Board being independent in accordance with Paragraph 15.02 of the MMLR of Bursa Securities.</p> <p>The Board has in place the Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Board Risk Management Committee with clear TORs to assist the Board in the deliberations and recommendations as a check and balance. The Board Committees comprise a majority of Independent Non-Executive Directors and provide their objective oversight functions to support the Board.</p> <p>The Non-Independent and Non-Executive Directors are experienced and their willingness to challenge the Management with questions without apprehension and debate constructively during Board meetings, help to reinforce the check and balance of the Board's decision-making process. Hence, the lack of majority Independent Directors in terms of delivering 50% of composition does not jeopardise the independent Board's deliberations and all decisions are made in the best interests of the Company.</p> <p>The Board is mindful of the recommendation of the best practice of the MCGG where the Board must comprise of at least half being independent directors.</p> <p>The Board will continuously identify potential independent candidates to be interviewed to fulfil the requirements of the MCGG.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.

<b>Timeframe</b>	:	Choose an item.	
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## Intended Outcome

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

## Practice 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	: Applied - Annual shareholders' approval for independent directors serving beyond 9 years
<b>Explanation on application of the practice</b>	<p>Datuk Seri Ch'ng Toh Eng ("<b>Datuk Seri Ch'ng</b>") was appointed as an Independent Non-Executive Director of the Company on 24 September 2012 and therefore, has served the Board in that capacity for a cumulative term of more than nine (9) years.</p> <p>Prior to making a recommendation to the shareholders at the Ninth Annual General Meeting ("<b>AGM</b>") of the Company on the retention of Datuk Seri Ch'ng as an Independent Non-Executive Director of the Company, the Board had, vide the Nomination Committee assessed the independence of Datuk Seri Ch'ng and regarded him to be independent in expressing his views and in participating in deliberations, and decision making of the Board and Board Committees. The Board was also of the view that the length of his services on the Board does not interfere with his exercise of independent judgment and ability to act in the best interests of the Company.</p> <p>The Board holds the view that a Director's independence cannot be determined arbitrarily with reference to a set period of time. There are significant advantages to be gained from a long-serving Independent Director who has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Non-Executive Director.</p> <p>The Board as a whole was satisfied with the skills, contribution and independent judgment that Datuk Seri Ch'ng brought to the Board and, the Board recommended and supported his retention as an Independent Non-Executive Director of the Company, seeking shareholders' approval at the Ninth AGM of the Company based on the following justifications:-</p> <ul style="list-style-type: none"><li>• He has fulfilled the criteria under the definition of Independent Directors pursuant to the MMLR of Bursa Securities;</li></ul>

	<ul style="list-style-type: none"> <li>• He is able to exercise independent judgement and act in the best interests of the Company;</li> <li>• There is no potential conflict of interest that he could have with the Company and/or its subsidiaries; and</li> <li>• There are significant advantages to be gained from a long-serving Independent Director who has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history and has provided an invaluable contribution to the Board in his role as an Independent Non-Executive Director.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 4.3 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

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



### Intended Outcome

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

### Practice 4.4

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity and recognises the benefits of diversity at the leadership and employee levels. Having a range of diversity dimensions brings different perspectives to the boardroom and various levels of Management within the Group.</p> <p>The Nomination Committee is responsible for leading the process for nominating new Board appointments and making the necessary recommendations. In this respect, the role of the Nomination Committee is detailed in its TOR, which is accessible for reference on the Company's website at <a href="http://www.titijaya.com.my">www.titijaya.com.my</a>.</p> <p>In any appointment, certain aspects have been considered to maintain a diversified Board and Senior Management team. All appointments will be based on merit and candidates will be considered against an objective criterion.</p> <p>In the selection process, the Nomination Committee and the Board do not set any target on gender, ethnicity or age diversity but endeavour to include any member who will improve the Board's overall compositional balance.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have specific policy on setting a target for female candidates in the workforce.</p> <p>Currently, there is one (1) woman Director on the Board, representing 12.50% of the Directors.</p> <p>The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy. The Company is committed to providing fair and equal opportunities and nurturing diversity within the Company.</p> <p>In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider candidates based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company and with due regard to the benefits of diversity on the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	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 4.6

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In identifying new Board members, the Board considers recommendations for candidates from existing Board members, Management, major shareholders or independent sources.</p> <p>Although the selection/identification of candidates for appointment as directors are solely based on recommendations from existing Board members, the Management or major shareholders, the Board decisions are still made objectively in the best interests of the Company taking into account the diverse skills, expertise, experience and perspectives of the current Board members.</p> <p>During the financial year under review, the Board appointed Dato' Faizal Bin Abdullah as an Executive Director on 19 April 2021 based on his background, academic qualifications, skills, experiences, time commitment and competencies in meeting the needs of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.7**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nomination Committee is chaired by Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired), an Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the financial year ended 30 June 2021, the Nomination Committee had conducted annual assessments in the following aspects:-</p> <ul style="list-style-type: none"><li>(i) the effectiveness of the Board as a whole;</li><li>(ii) the effective of the Board Committees;</li><li>(iii) the contributions and performance of each individual Director and each member of the Audit Committee; and</li><li>(iv) the independence of the Independent Non-Executive Directors.</li></ul> <p>All the annual assessments and evaluations for the financial year ended 30 June 2021 were conducted internally, facilitated by the Company Secretaries. They were conducted using questionnaires administered by the Company Secretaries which employ a self and peer rating assessment model.</p> <p>The Nomination Committee reviewed the results, reported and shared the outcome of the evaluations on Board Effectiveness, Board Committees' Directors' Self and Peer Evaluation and Independent Directors for the financial year ended 30 June 2021 with the Board.</p> <p>The Board agreed on the action points moving forward including the training needs of the Directors. Each Director determines the areas of training that they may require for personal development as a Director or as a member of a Board Committee.</p> <p>Based on the result of the evaluations conducted for the financial year ended 30 June 2021, the Nomination Committee was satisfied with the performance of the Board as a whole, the Audit Committee and individual members of the Board and the Audit Committee.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

The 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 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place policies and procedures to determine the remuneration of Directors and Senior Management that take into account the demands, complexities and performance of the Company as well as skills and experience required, and these are periodically reviewed.</p> <p>The Remuneration Policy for Directors and Senior Management is available on the Company's website at <a href="http://www.titijaya.com.my">www.titijaya.com.my</a>.</p> <p>For Executive Directors and Senior Management, the component parts of remuneration are structured so as to link rewards to corporate and individual performance. The Senior Management's remuneration strategy and practices ensure business complexities and individual responsibilities are aligned with the Company's business strategy and long-term objectives.</p> <p>In the case of Non-Executive Directors, the levels of remuneration are reflected by the experience, level of responsibilities and the remuneration package for similar positions in the market and time commitment required from these Directors.</p> <p>The Remuneration Committee and the Board concurred with the Management's recommendation that the economic impact on the Group's customers and the community from the COVID-19 pandemic made any remuneration increases inappropriate. In line with the Group-wide objective of no general increases in base salary throughout the organisation, there were no recommendations to accord upward salary revision and bonus payout to the Group's employees across all levels, including the Executive Directors and members of senior management.</p> <p>Further details on the activities of the Remuneration Committee in the discharge of its duties for the financial year under review, are set out in</p>

	the Corporate Governance Overview Statement in the Annual Report for the financial year ended 30 June 2021.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 6.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee comprises one (1) Independent Non-Executive Director, one (1) Non-Independent Non-Executive Director and one (1) Executive Director.</p> <p>The Board is aware of the recommendation of the MCCG that the Remuneration Committee should only consist of Non-Executive Directors and a majority of them must be Independent Directors.</p> <p>The Board acknowledged that the Remuneration Committee is also tasked with recommending remuneration matters for the Senior Management. Having an Executive Director in the Remuneration Committee is advantageous as it provides realistic inputs on the appropriate remuneration for the Senior Management team. The independence of the Remuneration Committee will not be impaired by the inclusion of one (1) Executive Director.</p> <p>The Remuneration Committee discharges its responsibilities in accordance with its TOR, among others, reviewing the remuneration packages, reward structure and fringe benefits applicable to Board and Senior Management and making appropriate recommendations to the Board. The approval for Directors' remuneration rests with the Board as a whole with the Directors abstaining from voting and deliberating on decisions in respect of their own remuneration.</p> <p>The TOR of the Remuneration Committee is accessible for reference on the Company's website at <a href="http://www.titijaya.com.my">www.titijaya.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

## Intended Outcome

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 7.1

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

<b>Application</b>	: Applied																																																		
<b>Explanation on application of the practice</b>	: The details of the remuneration of the Directors who served during the financial year ended 30 June 2021 are as follows:  <b><u>Received from the Company</u></b>																																																		
	<table border="1"> <thead> <tr> <th></th> <th>Salaries, Bonus and Other Emoluments (RM)</th> <th>Allowance (RM)</th> <th>Fees (RM)</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td>Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)</td> <td>-</td> <td>14,000</td> <td>49,000</td> <td>63,000</td> </tr> <tr> <td>Lim Poh Yit</td> <td>-</td> <td>-</td> <td>29,680</td> <td>29,680</td> </tr> <tr> <td>Lim Puay Fung</td> <td>-</td> <td>-</td> <td>28,980</td> <td>28,980</td> </tr> <tr> <td>Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir</td> <td>-</td> <td>10,000</td> <td>28,980</td> <td>38,980</td> </tr> <tr> <td>Chin Kim Chung</td> <td>-</td> <td>14,000</td> <td>40,950</td> <td>54,950</td> </tr> <tr> <td>Datuk Seri Ch'ng Toh Eng</td> <td>-</td> <td>14,500</td> <td>32,900</td> <td>47,400</td> </tr> <tr> <td>Dato' Mohd Ibrahim Bin Mohd Nor</td> <td>-</td> <td>13,500</td> <td>32,200</td> <td>45,700</td> </tr> <tr> <td>Dato' Faizal Bin Abdullah (Appointed on 19 April 2021)</td> <td>-</td> <td>-</td> <td>7,245</td> <td>7,245</td> </tr> <tr> <td>Tan Sri Dato' Lim Soon Peng (Retired on 31 March 2021)</td> <td>-</td> <td>-</td> <td>21,735</td> <td>21,735</td> </tr> </tbody> </table>		Salaries, Bonus and Other Emoluments (RM)	Allowance (RM)	Fees (RM)	Total (RM)	Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	-	14,000	49,000	63,000	Lim Poh Yit	-	-	29,680	29,680	Lim Puay Fung	-	-	28,980	28,980	Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	10,000	28,980	38,980	Chin Kim Chung	-	14,000	40,950	54,950	Datuk Seri Ch'ng Toh Eng	-	14,500	32,900	47,400	Dato' Mohd Ibrahim Bin Mohd Nor	-	13,500	32,200	45,700	Dato' Faizal Bin Abdullah (Appointed on 19 April 2021)	-	-	7,245	7,245	Tan Sri Dato' Lim Soon Peng (Retired on 31 March 2021)	-	-	21,735	21,735
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	Datuk Seri Ch'ng Toh Eng	-	14,500	32,900	47,400
	Dato' Mohd Ibrahim Bin Mohd Nor	-	13,500	32,200	45,700
	Dato' Faizal Bin Abdullah (Appointed on 19 April 2021)	87,031	-	7,245	94,276
	Tan Sri Dato' Lim Soon Peng (Retired on 31 March 2021)	718,690	-	21,735	740,425
	<p>The Directors' fees had been reduced to RM271,670/- in the financial year ended 30 June 2020 (30% reduction), compared to the amount of RM388,100/- approved at the Seventh AGM held on 28 November 2019.</p> <p>At the Eighth AGM held on 26 November 2020, the amount of RM271,670/- comprising the Directors' fees for the financial year ended 30 June 2020, was duly approved by the shareholders.</p> <p>For the financial year ended 30 June 2021, the Directors offered to retain the 30% reduction in their fees as that of the previous financial year ended 30 June 2020, upon taking into consideration the current economic situation and performance of the Company.</p>				
<b>Explanation for departure</b> :					
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>					
<b>Measure</b> :					
<b>Timeframe</b> :					

### Intended Outcome

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 7.2

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

<b>Application</b>	:	Departure									
<b>Explanation on application of the practice</b>	:										
<b>Explanation for departure</b>	:	<p>The remuneration of the top 4 Senior Management in each remuneration band for the financial year ended 30 June 2021 is as follows:-</p> <table border="1" data-bbox="560 927 1291 1097"> <thead> <tr> <th>Remuneration Bands (RM)</th> <th>Number of Senior Management (Excluding Executive Directors)</th> </tr> </thead> <tbody> <tr> <td>100,001 – 200,000</td> <td>1</td> </tr> <tr> <td>200,001 – 300,000</td> <td>2</td> </tr> <tr> <td>300,001 – 400,000</td> <td>1</td> </tr> </tbody> </table> <p>The Company notes the need for corporate transparency in the remuneration of its Key Senior Management. However, it is the Company's policy that employees' salaries are confidential. The Company also believes that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the identity and remuneration of the Company's Senior Management.</p> <p>The Board will re-evaluate this requirement from time to time.</p>		Remuneration Bands (RM)	Number of Senior Management (Excluding Executive Directors)	100,001 – 200,000	1	200,001 – 300,000	2	300,001 – 400,000	1
Remuneration Bands (RM)	Number of Senior Management (Excluding Executive Directors)										
100,001 – 200,000	1										
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300,001 – 400,000	1										
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>											
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.									
<b>Timeframe</b>	:	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 7.3 - Step Up**

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

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

**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 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Audit Committee is chaired by Dato' Mohd Ibrahim Bin Mohd Nor, who is an Independent Director, and is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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 8.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The TOR of the Audit Committee clearly sets out that the appointment of a former key audit partner as a member of the Audit Committee shall observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee.</p> <p>Presently, no former key audit partner of the present external auditors has been appointed to the Board or employed by the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The external audit function under the purview of the Audit Committee is essential for all shareholders in ensuring the reliability of the Group's financial statements. The Board maintains a formal and transparent professional relationship with the Group's independent external auditors via the Audit Committee.</p> <p>The Audit Committee is tasked with the annual assessment process on the performance and quality of external auditors and their independence, objective and professionalism.</p> <p>For the financial year ended 30 June 2021, the Audit Committee undertook an assessment of the suitability and independence of the external auditors, using a questionnaire-based internal review, as well as input from officers who have constant contact with the team of the external auditors.</p> <p>The Audit Committee also reviewed the independence of the external auditors and the level of non-audit services rendered by the external auditors and their affiliates.</p> <p>Based on the evaluation results, the Audit Committee is satisfied with the performance of the external auditors, their adequacy of experience, resources and the professional staff assigned to the audit of the Group. The Board has accepted the recommendation of the Audit Committee for the re-appointment of Baker Tilly Monteiro Heng PLT as external auditors of the Company for the ensuing financial year in the upcoming AGM of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 8.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board regards the members of the Audit Committee to be collectively possessing the accounting and related financial management expertise and experience required for the Audit Committee to discharge its responsibilities and assist the Board in its oversight over Management in the design, implementation and monitoring of risk management and internal control systems.</p> <p>The qualifications and experiences of the individual Audit Committee members are disclosed in the Board of Directors' Profiles in the Annual Report for the financial year ended 30 June 2021.</p> <p>Members of the Audit Committee attend training and talks to keep them updated on developments on financial standards. Updates on developments in accounting and governance standards are presented by the external auditors at meetings of the Audit Committee.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its responsibilities for maintaining a sound and reliable system of internal controls within the Group, covering the financial controls, the operational and compliance controls, and risk management. This is a continuing process that includes risk assessments, internal controls reviews and internal audit checks on all companies in the Group.</p> <p>The system of internal controls of the Group, by its nature is designed to provide reasonable but not absolute assurance against the risk of material errors, misstatement, fraud, or losses occurring.</p> <p>The Audit Committee is tasked with the duty to assess the Group's internal control environment to determine the adequacy and effectiveness of the system of internal controls put in place by the Management. The review covers the financial, operational and compliance controls.</p> <p>The Board adopted an Enterprise Risk Management ("ERM") Framework to ensure proper management of risks that may impede the achievement of the Company's goals and objectives. On 27 February 2020, the Board approved the revised ERM reporting structure to include the identity of the responsible personnel in the ERM reporting structure.</p> <p>The objectives of the ERM Framework are amongst others to ensure all risks are identified, analysed, evaluated, treated, monitored and communicated and to provide a means of prioritising the myriad of risks and control initiatives and to achieve a tolerable level of risk whilst capitalising on opportunities to maximise revenue and profits for the Company.</p> <p>The Statement on Risk Management and Internal Control set out in the Annual Report 2021 provides an overview and key features within the Group together with the adequate and effective measures taken for the financial year under review.</p>

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

## Intended Outcome

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 9.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that having an effective risk management and system of internal controls is an essential part of good business management practice. The Board also acknowledges that all areas of the Group's activities do involve some degree of risk and is committed to ensuring that the Group has an effective risk management framework that allows the Group to identify, evaluate, manage and monitor risks within defined risk parameters that affect the achievement of the Group's business objectives.</p> <p>The Group has implemented a formal approach to the risk management framework whereby a systematic and logical methodology risk management model has been adopted to ensure key risks are identified, evaluated, properly prioritised, owners identified with proper response time set and allowed for continuous improvement.</p> <p>The Management-level Risk Management Committee through their meetings ensures that the accountability for managing the significant risks identified is clearly assigned and that the identified risks affecting the Group and the Company are being satisfactorily addressed on an ongoing basis.</p> <p>The Group's system of internal controls, by its nature is designed to provide reasonable but not absolute assurance against the risk of material errors, misstatement, fraud, or losses occurring. The Group's outsourced internal audit function is tasked to independently review of the existing systems, controls and procedures, and thereafter provide such recommendations that would further enhance the existing internal controls. Based on the audits, the outsourced Internal Auditors provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group, and the extent of compliance by the units with the Group's established policies and procedures.</p> <p>The key features of the Group's risk management framework and internal control system are entailed in the Statement on Risk Management and Internal Control in the Annual Report for the financial year ended 30 June 2021.</p>

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



### Intended Outcome

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

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

### Practice 9.3 - Step Up

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board has established a Board Risk Management Committee to oversee the Group's risk management framework and policies, in line with the step-up practice set out in the MCCG.</p> <p>The Board Risk Management Committee consists of five (5) members, of which three (3) are Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and the Group Managing Director.</p> <p>The Board Risk Management Committee is entrusted by the Board to set and oversee the risk management framework and activities of the Group, and regularly assessing such risk management processes to ascertain their adequacy and effectiveness. The principal objective of the Board Risk Management Committee is to assist the Board in its responsibilities to identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets.</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 10.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is supported by an outsourced independent professional service provider, Tricor Axcelasia Sdn. Bhd. (“<b>Axcelasia</b>”), to assist the Audit Committee as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that seek to add value and improve the Group’s operations.</p> <p>The internal auditors perform their work in accordance with the principles of the international internal auditing standards covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.</p> <p>The Audit Committee approves their audit plan and monitors the implementation progress of their audit recommendations upon completion.</p> <p>The internal audit function provides the Board reasonable assurance of the effectiveness of the system of internal control in the Group. The details and summary of work of the internal audit function are further disclosed in the Audit Committee Report in the Company’s Annual Report for the financial year ended 30 June 2021.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 10.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit (“IA”) function is outsourced to Axcelasia which reports directly to the Audit Committee.</p> <p>The head of the IA function, Mr. Chang Ming Chew (“<b>Mr. Chang</b>”) of Axcelasia, is a professional member of the Institute of Internal Auditors Malaysia. Mr. Chang also possesses the professional qualifications of Certified Internal Auditor; Certification in Risk Management Assurance; and other relevant professional qualifications. Mr. Chang is supported by his engagement team of internal auditors who have the relevant professional qualifications such as Certified Internal Auditor or equivalent.</p> <p>The Audit Committee had evaluated and reviewed the IA function and was satisfied that the IA activities/audit plan was carried out in accordance with the recognised framework, which includes the Standards in the International Professional Practices Framework issued by the Institute of Internal Auditors.</p> <p>The Audit Committee also received assurance from the outsourced IA that all assigned IA engagement team personnel remain independent, objective and free from any relationships or conflicts of interest in carrying out their IA duties throughout the engagement.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

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 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the need for transparency and accountability to its shareholders and investors on the performance and major developments in the Company.</p> <p>Communication and engagement with stakeholders are made through various platforms i.e. media other than general meeting(s), press announcements, analyst briefings and via electronic means such as a website.</p> <p>Other than the forum of the AGM, the Company communicates with shareholders and investors through annual reports, quarterly financial reports and various announcements made via Bursa LINK.</p> <p>The Board ensures that the Company announces its quarterly results on a timely basis to the shareholders and also makes the necessary material announcements, disclosures or press releases to its stakeholders. Shareholders and investors can obtain the Company's latest announcements in the dedicated website of Bursa Securities at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and also the Company's website at <a href="http://www.titijaya.com.my">www.titijaya.com.my</a>.</p> <p>The Board also ensures stakeholders are given the opportunity to speak and seek clarification during the Company's AGM and Extraordinary General Meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

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 11.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company is not required to comply with this requirement as it is not a Large Company.</p> <p>Corporate information is disseminated via the Company's website and announcements are published on the website of Bursa Securities. At present, the Board is of the view that the Company's Annual Report is comprehensive enough for stakeholders to make informed decisions.</p> <p>The current Annual Report provides stakeholders with a fairly comprehensive overview of the Company's financial and non-financial information including future prospects. Components such as the Management and Discussion Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, as well as the Sustainability Statement, form an integral part of the non-financial information.</p> <p>Once the level of maturity of non-financial reporting practices is adequate and able to comply with global recognised integrated reporting standards, the Company will implement this as soon as it is practicable.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Eighth AGM was held on 26 November 2020 and the Notice for the AGM was issued on 28 October 2020, which fulfilled the minimum 28 days' notice period to be given to shareholders prior to the date of the AGM, which is in line with the recommendation of the MCCG and as per the requirement of the Companies Act 2016 and the MMLR.</p> <p>The Notice for the Company's upcoming Ninth AGM to be held on 25 November 2021 is given to the shareholders at least 28 days before the date of holding the Ninth AGM. The same practice will apply to future AGMs of the Company.</p> <p>The Notice of AGM also provides a detailed explanation for the resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to make informed decisions when exercising their voting rights.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 12.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Directors of the Company were in attendance for the fully virtual Eighth AGM of the Company held on 26 November 2020.</p> <p>All the Directors of the Company will endeavour to attend all future AGMs and the Chair of the Audit, Nomination, Remuneration and Board Risk Management Committees, as well as Senior Management, where appropriate, will provide feedbacks, answers and clarifications to the questions raised from the shareholders during the AGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions tabled at the AGM for the first time at its fully virtual Eighth AGM held on 26 November 2020 at the Broadcast Venue at Multi-Purpose Hall, S-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan.</p> <p>In view of the subsisting COVID-19 pandemic situation and the preventive measures in place in complying to the directives issued by the Malaysian National Security Council (Majlis Keselamatan Negara Malaysia), the Company will continue to leverage on technology to host the upcoming Ninth AGM electronically in its entirety. This will enable its shareholders to participate at the AGM remotely, including voting in absentia.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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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