

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5239
COMPANY NAME : Titijaya Land Berhad
FINANCIAL YEAR : June 30, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

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

	<p>Committee and Board Risk Management Committee. The Board provides overall stewardship over the Management.</p> <ul style="list-style-type: none"> • Annual Report is the key channel of communication with stakeholders. Another important avenue is timely announcements made by the Company on material information. • The Board has overall responsibility for promoting the sustainable growth and financial soundness of the Company and its subsidiaries. 	
<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	:	The role of the Chairman of the Board is set out in the Board Charter and the Chairman of the Board is responsible for:- <ul style="list-style-type: none">• Setting the agenda for meetings of the Board and focus on strategic direction and performance;• Maintaining ongoing dialogue and relationship of trust with and between the Directors and Management;• Ensuring clear and relevant information is provided to the Directors in a timely manner; and• Ensuring sufficient time is allowed for the discussion of complex or critical issues.	
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	:	The positions of the Chairman and the Group Managing Director are held by different individuals. 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. Mr. Lim Poh Yit is the Group Managing Director and is responsible for day-to-day management of the business and implementation of the Board's policies and decisions.	
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 1.4

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 :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired), the Independent Non-Executive Chairman of the Company is also the Chairman of the Nomination Committee and a member of the Audit Committee.</p> <p>The Board took cognisance that having the same person assume the position of Chairman of the Board and member/chairman of Board Committees gives rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees. Hence, the Board had during the financial year under review sought potential candidates from independent sources to meet the intended outcome soonest possible.</p> <p>Nevertheless, the Chairman is not involved in the management and operational matters of the Company, and he always provides constructive ideas and opinions to the Board and Board Committees respectively and showed impartiality in his judgement and conduct based on different perspectives as a Board Chairman and member/chairman of Board Committees.</p>
<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 1.5

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 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>The Company Secretary attend the Board and Board Committee meetings and ensure 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 (“Bursa Securities”).</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

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>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.</p> <p>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.</p> <p>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 Securities announcements and circular resolutions passed by the Directors since the last Board meeting.</p> <p>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.</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 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 www.titijaya.com.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 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>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">• compliance with rules and regulations;• managing conflicts of interest;• confidentiality;• safeguarding of the Group's intellectual property and assets; and• prevention of sexual harassment <p>The Code of Conduct and Ethics for Directors and employees, respectively, are available on the Company's website at www.titijaya.com.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 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>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, whistleblowing@titijaya.com.my.</p> <p>The other channels for whistleblowing can be accessed at the Company's website, www.titijaya.com.my. 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>
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 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 Board holds the ultimate accountability for Titijaya Group's operations by ensuring environmental, social and governance ("ESG") considerations are embedded in the strategic planning, risk management and in the implementation of the Group's initiatives.</p> <p>The Board's responsibility in promoting sustainability is also reflected in the Board Charter which is available on Titijaya's website at www.titijaya.com.my. Details on the Group's sustainability strategies, priorities, targets and performance are shared in the Group's Sustainability Statement in the Annual Report.</p> <p>Group Managing Director, together with the key management personnel from finance, marketing, human resources and general administration, work closely to drive the implementation of the Board's approved sustainability strategies and practices.</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 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	:	The sustainability matters are embedded in and communicated to employees during the Group’s day-to-day business activities. Strategies, priorities, targets and performance are reported in the Sustainability Statement which is part of the Annual Report and also published in the Company’s website at www.titijaya.com.my .	
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 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	:	The Board continuously ensure it stays abreast with the latest development of the sustainability issues including climate-related risks and opportunities. The Board members have attended training on sustainability issues, particularly on Environmental, Social and Governance risks. The Board will continue engaging with subject matter experts by attending training in relation to the same.	
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 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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company acknowledges that it is the responsibility of the Board and senior management to address material sustainability risks and opportunities and the performance evaluation of the Board and senior management should consider how well the Board and senior management have performed their respective roles.	
		The Company is still working on developing a structured strategy to incorporate sustainability risks and opportunities and once it has been finalised, the Nomination Committee will incorporate sustainability as one (1) of the key performance indicators for the Board and senior management to review their performance in addressing the Company’s material sustainability risks and opportunities.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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	:	Not Adopted
Explanation on adoption of the practice	:	

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 Nomination Committee continues to discharge their functions, review and consider refresh the composition of the Board periodically and to review the tenure of each Director and recommend Directors who are retiring by rotation for re-election which clearly stated in the TOR of Nomination Committee.</p> <p>The Nomination Committee annually reviews the performance of all directors including those seeking re-election based on competency, preparedness and independence (for independent directors). The Directors with satisfactory evaluation are recommended to the Board for re-election.</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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<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.</p> <p>The Nomination Committee believed that the presence of Independent Non-Executive Directors provides guidance, independent views, advice and judgement in ensuring that the strategies proposed are discussed and examined.</p> <p>The Board is mindful of the recommendation of the best practice of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") where the Board must comprise of at least half being independent directors.</p>
		The Board will continuously identify potential independent candidates to be interviewed to fulfil the requirements of the MCCG 2021.
<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	:	Applied
Explanation on application of the practice	:	<p>Datuk Seri Ch'ng Toh Eng ("Datuk Seri Ch'ng") 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>The Company had obtained the shareholders' approval at the Ninth Annual General Meeting ("AGM") held on 25 November 2021 to retain Datuk Seri Ch'ng who has served the Board as an Independent Non-Executive Director for a cumulative term of more than nine (9) years to continue in office as an Independent Non-Executive Director.</p> <p>At the forthcoming Tenth AGM of the Company, the Board proposes to retain Datuk Seri Ch'ng to continue to serve as an Independent Non-Executive Director of the Company, after having noted the following considerations during the annual review and assessment of his independence:</p> <ul style="list-style-type: none">• He has met the criteria under the definition of an Independent Director pursuant to the Main LR of Bursa Securities;• He is able to exercise independent judgement and act in the best interests of the Company;• There is no potential conflict of interest that he could have with the Company and/or its subsidiaries; and• 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. <p>However, Datuk Seri Ch'ng has indicated his intention to retire as an Independent Non-Executive Director at the Tenth AGM of the</p>

	Company. In light of the above, Datuk Seri Ch'ng Toh Eng shall hold office as an Independent Non-Executive Director until the conclusion of the Tenth AGM.	
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.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

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>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 www.titijaya.com.my.</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>
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

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	:	Applied	
Explanation on application of the practice	:	In identifying new Board members, the Board considers recommendations for candidates from existing Board members, Management, major shareholders or independent sources. 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.	
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 5.7

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	:	The details of the Directors interest, position and experience are set out in the Directors' profile in the Annual Report. The performance of the retiring directors is assessed by the Nomination Committee and the Board before recommendation is made to the shareholders for consideration. For Independent Non-Executive Directors, the Nomination Committee also assesses their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Company as a whole.
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 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired), an Independent Non-Executive Director.	
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	:	<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>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board recognises the importance of boardroom diversity and values the benefits that diversity can bring to its Board of Directors. Currently, the Company does not have a formalised policy on gender diversity nor set any specific target for boardroom diversity. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain as priority.	
		Nevertheless, the Board will continuously strive to meet the targets for gender diversity requirements and will actively take the necessary measures towards promoting a corporate culture that embraces gender diversity in the boardroom.	
<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

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 financial year ended 30 June 2022, the Nomination Committee had conducted annual assessments in the following aspects:- (i) the effectiveness of the Board as a whole; (ii) the effectiveness of the Board Committees; (iii) the contributions and performance of each individual Director and each member of the Audit Committee; and (iv) the independence of the Independent Non-Executive Directors. All the annual assessments and evaluations for the financial year ended 30 June 2022 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. 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 2022 with the Board. 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. Based on the result of the evaluations conducted for the financial year ended 30 June 2022, 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.

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 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 www.titijaya.com.my.</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>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 the Corporate Governance Overview Statement in the Annual Report for the financial year ended 30 June 2022.</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

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 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 2021 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 www.titijaya.com.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

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	:	The detailed disclosure on named basis for the remuneration of individual Directors for financial year ended 30 June 2022 are set out below:-

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	Independent Director	70,000	13,000	Input info here	Input info here	Input info here	Input info here	83,000	70,000	13,000	Input info here	Input info here	Input info here	Input info here	83,000
2	Lim Poh Yit	Executive Director	42,400	Input info here	Input info here	Input info here	Input info here	Input info here	42,400	42,400	Input info here	570,882	NIL	288,068	72,942	974,292
3	Lim Puay Fung	Executive Director	41,400	Input info here	Input info here	Input info here	Input info here	Input info here	41,400	41,400	Input info here	491,224	NIL	24,544	63,382	620,550
4	Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	Non-Executive Non-Independent Director	41,400	8,000	Input info here	Input info here	Input info here	Input info here	49,400	41,400	8,000	Input info here	Input info here	Input info here	Input info here	49,400
5	Chin Kim Chung	Non-Executive Non-Independent Director	58,500	12,500	Input info here	Input info here	Input info here	Input info here	71,000	58,500	12,500	Input info here	Input info here	Input info here	Input info here	71,000
6	Datuk Seri Ch'ng Toh Eng	Independent Director	47,000	13,500	Input info here	Input info here	Input info here	Input info here	60,500	47,000	13,500	Input info here	Input info here	Input info here	Input info here	60,500
7	Dato' Mohd Ibrahim Bin Mohd Nor	Independent Director	46,000	12,500	Input info here	Input info here	Input info here	Input info here	58,500	46,000	12,500	Input info here	Input info here	Input info here	Input info here	58,500
8	Dato' Faizal Bin Abdullah	Executive Director	41,400	Input info here	Input info here	Input info here	Input info here	Input info here	41,400	41,400	Input info here	230,892	NIL	NIL	28,656	300,948
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	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.	
		The Board will re-evaluate this requirement from time to time.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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	:	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.	
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 9.2

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 TOR of the Audit Committee has been updated accordingly to formalise the Company's policy that requires a former audit partner as a member of Audit Committee shall observe a cooling-off period of at least three (3) years before being appointed as a member of Audit Committee.</p> <p>None of the members of the Board was former audit partners and notwithstanding the above provision and in order to uphold the utmost independence, the Board has no intention to appoint any former audit partner as a member of the Board.</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 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 2022, 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>
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 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 2022.</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>
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 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 within 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.</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 2022 provides an overview and key features within the Group together with the adequate and effective measures taken for the financial 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

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 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 2022.</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

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 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 2021.</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 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 internal audit function is supported by an outsourced independent professional service provider, Tricor Axcelasia Sdn. Bhd. (“Axcelasia”), 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 2022.</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

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 (“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 (“Mr. Chang”) 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 work experiences.</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>
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 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 www.bursamalaysia.com and also the Company's website at www.titijaya.com.my.</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>
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

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	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not categorised as “Large companies” and hence, have not adopted integrated reporting based on a globally recognised framework.	
<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 13.1

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>Company's Ninth AGM was held on 25 November 2021 and the Notice for the AGM was issued on 27 October 2021, 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 2021 and as per the requirement of the Companies Act 2016 and the MMLR.</p> <p>The Notice for the Company's upcoming Tenth AGM to be held on 29 November 2022 is given to the shareholders at least 28 days before the date of holding the Tenth 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>
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 13.2

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>During the Ninth AGM held on 25 November 2021, all members of the Board of the Company attended the Ninth AGM save for Dato' Faizal Bin Abdullah and Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir</p> <p>Dato' Faizal Bin Abdullah was absent from the Ninth AGM due to the conflict with his schedule of attending an overseas engagement. Meanwhile, Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir was absent as he was obligated to attend an official event of the Selangor State Government held on the same day.</p> <p>All the Directors of the Company will endeavour to attend all future AGM 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> <p>The Directors of the Company are mindful of their individual collective responsibility as a Board towards shareholders and will ensure their presence at AGM to respond to specific questions pertinent to their respective roles and responsibilities.</p>
<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 13.3

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	:	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 Ninth AGM held on 25 November 2021 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.	
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.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>During the Ninth AGM held virtually on 25 November 2021, the shareholders were allowed to submit their questions electronically through the online platform provided by SS E Solutions Sdn. Bhd. via SSeP at https://sshsb.net.my/ prior to Meetings, or used the query box to transmit questions to the Board of Directors via Remote Participation and Voting ("RPV") facilities during live streaming of the Meetings.</p> <p>The Chairman of the Meetings had also informed the shareholders during the live streaming of the Meetings that they could submit their questions and comments to the Board during the Meetings via the RPV facilities; and the answers to all the questions were addressed accordingly before the commencement of the poll voting.</p> <p>Shareholders were given sufficient opportunity to pose their questions before and during the Meetings. The Company had ensured that all the questions were answered.</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 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: In view of the Covid-19 pandemic, the Ninth AGM were held virtually. The RPV facilities hosted on SSeP at https://sshsb.net.my/ provided by SS E Solutions Sdn. Bhd. allowed shareholders to pose questions to the Board and the Chairman of the Meetings via typed text in the query box. The shareholders submitted their questions at any time from the day of notice of the Meetings and up to the time when the Meeting were in progress. At the “Questions and Answers” session in the agenda of the Meetings, the SSeP platform had the facilities to live broadcast the questions/remarks and answers, and the shareholders had experienced real time interaction with the Board during the Meetings.
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 the Ninth AGM has been made available to the shareholders within 30 business days after the AGM on its website at www.titijaya.com.my .
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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