

CORPORATE GOVERNANCE REPORT

STOCK CODE : 4596
COMPANY NAME : SAPURA RESOURCES BERHAD
FINANCIAL YEAR : January 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of Directors ("the Board") of Sapura Resources Berhad ("SRB") (collectively with its subsidiaries, "SRB Group" or "the Group") provides overall strategic direction and effective control of the SRB and SRB Group. The Board had established clear functions reserved for the Board and those delegated to Management by establishing a Board Charter to provide guidance and clarity for Directors and Management with regard to the roles of the Board, the Board Committees as well as those of Management.</p> <p>The Board had also delegated specified matters to the Board Committees to oversee critical or major functional areas and to address matters which require detailed review or in-depth consideration. The Board is assisted by two (2) Governance Committees which are the Board Audit and Risk Committee ("BARC") and the Board Nomination and Remuneration Committee ("BNRC"). The Terms of Reference ("TOR") of the respective Board Committees are available on the Company's website at www.sapura-resources.com.</p> <p>The formal schedule of matters reserved for the Board is duly stipulated in the Board Charter to ensure the direction and control of the Group's business are in its hands, whilst a capable and experienced Management team is put in charge to undertake the day-to-day operations of the Group.</p> <p>A copy of the Board Charter of the Company is available on the Company's corporate website at www.sapura-resources.com.</p> <p>The duties and responsibilities of the Board broadly cover the following:</p> <p>-</p> |

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| | <p>i) Promoting good corporate governance culture and practices</p> <p>The Board, being the highest governance body within SRB Group, is aware of its responsibility toward good corporate governance and is committed to bring and promote good corporate governance culture within the Group</p> <p>ii) Review and adopt a strategic plan for the Group</p> <p>The Board undertakes an active role in the development of the Group's strategies and business plan by reviewing, discussing at length, and approving Management's proposal on strategic business plan for the Group when the same is presented by the Management.</p> <p>The Board comprises of highly respectable and professional individuals and represents a diverse background of insights, knowledge, expertise, and experience. Hence, with their combined experience and knowledge, they provide sound advice and judgement for the benefit of the Group and its shareholders to achieve its business goals and objectives.</p> <p>The Board as a whole is able to bring about objective judgement and advice, drawing from their respective knowledge, expertise and experience, together to ensure that the Management takes into account all appropriate considerations in establishing strategic business plans for the Group.</p> <p>The Board reviews, discusses thoroughly and approves the budget for the Group for the ensuing financial year at Board meeting every year.</p> <p>iii) Tone from the Top</p> <p>To set the tone from the Top, the Board had established the Code of Conduct and Ethics for Directors to govern the standards of ethics and good conduct expected of Directors. At operational level, integrity and ethical value expected from the employees are incorporated in the Employees Handbook. In order to further promote the integrity and ethical value, a formal Anti-Bribery and Corruption Policy had been put in place by the Board to prevent the risk of bribery and conflict of interest within the Group together with Whistleblowing Policy implemented to create an environment whereby stakeholders can whistle blow on improper behaviour without being victimised for doing so.</p> <p>The Code of Conduct and Ethics for Directors, Anti-Bribery and Corruption Policy and Whistleblowing Policy are available on the Company's corporate website at www.sapura-resources.com.</p> |
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| | <p>iv) Oversee the conduct of the Group’s business</p> <p>The Board oversees the performance of Management in determining whether the business is being properly managed. The Managing Director (“MD”) of the Company is tasked with the responsibility to keep the Board informed on all matters which may materially affect the Group and its business.</p> <p>The MD is assisted by a team of senior personnel (collectively referred to as “Key Management Team”) in ensuring that the two (2) core businesses of the Group (i.e., property and aviation) are well managed.</p> <p>iv) Identify principal risks and ensure implementation of appropriate internal controls and mitigation measures</p> <p>The Board recognises the importance of risk management and had put in place a sound system of internal controls which cover risk management, financial, organisational, and operational and compliance controls.</p> <p>The internal audit function of the Group is carried out by an outsourced professional service firm namely Tricor Axcelasia Sdn. Bhd (“Tricor”) that assists the BARC and the Board in maintaining the internal control system and governance processes of the Group. The BARC assists the Board in overseeing this function.</p> <p>The BARC also assists the Board in overseeing the risk management function to ensure relevant mitigation measures within the Group are in accordance with the BARC’s TOR. The key risk register of SRB Group is carried out and prepared by Tricor and is tabled to the BARC.</p> <p>v) Review the adequacy and integrity of the management information and internal controls system of the Group</p> <p>The Board acknowledges its responsibility and accountability for reviewing the adequacy and integrity of the management information and internal controls systems. A detailed report on the Group’s internal control system is presented in the Statement on Risk Management and Internal Control of the Annual Report 2023.</p> <p>vi) Ensure the integrity of the Group’s financial and non-financial reporting</p> <p>The Board is assisted by the BARC in ensuring the Group’s financial reporting processes are effective and the quality of the financial reporting is of a high standard and complies with the relevant Financial Reporting Standards. During the financial year ended 31 January 2023 (“FYE2023”), the BARC reviewed the quarterly financial reports which</p> |
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| | were presented by the Chief Financial Officer prior to recommending them to the Board for approval and issuance to Bursa Malaysia Securities Berhad (" Bursa Securities "). The Directors were given assurance that the financial statements prepared for the financial year under review gave a true and fair view of the state of affairs of the Group as at the end of the financial year. | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| 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 1.2

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The key roles and responsibilities of the Chairman of the Board have been clearly specified in Section (C), Clause 5 of the Board Charter, which is available on the Company's corporate website at www.sapura-resources.com.</p> <p>The Board is chaired by an Independent Non-Executive Chairman namely, Encik Ahmad Jauhari bin Yahya. The Chairman provides strong leadership to the Board and is able to provide effective strategic direction, governance and compliance to the Group.</p> <p>The Chairman is responsible for providing a leadership role in his conduct to the Board, controls the orderly and effective functioning of the Board, ensures that the integrity and effectiveness of the governance processes of the Board are maintained and consults with the Board promptly over any matter that is pertinent to the Group and of concern to the Group.</p> <p>The Chairman acts as facilitator at meetings of the Board and ensures that no Board Member, whether executive or non-executive, dominates the discussion. The Chairman also ensures that decisions are taken and made on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board, and that Directors receive the relevant information on a timely basis.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The positions of the Chairman and the MD of the Company are held by different individuals, namely, Encik Ahmad Jauhari bin Yahya and Dato' Shahrizan bin Shamsuddin respectively.</p> <p>The roles of the Chairman of the Board and the MD of the Company are separate and each has a clear accepted and defined division of responsibilities to ensure that there is a balance of power and authority to promote accountability.</p> <p>Section (C), Clause 5 and Section (E), Clause 2 of the Board Charter have clearly outlined the role of the Chairman and the role of the MD to ensure that no one individual has unfettered powers of decision making. The Board Charter is available on the Company's corporate website at www.sapura-resources.com.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| 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

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| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> | |
| Application | : Departure |
| Explanation on application of the practice | : |
| Explanation for departure | : <p>Encik Ahmad Jauhari bin Yahya has been a member of the BARC and the Chairman of the BNRC prior to his redesignation as the Independent Non-Executive Chairman of the Board on 20 July 2022.</p> <p>Pursuant to Paragraph 15.09 of the Listing Requirements and TOR of the BNRC and the BARC, it stated that the composition of the BARC and the BNRC shall consist of not less than 3 members and all of which are non-executive directors, with majority of whom shall be independent. Mr. Andrew Heng, an Independent Non-Executive Director, is already Chairman of BARC, and Dr. Yap Lang Ling was appointed as an Independent Non-Executive Director of the Company on 1 November 2022. Therefore, considering the numbers of the independent directors available, Encik Ahmad Jauhari then remained as the Chairman of the BNRC and a member of BARC. The BNRC and the Board were satisfied that there was adequate check and balance during the financial year under review despite the Board Chairman being also the Chairman of BNRC and a member of BARC.</p> <p>The BNRC and the Board were also satisfied that there were adequate check and balance during the financial year under review despite the Board Chairman being also a member of the BARC and the Chairman of BNRC.</p> <p>On 6 April 2023, Encik Ahmad Jauhari has ceased to be a member of the BARC and the Chairman of the BNRC.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |

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| Measure | : | On 6 April 2023, a new director, Encik Reza bin Abdul Rahim, Non-Independent Non-Executive Director was appointed and he replaced Encik Ahmad Jauhari as member of the BARC, and Dr. Yap Lang Ling become Chairman of BNRC. | |
| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company Secretaries of the Company are Ms. Chua Siew Chuan (MAICSA 0777689/SSM PC No. 201908002648) and Ms. Yau Jye Yee (MAICSA 7059233/SSM PC No. 202008000733). Both the Company Secretaries of SRB have professional qualifications and are qualified Company Secretaries under Section 235(2) of the Companies Act 2016 and are registered with the Companies Commission of Malaysia. Ms. Chua Siew Chuan is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") whilst Ms. Yau Jye Yee is an Associate member of the MAICSA.</p> <p>The primary responsibilities carried out by the Company Secretaries include: -</p> <ul style="list-style-type: none">• Preparation and submission of returns and/or forms under the Companies Act 2016 to the Companies Commission of Malaysia;• Proper maintenance and safekeeping of statutory records;• Transmission/submission of corporate announcements to the Bursa Securities electronically via Bursa LINK;• Draft all necessary notices, Directors' resolutions, minutes of Board meetings and shareholders' meetings and relevant documents under the direction and instruction of the Board;• Attendance at Annual General Meeting ("AGM") and Extraordinary General Meeting of shareholders;• Attendance at meetings of the Board, the BARC and the BNRC;• Preparation of Board papers and meeting materials for Board and Board Committees' meetings or any other meetings, if required;• Compile, analyse and tabulate the results of the annual Board evaluation/assessments; and• Advise the Company and/or Directors on matters pertaining to the statutory requirements prescribed under the various statutes, in particular, the Companies Act 2016, the Listing Requirements of Bursa Securities, the Malaysian Code on Corporate Governance and in general, such other matters relating to secretarial practice.• Preparation of the Corporate Governance Statement• Preparation of the Corporate Governance Report. |
| Explanation for departure | : | |

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| Measure | : | |
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Intended Outcome

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

Practice 1.6

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Annual meeting timetable is prepared and circulated in advance before the start of a new financial year in order to facilitate the Directors' time planning. The annual meeting timetable provides the Directors with scheduled dates for the whole year's meetings of the Board, the Board Committees, and the AGM.</p> <p>All Board members are supplied with information in a timely manner. The agenda of the Board/Board Committees Meetings is consulted with the respective Chairman of Board Committees and the MD of the Company for confirmation. The due notice of at least seven (7) days is given to the Directors which allows the Directors to plan ahead and devote time to maximise their participation.</p> <p>Meeting papers are circulated prior to the meetings and the meeting papers provide amongst others, financial and corporate information, significant financial and corporate issues, the Group's financial and business performance, and any management proposals which require the approval of the Board/Board Committees. This is to ensure that the Board/Board Committees are given sufficient time to peruse, consider and make an informed decision and to provide time and opportunity for the members of the Board/Board Committees to ask questions and have those questions answered at each meeting.</p> <p>The Board has direct access to the Management and unrestricted access to all information and affairs relating to the Company and its Group in discharging its duties.</p> <p>Minutes of the Board or Board Committees' Meetings which include a record of the decisions and resolutions of the meetings would be distributed by the Company Secretaries to all Directors in a timely manner for review and thereafter for confirmation at the next Board or Board Committee Meeting. Action items identified during Board/Board Committee Meetings are highlighted for a status report and follow-up action by Management in a Matters Arising Report. The signed Board/Board Committees Minutes are enclosed in the Minutes Books kept at the registered office of the Company.</p> <p>The BARC meetings and Board meetings were held in different sessions and on different days since many years ago.</p> |

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| Explanation for departure : | | |
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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board Charter serves as a source of reference to the Board for matters relating to the Board's organisation. It also provides guidance to the Board members to assist them in performing their duties, roles, and responsibilities as Directors of SRB and assist the Board in the assessment of its own performance and of its individual Directors.</p> <p>The Board reviews the Board Charter from time to time and makes any necessary amendments as and when necessary to ensure they remain consistent with the Board's objectives, current law, and practices. The Board Charter is available on SRB's corporate website at www.sapura-resources.com.</p> <p>The roles and responsibilities of the Board of Directors, Chairman, MD, Independent Non-Executive Director ("INED"), and Board Committees are clearly outlined in the Board Charter.</p> <p>In addition, the matters reserved for the Board are set out in Section B of the Board Charter.</p> <p>Apart from the above, the Board Charter also outlines the Board structure and procedures, the relationship of the Board with Management, remuneration of the Board, assessment of the Board and relationship and communication between the Board and shareholders, institutional investors, press, customers and etc.</p> <p>In order to ensure continuing education for the Board to enhance their knowledge and expertise for better and insightful Board participation during meetings, the Board members attended the following conference /seminar /forum /discussion /workshop /training during the financial year under review:</p> |

| Name of Directors | Title of Training Programmes / Seminars | Date |
|---|--|----------------------|
| Encik Ahmad Jauhari bin Yahya | 1. GHG Accounting & Reporting Principles Workshop | 25 – 26 January 2022 |
| | 2. 5 th International Sustainable Energy Summit (ISES) 2022 | 29 August 2022 |
| | 3. Khazanah Megatrends Forum 2022 | 3 – 4 October 2022 |
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| Tan Sri Dato' Seri Shahril bin Shamsuddin (Alternate Director: Datuk Megat Abdul Munir bin Megat Abdullah Rafaie) | 1. Nil | Nil |
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| Dato' Shahrman bin Shamsuddin | 1. TCFD 101: Getting Started with climate-related financial reporting | 2 March 2022 |
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| Tan Sri Datuk Amar (Dr.) Hamid bin Bugo | 1. TCFD 101: Getting Started with climate-related financial reporting | 2 March 2022 |
| | 2. Workshop State Organisational Development Committee | 22 – 24 June 2022 |
| | 3. Taklimat Garis Panduan Pengurusan Hadiah Perkhidmatan Awam Negeri Sarawak | 11 August 2022 |
| | 4. EIC Executive Briefing and Networking OSEA 2022 | 15 November 2022 |
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| Mr. Andrew Heng | 1. MIA Virtual Conference Series: Women of Substance Symposium 2021 | 20 Jan 2022 |
| | 2. Economic Outlook - Taking Temperature for 2022 and Beyond | 2 Mar 2022 |
| | 3. The Future of Work Redesigned in Hybrid | 13 Apr 2022 |
| | 4. Baker Tilly Malaysia Network Conference 2022 | 12 & 13 Apr 2022 |
| | 5. Talent Uprising - How Boards Should Rethink | 19 May 2022 |

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| | | <p>Their Talent Strategy in this Era of Opportunity</p> <p>6. Induction Training: Introduction to Members' Voluntary Liquidation</p> <p>7. Induction Training: Introduction to Receivership</p> <p>8. Induction Training: Introduction to Creditors' Voluntary Liquidation</p> <p>9. MIA Virtual International Accountants Conference 2022</p> <p>10. Induction Training: Introduction to Court Liquidation</p> <p>11. Induction Training: Introduction to Corporate Voluntary Arrangement</p> <p>12. Induction Training: Introduction to Judicial Management</p> <p>13. Tier 2 - Virtual MIA International Accountants Conference 2022</p> <p>14. IVAS Connect Series: What is Considered A Fair Valuation On Start-Ups or Pre-Revenue Business?</p> <p>15. PowerTalk ESG Series #5 - Climate Change and Carbon: From the Financial Risk & Reporting Perspectives</p> <p>16. MIA Webinar Series: MPERS - An Overview and Practical Approach</p> <p>17. APAC Leaders' Forum 2022</p> <p>18. IVAS-IVSC Business Valuation Conference 2022</p> <p>19. CPA Virtual Congress</p> <p>20. Baker Tilly World Conference (Paris 2022)</p> <p>21. How to avoid pitfalls when claiming tax incentives</p> | <p>20 May 2022</p> <p>27 May 2022</p> <p>3 June 2022</p> <p>8 & 9 June 2022</p> <p>10 June 2022</p> <p>17 June 2022</p> <p>1 July 2022</p> <p>27 July 2022</p> <p>28 Jul 2022</p> <p>4 Aug 2022</p> <p>24 & 25 Aug 2022</p> <p>1 – 3 Sept 2022</p> <p>6 & 7 Oct 2022</p> <p>19 - 21 Oct 2022</p> <p>22 & 23 Oct 2022</p> <p>30 Nov 2022</p> |
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| | | 22. Tax Treatment on Interest Income, Interest Expenses, and Rental Income: Latest Developments | 6 Dec 2022 |
| | | 23. Malaysian Property Tax, Estates and Trusts | 14 Dec 2022 |
| | | | |
| | Dr. Yap Lang Ling | 1. Bloomberg Green at COP27 Event | 9 – 10 November 2022 |
| | | 2. Trust and ESG | 15 November 2022 |
| | | 3. Audit Oversight Board Conversation with Audit Committees | 17 November 2022 |
| 4. Sustainability Management and Reporting | | 7 December 2022 | |
| Although Tan Sri Dato’ Seri Shahril bin Shamsuddin was unable to attend any training during the FYE2023 due to business and personal exigencies, he was constantly updated with relevant reading materials and technical updates which enhances his knowledge and equipped him with the necessary skills to effectively discharge his duties as a Director of the Company. | | | |
| Explanation for departure : | | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board had established a Code of Conduct and Ethics ("Code") for Directors. The Board recognised the importance to have a level of acceptable corporate behaviour in order to uphold corporate integrity. The Code is available on SRB's corporate website at www.sapura-resources.com.</p> <p>The Code shall be reviewed by the Board of SRB periodically and when internal or external events warrant a more frequent review to be undertaken and make such amendments to the Code as the Board may deem appropriate.</p> <p>The key features of the Code comprise the following: -</p> <ul style="list-style-type: none">(i) Compliance with laws, rules and regulations;(ii) Conflict of interest;(iii) Anti-Corruption/Bribes;(iv) Company assets;(v) Confidentiality;(vi) Insider trading;(vii) Fair dealing and anti-competition;(viii) Reporting violations of the Code; and(ix) Enforcement of the Code. |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>1) Whistleblowing Policy (“WB Policy”)</p> <p>The Board had set up a WB Policy which encourages transparent and ethical conduct in the Group.</p> <p>The objective of the WB Policy is to facilitate the whistle-blower to report any improper conducts or wrongdoings they may observe in the Group by submitting a Whistleblowing Reporting Form to the designated person through the whistleblowing reporting channels without fear of retaliation and in doing so they should act in good faith when reporting such concerns. The WB Policy is to assure the whistle-blowers that they will be protected from reprisals, discrimination, or victimisation.</p> <p>The WB Policy does not apply to grievances concerning an individual’s terms of employment, performance, or personal grievances. Should it be determined during initial investigation that the matter disclosed does not fall within the scope of the WB Policy, such matter will be transferred to the relevant department for appropriate procedures and actions to be taken.</p> <p>Only genuine concerns should be reported under the whistleblowing procedures. The report should be made in good faith with a reasonable belief that the information and any allegations made are substantially true and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and treated as gross misconduct and if proven may lead to dismissal.</p> <p>Any report by whistle-blower must be made to any of the relevant Designated Person through the whistleblowing reporting channels as set out in the table below:</p> |

| Alleged Wrongdoer | Designated Person | Email address |
|--|-------------------|--|
| Chairman of the Board (“BOD”) | Chairman BARC | ChairmanBARC@sapura.com.my SRBethicsline@sapura.com.my |
| Director | Chairman BARC | ChairmanBARC@sapura.com.my SRBethicsline@sapura.com.my |
| Chairman BARC | Chairman BOD | ChairmanBODSRB@sapura.com.my SRBethicsline@sapura.com.my |
| MD & Senior Management | Chairman BARC | ChairmanBARC@sapura.com.my SRBethicsline@sapura.com.my |
| Integrity & Governance Officer (“IGO”) | Chairman BARC | ChairmanBARC@sapura.com.my |
| Middle Management | IGO | SRBethicsline@sapura.com.my |
| Non-management | IGO | SRBethicsline@sapura.com.my |

Reports by Employees

The employee is advised to make a report of improper conduct using the Whistle-blower Reporting Form and immediately report the information to the Designated Person.

Reports by external parties who are not employees

The report can be submitted by external parties in writing using the Whistleblowing Reporting Form and to be submitted via email to SRBethicsline@sapura.com.my.

There is an investigation matrix to independently investigate the whistleblowing cases.

| Alleged Wrongdoer | Designated Person |
|---|--|
| Management level and Director | Outsources to external independent party |
| Integrity and Governance Unit (“IGU”)/IGO | Outsources to external independent party |
| Non-Management | IGU |

The WB Policy will be reviewed by the Board annually or on an ad-hoc basis to assess its relevance and effectiveness.

The WB Policy is available on SRB’s corporate website at www.sapura-resources.com.

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| | <p>2) Anti-Bribery and Corruption Policy (“ABC Policy”)</p> <p>The Board had set up an ABC Policy which was adopted by the Company since 28 November 2019 and upholds the Company’s stance on zero tolerance on bribery and corruption and that the Company is committed to the highest standards of ethical conduct and integrity in business activities.</p> <p>The scope of this ABC policy applies to the Company and all its subsidiaries. It is applicable to all directors, officers, and employees (whether permanent, contract or temporary) of the Company and its subsidiaries. The Company also expects that third parties that have dealings with the Group such as agents, distributors, representatives, contractors, sub-contractors, suppliers, vendors, consultants, customers, and others who perform work or services for and on behalf of the Group will comply with the relevant parts of this ABC policy when performing such work or services.</p> <p>The ABC Policy sets out the Company’s responsibilities including the employees, officers, and directors to observe and uphold the Company’s stance on zero-tolerance for bribery and corruption. The ABC Policy will provide information and guidance on how the Company expects the employees to conduct themselves, recognise bribery and corruption and set out the procedure on how to raise concerns on breaches of the ABC Policy without fear of reprisal.</p> <p>Any report on the breach of the ABC Policy can be made at SRBethicsline@sapura.com.my.</p> <p>The ABC Policy will be reviewed by the Board annually or on an ad-hoc basis to assess its relevance and effectiveness.</p> <p>The ABC Policy is available on SRB’s corporate website at www.sapura-resources.com.</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.

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|--|--|---|---------------------------------------|---|----------------------------------|--|--------------------------------|--|--------------------|---|-----------------------|--|
| Application | : | Applied | | | | | | | | | | |
| Explanation on application of the practice | : | <p>The sustainability matter of SRB is discussed at the Group Management Committee (“GMC”) meeting and the GMC act as the key custodian of sustainable development, under the oversight of the Board of Directors (“BODs”) and the MD.</p> <p>The Business Continuity Management (“BCM”) Policy (“BCM Policy”) seeks to guide the Group on business continuity by providing a framework around which the business continuity management capability is designed and built. The objective of BCM is to ensure that the Group is more resilient to potential threats and allow the operations of the Group to resume or continue under adverse or abnormal conditions within a reasonable and predetermined timeframe upon the occurrence of a disruption. The BCM methodology includes the following:</p> <table><tr><td>Exercising, Maintaining and Reviewing</td><td><ul style="list-style-type: none">• Plan Exercise• Testing</td></tr><tr><td>Understanding Business/operation</td><td><ul style="list-style-type: none">• Risk Assessment• Business Impact Analysis</td></tr><tr><td>Building and Embedding Culture</td><td><ul style="list-style-type: none">• Training & Awareness</td></tr><tr><td>Determine Strategy</td><td><ul style="list-style-type: none">• Recovery Strategy</td></tr><tr><td>Develop and Implement</td><td><ul style="list-style-type: none">• Business Continuity Plan• Disaster Recovery Plan• Crisis Management Plan</td></tr></table> <p>SRB will continue to drive sustainability efforts across all its business segments to ensure the sustainable development of our business through the importance that has been placed particularly on SRB’s material matters that shape the Group’s sustainability efforts in managing the long-term value creation of our stakeholders.</p> | Exercising, Maintaining and Reviewing | <ul style="list-style-type: none">• Plan Exercise• Testing | Understanding Business/operation | <ul style="list-style-type: none">• Risk Assessment• Business Impact Analysis | Building and Embedding Culture | <ul style="list-style-type: none">• Training & Awareness | Determine Strategy | <ul style="list-style-type: none">• Recovery Strategy | Develop and Implement | <ul style="list-style-type: none">• Business Continuity Plan• Disaster Recovery Plan• Crisis Management Plan |
| Exercising, Maintaining and Reviewing | <ul style="list-style-type: none">• Plan Exercise• Testing | | | | | | | | | | | |
| Understanding Business/operation | <ul style="list-style-type: none">• Risk Assessment• Business Impact Analysis | | | | | | | | | | | |
| Building and Embedding Culture | <ul style="list-style-type: none">• Training & Awareness | | | | | | | | | | | |
| Determine Strategy | <ul style="list-style-type: none">• Recovery Strategy | | | | | | | | | | | |
| Develop and Implement | <ul style="list-style-type: none">• Business Continuity Plan• Disaster Recovery Plan• Crisis Management Plan | | | | | | | | | | | |

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Company recognises that sustainability is pertinent for creating long term value for its business as well as its commitment as a responsible corporate citizen. As such, the Group engages with internal and external stakeholders through various channels to develop a better understanding of their needs and expectations as below: - <ul style="list-style-type: none">• Internal – SRB's website, Employee Satisfaction Survey, Human Resources portal which is accessible by the employees, trainings, etc; and• External – corporate website, annual report, social media, general meetings, quarterly financial announcements, etc. | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board assesses the training programmes attended by each Director during the financial year through the BNRC to ensure that they are kept abreast of the latest development in the industry, and also the emerging sustainability issues that are relevant to the Group.</p> <p>The Board continuously keep themselves abreast with and understanding of the sustainability agendas which are relevant to the Company and its business through periodical updates by Bursa Securities, Securities Commission Malaysia (“SC”) and the training programmes attended by them respectively.</p> | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | During the annual Board Evaluation, the Board had through the BNRC assessed its performance in areas including the evaluation of the Group's strategic and business plans which promote sustainability via the Board and Board Committee Evaluation Form in March 2023. At the Senior Management level, the key performance indicators for the sustainability material matters will be incorporated into the Management's performance scorecard which will be reviewed during the annual performance appraisal. | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| 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.

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| 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 BNRC oversees the overall composition of the Board in terms of size, the mix of skills, experience and core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis.</p> <p>In addition, the Board Charter provides that the tenure of an independent director does not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) 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 through a two-tier voting process. Currently, there is no independent director whose tenure has exceeded nine (9) years.</p> <p>The annual re-election of retiring Directors has always been contingent on a satisfactory evaluation of the Director's performance and contribution to the Board.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| 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 5.2

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>As of the date of this Corporate Governance Report, the Board comprised six (6) Directors, of which three (3) were INED, two (2) Non-Independent Non-Executive Directors and one (1) Managing Director. Half of the Board comprises of INEDs.</p> <p>This is in compliance with Paragraph 15.02(1) of the MMLR of Bursa Securities which states that at least two (2) directors or one-third (1/3) of the Board of Directors of a listed issuer, whichever is the higher, are independent directors.</p> <p>The Board consists of qualified and professionals with diverse experience, background and knowledge in the areas of accounting and general management.</p> <p>In order to ensure independent and objective judgement are brought to the Board's deliberation by genuine independence of INEDs and to ensure conflict of interest or undue influence from interested parties is well taken care of, the Board is committed to ensuring the independence of INEDs via independence assessment performed by BNRC prior to their appointment based on formal nomination and selection process with the results of the review are reported to the Board for consideration and decision</p> <p>The appointment and re-appointment of the Board are governed by the Fit and Proper Policy which was established by the Board. The policy can be found on the SRB's corporate website at www.sapura-resources.com.</p> <p>Pursuant to the definition of independence under the MMLR of Bursa Securities, all of the three (3) Independent Directors have satisfied the independence test in the yearly assessment of the Independent Directors for the FYE2023.</p> <p>The Independent Directors bring independent views to Board deliberation to ensure decisions are made objectively in the best interest of the Company.</p> |
| Explanation for departure | : | |

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | As disclosed in the Board Charter, the tenure of an independent director does not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) 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 (9) years, it should justify and seek annual shareholders’ approval through a two-tier voting process at a general meeting. None of the INEDs exceeds a cumulative term of nine (9) years. | |
| 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

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

Practice 5.4 - Step Up

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

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

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|--|---|-------------|
| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board believes that by having highly qualified persons with sufficient and relevant knowledge, skills and competency to serve as members of the Board and as part of Key Senior Management of the Company and the Group contribute to the preservation and advancement in the governance and operations of the Group.</p> <p>The BNRC is entrusted by the Board to make recommendations for the appointment of Directors to the Board including the election/re-election of retiring Directors at the AGM.</p> <p>A Fit and Proper Policy has been established for the appointment and re-election of directors, which is accessible for reference on the Company's website at www.sapura-resources.com.</p> <p>In making recommendation for suitable candidates, the BNRC considers the selection criteria set out in the Fit and Proper Policy: -</p> <ul style="list-style-type: none">a. Character & integrity<ul style="list-style-type: none">• Probity• Personal integrity• Financial integrity• Reputationb. Experience & Competence<ul style="list-style-type: none">• Qualification, training, skills• Experience & Expertise• Past performance/track recordc. Time & Commitment<ul style="list-style-type: none">• Ability to discharge the role• Participation & contribution <p>The Company practices a clear and transparent nomination process in relation to the appointment of Directors. The process is as follows: -</p> <p>Stage 1 - Identify the vacancy/gaps</p> |

| | |
|--|---|
| | <p>Stage 2 - Identify the candidates</p> <p>Stage 3 - Evaluation of suitability of candidates</p> <p>Stage 4 - Meeting up with the shortlisted candidates</p> <p>Stage 5 - Final deliberation by the BNRC</p> <p>Stage 6 - Recommend to the Board</p> <p>For the position of INEDs, the BNRC shall evaluate the candidate, at a minimum, with reference to the definition of “Independent Director” as stipulated by the MMLR of Bursa Securities.</p> <p>While the Board is supportive of gender diversity and recognises the multiplicity of perspectives and enhanced collaborations that it brings, the Board believes that any new appointment should be based on merits and capability.</p> <p>The appointment of Senior Management is based on skills, knowledge and experience, personal behaviours and motivation, and the appointment would be tabled to the BNRC for review and approval. The appointment of key senior management is guided by the TOR of the BNRC. The BNRC shall review and approve, in consultation with the MD, the appointment of new key senior management, promotion, remuneration packages and the succession planning of key senior management.</p> <p>The Board pursues diversity at both the Board level and Senior Management level. The Board recognises and strongly believes that a diverse Board in the Company would bring greater depth and breadth compared to a non-diverse Board whilst the diversity at Senior Management will lead to better decisions.</p> <p>The Board had established a Board Diversity Policy to ensure that a number of aspects such as professional experience, skills, knowledge, gender, educational background, ethnicity and age are considered in designing the Board’s composition. The Board Diversity Policy is available on the Company’s corporate website at www.sapura-resources.com.</p> <p>The Board and Senior Management were appointed from a diverse pool in terms of age, gender and nationality. The profiles of the Directors and the Key Senior Management are presented in the Annual Report 2023.</p> <p>During the financial year ended 31 January 2023, there was a new directorship appointed. There is currently one (1) female director on the Board, namely Dr. Yap Lang Ling who was appointed as an Independent Non-Executive Director of the Board on 1 November 2022.</p> <p>The Board also views that the workplace and Board diversity are important to facilitate the decision-making process by harnessing different insights and perspectives. For the financial year ended 31 January 2023, the diversity in gender, ethnicity and age of the Board and the Key Senior Management of the Company are as follows:</p> |
|--|---|

| | | | | |
|--|---|----------|------------------|---|
| | | | Directors | Key Senior Management (excluding the MD) |
| | Race/Ethnicity | Malay | 4 | 3 |
| | | Chinese | 2 | 0 |
| | | Indian | 0 | 0 |
| | Age Group | 41 to 50 | 2 | 3 |
| | | 51 to 60 | 1 | 1 |
| | | 61 to 70 | 2 | 0 |
| | | Above 70 | 1 | 0 |
| | Gender | Male | 5 | 2 |
| | | Female | 1 | 1 |
| | Please refer to the Annual Report 2023 in respect of the Profile of Directors and the Profile of the Key Senior Management for further information. | | | |
| Explanation for departure | | | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | |
| Measure | : | | | |
| Timeframe | : | | | |

Intended Outcome

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

Practice 5.6

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

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The BNRC is tasked with the primary responsibility to screen, evaluate and nominate new Board Member(s) for appointment. The nomination process for the appointment of Directors and the criteria used by the BNRC in the selection process are provided in the Fit and Proper Policy.</p> <p>Apart from candidates for directorships or Senior Management proposed by any Director or shareholder of the Company, the Board will also source for new Directors via different directors' recruitment agencies, or referrals from internal and external parties.</p> <p>Management has also engaged the Institute of Corporate Directors Malaysia ("ICDM") to source for new independent directors.</p> <p>The BNRC ensures candidates possess the appropriate mix of skills, experience, qualification and core competencies to ensure the effectiveness 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

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Profile of Directors section of the Annual Report discloses the Directors' name, age, nationality, gender, qualification, working experience, directorship in other listed companies, length of service, date of appointment and any conflict of interest as well as their shareholding in the Company.</p> <p>The performance of retiring Directors recommended for re-election at the 66th AGM has been assessed through the Board's annual evaluation (including the independence of Independent Non-Executive Directors) as guided by the Fit and Proper Policy. A statement by the Board and BNRC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the AGM was stated in the notes accompanying the Notice of AGM.</p> <p>The profile of the Directors who are due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, are set out in the Annual Report 2023 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

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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>Encik Ahmad Jauhari bin Yahya has been the Chairman of the BNRC prior to his redesignation as the Chairman of the Board on 20 July 2022. The Board is aware that the Chairman of the BNRC shall not be the Chairman of the Board.</p> <p>Pursuant to Paragraph 15.09 of the Listing Requirements and TOR of the BNRC and the BARC, it stated that the composition of the BARC and the BNRC shall consist of not less than 3 members and all of which are non-executive directors, with majority of whom shall be independent. Mr. Andrew Heng, an Independent Non-Executive Director, is already Chairman of BARC, and Dr. Yap Lang Ling was appointed as an Independent Non-Executive Director of the Company on 1 November 2022. Therefore, considering the numbers of the independent directors available, Encik Ahmad Jauhari then remained as the Chairman of the BNRC and a member of BARC. The BNRC and the Board were satisfied that there was adequate check and balance during the financial year under review despite the Board Chairman being also the Chairman of BNRC and a member of BARC.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | On 1 November 2022, a new director, Dr. Yap Lang Ling, an Independent Non-Executive Director was appointed and the Board on 6 April 2023 has approved that Dr. Yap Lang Ling to replace Encik Ahmad Jauhari as Chairman of BNRC. |
| 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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>During the financial year, there was only one (1) female director on the Board of SRB, namely Dr. Yap Lang Ling.</p> <p>The Board is supportive of gender boardroom diversity as stated in the Board Charter and the Board Diversity Policy. However, the Board firmly believes that any new appointment should be based on merits and capability.</p> <p>The Board Diversity Policy is available on the Company's corporate website at www.sapura-resources.com.</p> <p>Regardless of the above, the Board will continue to review its composition and size.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | The Board is supportive to have at least 30% female representative on Board as and when such potential candidate and position is available. |
| Timeframe | : | <div>Within 3 years</div> <div></div> |

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board is supportive of age and gender diversity and has the Board Diversity Policy to promote the representation of women within the Board.</p> <p>The Board Diversity Policy is available on the Company’s corporate website at www.sapura-resources.com.</p> | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Stakeholders are able to 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.

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| <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 | <p>The annual assessment on the effectiveness of the Board as a whole, performance of the Board Committees and the contribution of each individual Director and each member of the BARC have been carried out for the FYE2023.</p> <p>In conducting each assessment/evaluation, the following main criteria were adopted by the BNRC: -</p> <p>(i) <u>Assessment of the effectiveness of the Board as a whole</u></p> <ul style="list-style-type: none">• Board Mix and Composition;• Quality of information and decision-making;• Boardroom activities• Board's relationship with the Management;• Environmental, Social and Governance ("ESG") issues or Sustainability <p>(ii) <u>Directors' self/peer performance evaluation</u></p> <ul style="list-style-type: none">• Fit and proper;• Contribution to interaction;• Quality of input;• Understanding of role;• Board Chairman's role; and• Calibre and personality. <p>(iii) <u>BARC member's self/peer evaluation</u></p> <ul style="list-style-type: none">• Quality and composition;• Skills and Competencies; and• Meeting Administration and Conduct. |

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| | <p>Based on the results of the evaluation conducted for FYE2023, the BNRC was satisfied with the performance of the Board as a whole, BARC and individual members of the Board and the BARC.</p> <p>The Directors and Board Committees provided their feedback anonymously on their peers' performance and individual performance contributions to the Board and respective Board Committees. The results were then collated by the Company Secretaries and tabled to the BNRC for deliberation. The assessment report together with the report on the Board balance (the required mix of skills, experience, and other qualities) were deliberated and circulated to the BNRC. The results affirmed that the Board and each of its Committees continue to discharge its duties effectively.</p> <p>To review the independence of the INEDs, the fundamental premise of the assessment is that an INED must be independent of management and free from any business, family, or other relationship, that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of his/her independent and objective judgement in addition to the independence guidelines and criteria as set out in the MMLR of the Bursa Securities.</p> | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board implemented and adopted a Board Remuneration Policy in March 2018. The purpose of the Board Remuneration Policy is to support long-term business strategy with the aim to motivate the Directors to achieve the Group's business objective.</p> <p>The remuneration of the directors is determined with regard to SRB's needs to maintain appropriately experienced and qualified Board members in accordance with competitive pressures in the marketplace. The said Policy is available on the corporate website at www.sapura-resources.com.</p> <p>The Directors' fees and benefits payable to the Non-Executive Directors are tabled to the shareholders for approval on an annual basis via the AGM of the Company.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| 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.

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|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The BNRC is a combination of Nomination Committee and Remuneration Committee. The Board is satisfied that the BNRC has effectively and efficiently discharged its roles and responsibilities with respect to the nomination and remuneration functions relating to the Board and Senior Management. As such, the Board viewed that it is not necessary to separate the nomination and remuneration functions into distinct nomination and remuneration committees.</p> <p>The Board, as a whole, determines the remuneration of the Non-Executive Directors, with each Director concerned abstaining from any decision with regard to his remuneration. The Company pays its Directors the fees which shall be voted for approval by the shareholders annually during the AGM.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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 details of the remuneration for Directors during the FYE2023 are as follows: - |

| No | Name | Directorate | Company ('000) | | | | | | | Group ('000) | | | | | | |
|----|---|--|----------------|-----------|-----------------|-----------------|------------------|------------------|------------|--------------|-----------|-----------------|-----------------|------------------|------------------|------------|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Dato' Shahrman bin Shamsuddin | Executive Director | 59,000 | 254,900 | 1,560,000 | Input info here | 8,700 | 362,608 | 2,177,508 | 59,000 | 254,900 | 1,560,000 | Input info here | 8,700 | 362,608 | 2,177,508 |
| 2 | Tan Sri Datuk Amar (Dr.) Hamid bin Bugo | Non-Executive Non-Independent Director | 86,479.45 | 6,000 | Input info here | Input info here | 328 | Input info here | 92,807.45 | 86,479.45 | 6,000 | Input info here | Input info here | 328 | Input info here | 92,807.45 |
| 3 | Tan Sri Dato' Seri Shahril bin Shamsuddin | Non-Executive Non-Independent Director | 59,000 | 5,500 | Input info here | Input info here | 328 | Input info here | 64,828 | 59,000 | 5,500 | Input info here | Input info here | 328 | Input info here | 64,828 |
| 4 | Ahmad Jauhari bin Yahya | Independent Director | 132,520.55 | 11,500 | Input info here | Input info here | 328 | Input info here | 144,348.55 | 132,520.55 | 11,500 | Input info here | Input info here | 328 | Input info here | 144,348.55 |
| 5 | Andrew Heng | Independent Director | 101,000 | 10,500 | Input info here | Input info here | 328 | Input info here | 111,828 | 101,000 | 10,500 | Input info here | Input info here | 328 | Input info here | 111,828 |
| 6 | Dr. Yap Lang Ling | Independent Director | 23,945.21 | 2,000 | Input info here | Input info here | 328 | Input info here | 26,273.21 | 23,945.21 | 2,000 | Input info here | Input info here | 328 | Input info here | 26,273.21 |
| 7 | Dato' Muthanna bin Abdullah | Non-Executive Non-Independent Director | 44,246.57 | 5,500 | Input info here | Input info here | 328 | Input info here | 50,074.57 | 44,246.57 | 5,500 | Input info here | Input info here | 328 | Input info here | 50,074.57 |

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 | : | Applied – the company discloses the remuneration of members senior management who are not members of the board | |
| Explanation on application of the practice | : | The remuneration for the top five Key Senior Management in bands of RM50,000 during the FYE2023 are as follows: - | |
| | | Remuneration | Top Five Senior Management |
| | | 650,000 - 700,000 | Syed Haroon bin Omar Alshatrie |
| | | 450,000 - 500,000 | Mai Eliza binti Mior Mohamad Zubir |
| | | 150,000 – 200,000 | Shahrul Ekram bin Sofian @ Mokhtar |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| 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 | : | <p>The Board Audit Committee was established on 5th May, 1994 and was subsequently renamed to Board Audit and Risk Committee ("BARC") on 20 April 2018.</p> <p>The BARC comprises three (3) members, all of whom are INEDs.</p> <p>The positions of the Chairman of the Board and the BARC are held by separate individuals, namely Mr. Andrew Heng and Encik Ahmad Jauhari bin Yahya respectively.</p> <p>This has ensured that the objectivity of the Board's review of the BARC's findings and recommendations are not impaired. This separation is set out clearly in the TOR of the BARC.</p> <p>The TOR of the BARC is available on the Company's website at www.sapura-resources.com.</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 9.2

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 BARC has clearly set out that that the appointment of a former partner of the external audit firm as a member of BARC shall observe a cooling-off period of at least two (2) years before being appointed as a member of BARC.</p> <p>This is to ensure that the independence of the audit process is safeguarded from the potential threats and conflicts which may arise when a former partner joins the Company.</p> <p>None of the members of the Board were former partners and notwithstanding the above provision and in order to uphold the utmost independence, the Board has no intention to appoint any former partner as a member of Board.</p> <p>The TOR of the AC is available on the Company's website at www.sapura-resources.com.</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 BARC recognises that one of its responsibilities as set forth in the TOR of the BARC is to conduct annual assessment on the suitability, objectivity, and independence of the external auditors, Ernst & Young PLT ("EY"). For the financial year under review, the BARC was satisfied with the performance and independence of the external auditors as well as the fulfilment of criteria based on the following observations: -</p> <ul style="list-style-type: none">• EY's active communication with the BARC;• EY has produced the necessary quality of audit review;• Presentation of a comprehensive audit plan and audit finding report; and• Adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.• Independence of the External Auditors <p>EY had also provided their written confirmation to the BARC that they had been independent throughout their conduct of audit engagement with the Company for the financial under review.</p> <p>Having considered all the above criteria, the Board had upon recommendation by the BARC, approved the recommendation for the re-appointment of EY as external auditors of the Company for the ensuing year for the shareholders' approval at the forthcoming AGM.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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 members of the BARC have wide range of necessary skills to discharge its duties. All members of the BARC are financially literate and possess a wide range of experience and expertise in areas such as accounting, finance, audit, business acumen, analytical skills, corporate law and public administration and management.</p> <p>Mr. Andrew Heng, who was appointed on 3 June 2019, is a Chartered Accountant of the Malaysian Institute of Accountants (MIA), Member of the Chartered Public Accountant ("CPA") in Australia, a member of the Cambodian Institute of CPAs, a Certified Financial Planner with the Financial Planning Association of Malaysia and an Associate Member of the Institute of Auditors Malaysia. Therefore, the requirement of Paragraph 15.09(1)(c) of the MMLR of Bursa Securities where at least one (1) member of the BARC must be a qualified accountant has been complied with.</p> <p>All members of the BARC have undertaken continuous professional developments and during the financial year under review, the BARC members attended the trainings as set out in Practice 2.1 of this Corporate Governance Report.</p> <p>Based on the outcome of the performance assessment on the BARC by the BNRC, both the BNRC and the Board are satisfied with the performance of the BARC.</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 10.1

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 overall responsibility for maintaining a sound system of risk management and internal controls to safeguard the shareholders' investment and the Group's assets as well as establishes the risk appetite of the Group.</p> <p>The Board had appointed the BARC to review and monitor the effectiveness of the Group's system of internal control and the risk management policies, processes and infrastructure which are established to manage various types of risks and to ensure an effective internal audit function.</p> <p>The Board adopted an Enterprise Risk Management ("ERM") Policy on 25 June 2020 upon the recommendation of the BARC. The ERM shall be a core management competency that incorporates a well-structured systematic process to identify business risks and lessen their impact on the Group. This involves the following core elements:</p> <ul style="list-style-type: none">• the identification of each business risk;• the measurement of the identified business risk;• the control or the way the risk is managed in line with the needs of the Group's policies and strategies; and• constant monitoring and communicating of risks associated with any activity, function or process in a way that will enable the Group to minimise losses and maximize opportunities. <p>The Statement on Risk Management and Internal Control set out in the Annual Report 2023 provides an overview and key features of the internal control within the Group together with the adequate and effective measures taken for the financial year under review.</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 10.2

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 delegates the overseeing of the risk management and internal control system of the Group to the BARC. The BARC is assisted by the Group Risk Management Committee (“GRMC”), which is primarily responsible for the review of the risk management processes. Significant risk issues evaluated by the GRMC and/or major changes proposed by the committee shall be discussed at the BARC and Board meetings.</p> <p>The Statement on Risk Management and Internal Control set out in the Annual Report 2023 provides an overview and key features of the internal control within the Group together with the adequate and effective measures taken during 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 10.3 - 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 | : | Not Adopted |
| Explanation on adoption of the practice | : | |

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 Group's internal audit function is outsourced to an independent professional firm, namely, KPMG, to ensure there is an effective and independent internal audit function. KPMG reports directly to the BARC.</p> <p>The internal auditors are responsible to provide the BARC with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures.</p> <p>To this end, the functions of the internal auditors are to:</p> <ul style="list-style-type: none">• perform audit work in accordance with the pre-approved internal audit plan;• carry out reviews on the system of internal control of the Group and the Company;• review and comment on the effectiveness and adequacy of the existing control policies and procedures; and• provide recommended corrective actions, if any, for the improvement of the control policies and procedures. <p>The BARC and the Board are satisfied with the performance of the internal auditors, KPMG, in the provision of outsourced internal audit services to the Group and the Company.</p> <p>During the financial year under review, the internal auditors conducted internal audit works covering the following:</p> <ul style="list-style-type: none">• Anti-bribery and corruption management; and• fixed asset management and Recurrent Related Party Transactions for SRB Group. <p>Further details of the Internal Audit Function are disclosed in the BARC Report of Annual Report 2023.</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 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 Company has outsourced its internal audit function to KPMG. The internal audit engagement by KPMG is headed by an Executive Director, namely Encik Mohd Khaidzir Shahari. Encik Khaidzir is a professional member of the Institute of Internal Auditors, Malaysia, a Chartered Accountant (Malaysian Institute of Accountants) and a Certified Internal Auditor. Encik Khaidzir has accumulated over 20 years of experience in a wide range of governance advisory, risk and internal audit works.</p> <p>There was a total of three (3) personnel who were deployed by KPMG for the internal audit works during the FYE2023. All the personnel deployed by KPMG are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of their work.</p> <p>The internal audit work was carried out in accordance with a framework set by a recognised professional body i.e., International Professional Practice Framework issued by the Institute of Internal Auditors, of which final communication of the internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable, and relevant information which signifies a satisfactory conclusion of the internal audit works.</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 is committed to ensure transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company.</p> <p>The Board ensures that a dedicated section governing the Board-Shareholders relationship be included in the Board Charter, thereby formalising the Board's commitment to serving the best interest of the shareholders.</p> <p>The AGM is the main forum of dialogue with shareholders as it provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. It is also an avenue for the Chairman and Board members to respond personally to all queries and provide clarification on issues and concerns raised by the shareholders. Both individuals and institutional shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions set out in the notice.</p> <p>Other than the forum of the AGM, the Company communicates regularly with shareholders and investors through annual reports, quarterly financial reports and various announcements made via Bursa LINK as the Board acknowledges the importance of accurate and timely dissemination of information to its shareholders, potential investors and the public in general. Shareholders and Investors can obtain the Company's latest announcements in the dedicated website of Bursa Securities at http://www.bursamalaysia.com or via the SRB's corporate website at www.sapura-resources.com.</p> <p>The Company's corporate website which is accessible at www.sapura-resources.com provides all relevant information on the Company and is accessible by the public. It includes the announcements made by the Company and annual reports. The Board discloses to the public all material information necessary for informed investment and takes reasonable steps to ensure that all shareholders enjoy equal access to such information.</p> |

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

Intended Outcome

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

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

Practice 12.2

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

| | | | |
|--|---|--------------------------------------|--|
| Application | : | Not applicable – Not a Large Company | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.1

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Notice dated 31 May 2022 for the 65th AGM which was scheduled to be held on 20 July 2022 was given to the shareholders 49 clear days prior to the meeting, more than the minimum mandated period of 28 days required under this Practice and 21 days as required under the MMLR. The provision of a longer notice period allows the shareholders to have sufficient time to consider the resolutions and make informed voting decisions during the general meeting.</p> <p>The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.</p> <p>The explanatory notes to the Notice of AGM also provide a detailed explanation for each resolution proposed to enable shareholders to make informed decisions in 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 | : | Applied |
| Explanation on application of the practice | : | <p>All the Directors of the Company were in attendance for the Sixty-Fifth AGM of the Company held on 20 July 2022 virtually. Members of the Senior Management and external auditors of the Company were also in attendance and will continue to be present at the succeeding AGM to respond to the shareholders' queries.</p> <p>All the Directors of the Company will endeavour to attend all future General Meetings and will take any relevant questions addressed to them unless unforeseen circumstances preclude them from attending General Meetings.</p> <p>The Chairman of the Board Committees will also be readily available to address any questions posted by the shareholders at the general meetings in respect of matters that fall under the purview of the Board Committees.</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 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>In accordance with Clause 77 of the Company's Constitution, the Company may convene a meeting of members at more than one (1) venue using any technology or method that enables the Members to participate and to exercise the Members' rights to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman of the Board shall be present at the main venue.</p> <p>Due to the COVID-19 pandemic, the Company had leveraged technology to facilitate remote participation of shareholders and electronic voting for the conduct of the poll on all the resolutions tabled at the AGM at its fully virtual Sixty-Fifth AGM held on 20 July 2022.</p> <p>The entire proceedings of the Sixty-Fifth AGM were held through Boardroom's LUMI AGM Solution. The Administrative Details of the Sixty-Fifth AGM with detailed registration and voting procedures were sent to the shareholders.</p> <p>The Company recognises that cyber threats are constantly evolving, becoming increasingly sophisticated and complex due to factors, amongst others, the increasing demand across the industry and customer expectations for continued expansion of services delivered over the internet; increasing reliance on internet-based products, applications and data storage; and remote working in response to the COVID-19 pandemic. As such, the Company acknowledges the need to continuously improve its monitoring and control of cyber threats through effective security measures and protocols.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.4

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

| | | |
|--|---|--|
| <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>The Chairman of Sixty-Fifth AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question and Answer session during the Sixty-Fifth AGM.</p> <p>The Chief Financial Officer ("CFO") of the Company presented the highlights of the financial and business performance of the Group prior to the Question and Answer session for their information.</p> <p>The shareholders and proxy holders can use the text box provided below the live stream player within the same e-Portal page to transmit their questions or remarks during the Sixty-Fifth AGM.</p> <p>The Chairman of the Board and the Senior Management had actively responded to relevant questions addressed to them during the Sixty-Fifth AGM. The representatives of external auditors also attended and participated in the Sixty-Fifth AGM.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |
| | | |

Intended Outcome

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

Practice 13.5

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

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>In view of the Covid-19 pandemic, the Sixty-Fifth AGM was held virtually.</p> <p>The Remote Participation and Voting (RPV) facilities are hosted on Lumi AGM via its website at https://web.lumiagm.com provided by Boardroom SR Sdn. Bhd. allowed shareholders to pose questions to the Board and Chairman of the AGM via typed text in the query box. The shareholders submitted their questions at any time from the day of notice of the AGM and up to the time when the meeting was in progress.</p> <p>The Chairman shared at the AGMs questions submitted by Minority Shareholders Watch Group. The questions and the corresponding replies were also read out by the Senior Management during the AGM.</p> <p>At the “Questions and Answers” session in the meeting agenda, the Lumi AGM e-Portal platform had the facilities to live broadcast the questions/remarks and answers; and the shareholders experienced real-time interaction with the Board during the AGM.</p> <p>There was active participation by the shareholders with 12 questions. The questions and answers were subsequently minuted in the AGM minutes 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

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 Sixty-Fifth AGM (including the questions raised by shareholders and MSWG together with the responses by the Company and outcome of the voting results) are made available to the shareholders at the Company's website at www.sapura-resources.com . |
| 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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