

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 4596  
**COMPANY NAME** : SAPURA RESOURCES BERHAD  
**FINANCIAL YEAR** : January 31, 2024

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>the Board</b>") of Sapura Resources Berhad ("<b>SRB</b>") and its subsidiaries ("<b>SRB Group</b>" or "<b>the Group</b>") provides strategic direction and effective control. The Board has established a Board Charter to delineate its functions and those delegated to Management, providing clear guidance to Directors and Management regarding their roles, including those of Board Committees.</p> <p>The Board has delegated specific matters to Board Committees such as the Board Audit and Risk Committee ("<b>BARC</b>") and the Board Nomination and Remuneration Committee ("<b>BNRC</b>"), ensuring oversight of critical areas and matters requiring detailed review. The Terms of Reference ("<b>TOR</b>") of these committees are available on the Company's corporate website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</p> <p>The Board Charter outlines matters reserved for the Board, ensuring its control over the Group's business while empowering a capable Management team for day-to-day operations. A copy of the Board Charter is accessible on the Company's corporate website.</p> <p>The Board's responsibilities include:</p> <ul style="list-style-type: none"><li>i) Promoting a culture of good corporate governance;</li><li>ii) Reviewing and adopting strategic plans for the Group, supported by a diverse and experienced Board;</li><li>iii) Setting the tone from the Top through a Code of Conduct and Ethics for Directors, Anti-Bribery and Corruption Policy, and Whistleblowing Policy;</li><li>iv) Overseeing the Group's business conduct, with the Managing Director ("<b>MD</b>") and Key Management Team managing core businesses effectively;</li></ul>

	<p>v) Identifying principal risks and ensuring robust internal controls, aided by internal auditors KPMG Management &amp; Risk Consulting Sdn. Bhd. (“<b>KPMG MRC</b>”) and overseen by the BARC;</p> <p>vi) Reviewing the adequacy and integrity of management information and internal controls, as detailed in the Annual Report's Statement on Risk Management and Internal Control; and</p> <p>vii) Ensuring the integrity of financial and non-financial reporting, with the BARC reviewing financial reports and ensuring compliance with Financial Reporting Standards.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board plays a pivotal role in ensuring effective governance and compliance within the Group. The specific responsibilities of the Chairman are outlined in Section (C), Clause 5 of the Board Charter, which can be accessed on the Company's corporate website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</p> <p>Encik Ahmad Jauhari bin Yahya ("Encik Ahmad Jauhari") serves as the Independent Non-Executive Chairman, providing strong leadership and strategic direction to the Board. His responsibilities include:</p> <ul style="list-style-type: none"> <li>• Providing leadership and guidance to the Board.</li> <li>• Ensuring the orderly and effective functioning of Board meetings.</li> <li>• Maintaining the integrity and effectiveness of the Board's governance processes.</li> <li>• Promptly consulting with the Board on pertinent matters concerning the Group.</li> <li>• Acting as a facilitator during Board meetings to ensure balanced discussions.</li> <li>• Ensuring decisions are made on a well-informed basis, with all critical issues considered and Directors receiving relevant information in a timely manner.</li> </ul> <p>The Chairman's role is crucial in fostering a culture of transparency, accountability, and sound decision-making within the Board.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of Chairman and MD within the Company are held by different individuals, namely, Encik Ahmad Jauhari and Dato' Shahrman bin Shamsuddin, respectively.</p> <p>It's essential to note that the roles of the Chairman of the Board and the MD are distinct, with clear and defined responsibilities. This division ensures a balanced distribution of power and authority, promoting accountability within the organization.</p> <p>The specific roles of the Chairman and the MD are outlined in Section (C), Clause 5, and Section (E), Clause 2 of the Board Charter, respectively. These sections provide a comprehensive overview of their responsibilities, ensuring that decision-making powers are not concentrated in a single individual. The Board Charter detailing these roles is accessible on the Company's corporate website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>Encik Ahmad Jauhari, the Independent Non-Executive Chairman of the Company, was previously a member of the BARC and the Chairman of the BNRC until 6 April 2023. Following his departure, Encik Reza bin Abdul Rahim ("Encik Reza") was appointed as a member of the BARC and Dr. Yap Lang Ling ("Dr. Yap") was redesignated as the Chairperson of the BNRC on the same date.</p> <p>The Company adheres to the recommendation outlined in Practice 1.4 of the Malaysian Code on Corporate Governance ("MCCG"), which specifies that the Chairman of the Board should not simultaneously serve as a member of any Board Committee.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company Secretaries of SRB are highly qualified professionals, they are Ms. Chua Siew Chuan (MAICSA 0777689/SSM PC No. 201908002648) and Ms. Yau Jye Yee (MAICSA 7059233/SSM PC No. 202008000733), both of whom are recognised and registered under Section 235(2) of the Companies Act 2016 with the Companies Commission of Malaysia. Ms. Chua Siew Chuan holds a distinguished status as a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators (“<b>MAICSA</b>”), while Ms. Yau Jye Yee is an Associate member of the same institute.</p> <p>These Company Secretaries undertake crucial responsibilities, including but not limited to:</p> <ul style="list-style-type: none"><li>• Preparation and timely submission of statutory returns and forms as per the Companies Act 2016 to the Companies Commission of Malaysia.</li><li>• Ensuring proper maintenance and secure storage of all statutory records.</li><li>• Electronically transmitting corporate announcements to Bursa Securities via Bursa LINK.</li><li>• Drafting essential notices, Directors’ resolutions, minutes of Board meetings, shareholders’ meetings, and related documents under the guidance of the Board.</li><li>• Attending Annual General Meetings (“<b>AGM</b>”), Extraordinary General Meetings, as well as meetings of the Board, BARC, and BNRC.</li><li>• Preparing Board papers, meeting materials, and assisting in annual Board evaluation/assessments.</li><li>• Providing expert advice to the Company and Directors on statutory requirements under various laws, including the Companies Act 2016, Listing Requirements of Bursa Securities, Malaysian Code on Corporate Governance, and other relevant matters in secretarial practice.</li><li>• Preparing the Corporate Governance Overview Statement and the Corporate Governance Report.</li></ul> <p>The Company Secretaries play a vital role in ensuring compliance, effective governance, and transparent communication within SRB,</p>

	contributing significantly to its operational excellence and regulatory adherence.	
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 1.6

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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>A comprehensive annual meeting timetable is meticulously prepared and shared well in advance of the new financial year, streamlining Directors' time management. This timetable meticulously lays out the scheduled dates for all meetings throughout the year, encompassing Board meetings, Board Committees sessions, and the Annual General Meeting ("<b>AGM</b>"), thereby aiding Directors in effective planning and participation.</p> <p>Timely distribution of information is a cornerstone of our governance practices. The agenda for Board and Board Committees Meetings is collaboratively curated with the respective Chairpersons and the MD, ensuring alignment and accuracy. Directors are provided with a minimum notice period of seven (7) days, allowing them ample time to prepare and contribute meaningfully.</p> <p>In preparation for meetings, comprehensive meeting papers are circulated beforehand. These papers encompass vital financial and corporate data, significant issues, the Group's performance, and management proposals requiring approval. This proactive approach ensures that the Board and Committees have sufficient time to review, deliberate, and make well-informed decisions, fostering robust discussions and effective decision-making processes.</p> <p>The Board maintains direct and unhindered access to Management and all Company and Group-related information to fulfil its responsibilities effectively.</p> <p>Following meetings, detailed minutes capturing decisions and resolutions are promptly circulated by the Company Secretaries for review and subsequent confirmation at the next meeting. Action items are meticulously tracked in a Matters Arising Report, facilitating follow-up by Management. Signed minutes are securely kept at the registered office of the Company.</p> <p>It's noteworthy that BARC, BNRC and Board meetings have historically been held separately, on different days, and in distinct sessions, a practice maintained over the years for optimal efficiency and focus during deliberations.</p>

<b>Explanation for departure</b> :		
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<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter of SRB serves as a pivotal reference point for matters pertaining to the organisation of the Board. It not only provides essential guidance to Board members in carrying out their duties, roles, and responsibilities but also aids in evaluating the Board's overall performance and that of its individual Directors.</p> <p>Regular reviews of the Board Charter are conducted, and necessary amendments are made to ensure alignment with the Board's objectives, current legal requirements, and best practices. Recently, on 27 March 2024, the Board revised and updated the Board Charter to incorporate the method to address any conflict of interest issues effectively through the adoption of the Conflict of Interest Policy and Procedures and to ensure the Board Charter remains aligned with the current requirements and guidelines under the Main Market Listing Requirements (“MMLR”) of Bursa Securities. The updated Board Charter can be accessed on SRB’s corporate website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</p> <p>The roles and responsibilities of the Board of Directors, Chairman, MD, Independent Non-Executive Directors (“INEDs”), and Board Committees are clearly delineated in the Charter. Additionally, Section B of the Board Charter outlines matters specifically reserved for the Board's attention.</p> <p>Furthermore, the Board Charter expounds on the Board's structure, operational procedures, the Board's relationship with Management, Board remuneration, Board and individual Director assessments, as well as communication channels and engagement with shareholders, institutional investors, media, customers, and other stakeholders.</p> <p>In pursuit of continuous improvement and knowledge enhancement, Board members actively participated in various conferences, seminars, forums, discussions, workshops, and training sessions during the reviewed financial year as below. These initiatives are aimed at equipping Directors with the necessary insights and expertise to</p>

contribute meaningfully to Board discussions and decision-making processes.

Name of Directors	Title of Training Programmes / Seminars	Date
Encik Ahmad Jauhari bin Yahya	<ol style="list-style-type: none"> <li>1. International Defence Exhibition and Conference (IDEX 2023) and Naval Defence Exhibition and Conference (NAVDEX 2023)</li> <li>2. Power Talk by Dato' Ir. Dr. Dennis Ganendra</li> <li>3. Preventing Corruption, Strengthening Integrity at TCB</li> <li>4. New ISSB Sustainability Standards: Beyond Compliance</li> <li>5. Khazanah Megatrends Forum 2023 – Orchestrating a Development Bargain for Sustainable Growth</li> <li>6. Seoul ADEX 2023 (Seoul International Aerospace &amp; Defense Exhibition)</li> <li>7. Conflict of Interest</li> </ol>	<p>20 – 24 February 2023</p> <p>2 August 2023</p> <p>6 September 2023</p> <p>13 September 2023</p> <p>2 – 3 October 2023</p> <p>17 – 22 October 2023</p> <p>26 January 2024</p>
Tan Sri Dato' Seri Shahril bin Shamsuddin (Alternate Director: Datuk Megat Abdul Munir bin Megat Abdullah Rifaie)	<ol style="list-style-type: none"> <li>1. Conflict of Interest</li> </ol>	<p>26 January 2024</p>
Dato' Shahrman bin Shamsuddin	<ol style="list-style-type: none"> <li>1. Conflict of Interest</li> </ol>	<p>26 January 2024</p>
Mr. Andrew Heng	<ol style="list-style-type: none"> <li>1. Economic Outlook 2023 Redefined Normal</li> <li>2. Tax &amp; Budget Webinar</li> <li>3. 2023 Budget Seminar</li> </ol>	<p>8 February 2023</p> <p>14 March 2023</p> <p>20 March 2023</p>

		<ul style="list-style-type: none"> <li>4. PowerTalk Series – Navigating ESG Data into Decisions</li> <li>5. Baker Tilly Network Conference 2023</li> <li>6. APAC Conference, Auckland</li> <li>7. PowerTalk Series – Advancing Cyber Resilience: Board’s Top 3 Multi-Knows</li> <li>8. CPA Board readiness Building your online presence</li> <li>9. SRI Virtual Conference Revving Up the Race for Sustainability</li> <li>10. Webinar Series MPERS Case Studies in Key Areas of Financial Reporting including COVID-19 Impact</li> <li>11. IVAS-IVSC Business Valuation Conference 2023</li> <li>12. 2024 Budget Seminar</li> <li>13. Webinar Series The Tax Appeal Process</li> <li>14. Conflict of Interest</li> </ul>	<ul style="list-style-type: none"> <li>21 March 2023</li> <li>10 – 11 May 2023</li> <li>17 – 19 May 2023</li> <li>25 May 2023</li> <li>21 June 2023</li> <li>21 – 22 June 2023</li> <li>12 – 13 September 2023</li> <li>3 – 4 October 2023</li> <li>2 November 2023</li> <li>14 November 2023</li> <li>26 January 2024</li> </ul>
	Dr. Yap Lang Ling	<ul style="list-style-type: none"> <li>1. Geopolitics - Implication for Boards and the Shifting Landscape in Europe</li> <li>2. Tech Trends for Boards</li> <li>3. Secrets to Culture Success – World’s Most Admired Companies Share Insights</li> <li>4. Navigating ESG Data into Decision</li> <li>5. Diabetes Mellitus</li> <li>6. Defining a Winning Strategy for SEA’s Conglomerates</li> <li>7. The Investors Guide for Structured Warrants and Securities Borrowing and Lending</li> </ul>	<ul style="list-style-type: none"> <li>16 February 2023</li> <li>2 March 2023</li> <li>15 March 2023</li> <li>21 March 2023</li> <li>25 March 2023</li> <li>27 March 2023</li> <li>27 March 2023</li> </ul>

		8. Climate Reporting is Heating Up – Are you Prepared?	29 March 2023
		9. Supply, Demand & Inflation – A Deep Dive for Boards	18 April 2023
		10. Materiality Assessment: Are you prepared for the changing regulatory landscape?	26 April 2023
		11. Lessons from the Boardroom – Driving Outperformance from Digital Transformation	9 May 2023
		12. Best Practices for Branding Your Virtual Events	11 May 2023
		13. Neurovascular Disease	13 May 2023
		14. Strategic Stakeholder Engagement	16 May 2023
		15. EY Asean Tax Forum 2023 – The Shifting Tax Landscape: Where others see obstacles, will you see opportunity?	16 – 17 May 2023
		16. Advancing Cyber Resilience – Board’s Top 3 Must-Knows	25 May 2023
		17. Incentivizing for Success: The Role of Remuneration in Climate Transition Plans	25 May 2023
		18. Thorny Topics for Audit Committees	7 June 2023
		19. Challenges for Remuneration Committees	22 June 2023
		20. Managing Greenwashing Risk in the Context of Increased Commitment	29 June 2023
		21. Generative AI – An Opportunity or Risk?	20 July 2023
		22. Finance Essentials for Non-Finance Directors	25 July 2023
		23. Board NRC Committee Dialogue & Networking 2023	26 July 2023
		24. Asia Pacific – ESG, Climate and Trust: The Board’s Role	6 September 2023
		25. The Global Cooler Earth Sustainability Summit	11 – 12 September 2023

		<p>26. Environmental, Social and Governance IFRS S1 and S2: Beyond Compliance</p> <p>27. Talent and the Board in 2023</p> <p>28. APAC Board Leadership Forum 2023</p> <p>29. Geopolitics in the Year Ahead – The US, Europe and Asia in 2024</p> <p>30. The Securities Commission Malaysia’s Audit Oversight Board Conversation with Audit Committees</p> <p>31. The US Economy in 2024: If the US Sneezes, will the world catch a cold?</p> <p>32. BNRC Dialogue &amp; Networking + ADIP Graduation Ceremony 2024: Cultivating Future Board Leaders</p> <p>33. RBL Group’s 25 Years of HR Innovation with Dave Ulrich: Harnessing the Past to Drive Future Value of Human Capability</p> <p>34. Conflict of Interest</p> <p>35. Navigating Recent Tax Changes in Malaysia: A Guide for Employers and Directors</p>	<p>13 September 2023</p> <p>17 October 2023</p> <p>17 – 18 October 2023</p> <p>8 November 2023</p> <p>27 November 2023</p> <p>11 January 2024</p> <p>23 January 2024</p> <p>25 January 2024</p> <p>26 January 2024</p> <p>31 January 2024</p>
	Encik Reza bin Abdul Rahim	<p>1. ICAEW Ethics CPD Course From Theory to Practice</p> <p>2. MIA Webinar Series: Latest Tax Implications on Digital Transactions in Malaysia</p> <p>3. MIA Webinar Series: Mergers and Acquisitions of Companies: Liabilities of Directors under Section 17A MACC Act 2001 &amp; Internal Controls</p> <p>4. Essentials of Sustainability and ESG</p> <p>5. Conflict of Interest</p>	<p>12 – 14 December 2023</p> <p>18 December 2023</p> <p>21 December 2023</p> <p>8 January 2024</p> <p>26 January 2024</p>

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



### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of SRB has established a robust Code of Conduct and Ethics ("<b>Code</b>") for Directors, recognizing the critical need for acceptable corporate behavior to maintain corporate integrity. This Code is easily accessible on SRB's corporate website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</p> <p>The Board commits to periodically reviewing the Code, with more frequent reviews initiated as needed due to internal or external events. Amendments to the Code are made as deemed appropriate by the Board.</p> <p>The key components of the Code include:</p> <ul style="list-style-type: none"><li>(i) Compliance with laws, rules, and regulations;</li><li>(ii) Management of conflict of interest situations;</li><li>(iii) Prevention of corruption and bribery;</li><li>(iv) Responsible use of company assets;</li><li>(v) Maintenance of confidentiality;</li><li>(vi) Prevention of insider trading;</li><li>(vii) Commitment to fair dealing and anti-competitive practices;</li><li>(viii) Reporting mechanisms for Code violations; and</li><li>(ix) Enforcement mechanisms for the Code.</li></ul> <p>In March 2024, SRB established a Conflict of Interest Policy and Procedures ("<b>COI Policy</b>") to complement the Code. This COI Policy outlines the disclosure responsibilities of Directors, Key Senior Management, and Legal Representatives concerning conflicts of interest. It also details the procedures to follow when conflicts arise or have the potential to arise, ensuring systematic identification, disclosure, and management of conflicts of interest in an efficient and timely manner.</p> <p>The primary goal of this COI Policy is to handle conflicts of interest appropriately, promoting transparency, honesty, accountability, and good governance within the Company.</p>

	The COI Policy is also available on the Company's corporate website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a> , ensuring transparency and accessibility to all stakeholders.	
<b>Explanation for departure</b>	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>1) Whistleblowing Policy ("<b>WB Policy</b>")</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>

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.

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:

Alleged Wrongdoer	Designated Person	Email address
Chairman of the Board (“BOD”)	Chairman BARC	<a href="mailto:ChairmanBARC@sapura.com.my">ChairmanBARC@sapura.com.my</a> <a href="mailto:SRBethicsline@sapura.com.my">SRBethicsline@sapura.com.my</a>
Director	Chairman BARC	<a href="mailto:ChairmanBARC@sapura.com.my">ChairmanBARC@sapura.com.my</a> <a href="mailto:SRBethicsline@sapura.com.my">SRBethicsline@sapura.com.my</a>
Chairman BARC	Chairman BOD	<a href="mailto:ChairmanBODSRB@sapura.com.my">ChairmanBODSRB@sapura.com.my</a> <a href="mailto:SRBethicsline@sapura.com.my">SRBethicsline@sapura.com.my</a>
MD & Senior Management	Chairman BARC	<a href="mailto:ChairmanBARC@sapura.com.my">ChairmanBARC@sapura.com.my</a> <a href="mailto:SRBethicsline@sapura.com.my">SRBethicsline@sapura.com.my</a>
Integrity & Governance Officer (“IGO”)	Chairman BARC	<a href="mailto:ChairmanBARC@sapura.com.my">ChairmanBARC@sapura.com.my</a>
Middle Management	IGO	<a href="mailto:SRBethicsline@sapura.com.my">SRBethicsline@sapura.com.my</a>
Non-management	IGO	<a href="mailto:SRBethicsline@sapura.com.my">SRBethicsline@sapura.com.my</a>

#### Reports by Employees

The employee is advised to make a report of improper conduct using the Whistleblowing 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](mailto: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](http://www.sapura-resources.com).

2) Anti-Bribery and Corruption Policy (“ABC Policy”)

The Board had set up an ABC Policy which was adopted by the Company on 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.

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.

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.

Any report on the breach of the ABC Policy can be made at [SRBethicsline@sapura.com.my](mailto:SRBethicsline@sapura.com.my).

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

The ABC Policy is available on SRB’s corporate website at [www.sapura-resources.com](http://www.sapura-resources.com).

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

**Intended Outcome**

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.

<b>Application</b>	: Applied										
<b>Explanation on application of the practice</b>	<p>The sustainability matter of SRB is discussed at the Group Management Committee (“<b>GMC</b>”) meeting and the GMC acts as the key custodian of sustainable development, under the oversight of the Board of Directors (“<b>BODs</b>”) and the MD.</p> <p>The Business Continuity Management (“<b>BCM</b>”) Policy (“<b>BCM Policy</b>”) 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 border="1" data-bbox="560 1400 1406 1729"> <tr> <td data-bbox="560 1400 1007 1473">Exercising, Maintaining and Reviewing</td> <td data-bbox="1007 1400 1406 1473"> <ul style="list-style-type: none"> <li>• Plan Exercise</li> <li>• Testing</li> </ul> </td> </tr> <tr> <td data-bbox="560 1473 1007 1547">Understanding Business/operation</td> <td data-bbox="1007 1473 1406 1547"> <ul style="list-style-type: none"> <li>• Risk Assessment</li> <li>• Business Impact Analysis</li> </ul> </td> </tr> <tr> <td data-bbox="560 1547 1007 1585">Building and Embedding Culture</td> <td data-bbox="1007 1547 1406 1585"> <ul style="list-style-type: none"> <li>• Training &amp; Awareness</li> </ul> </td> </tr> <tr> <td data-bbox="560 1585 1007 1624">Determine Strategy</td> <td data-bbox="1007 1585 1406 1624"> <ul style="list-style-type: none"> <li>• Recovery Strategy</li> </ul> </td> </tr> <tr> <td data-bbox="560 1624 1007 1729">Develop and Implement</td> <td data-bbox="1007 1624 1406 1729"> <ul style="list-style-type: none"> <li>• Business Continuity Plan</li> <li>• Disaster Recovery Plan</li> <li>• Crisis Management Plan</li> </ul> </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"> <li>• Plan Exercise</li> <li>• Testing</li> </ul>	Understanding Business/operation	<ul style="list-style-type: none"> <li>• Risk Assessment</li> <li>• Business Impact Analysis</li> </ul>	Building and Embedding Culture	<ul style="list-style-type: none"> <li>• Training &amp; Awareness</li> </ul>	Determine Strategy	<ul style="list-style-type: none"> <li>• Recovery Strategy</li> </ul>	Develop and Implement	<ul style="list-style-type: none"> <li>• Business Continuity Plan</li> <li>• Disaster Recovery Plan</li> <li>• Crisis Management Plan</li> </ul>
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Develop and Implement	<ul style="list-style-type: none"> <li>• Business Continuity Plan</li> <li>• Disaster Recovery Plan</li> <li>• Crisis Management Plan</li> </ul>										

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

### Intended Outcome

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

### Practice 4.2

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company acknowledges the crucial role of sustainability in fostering long-term value for its business and upholding its responsibility as a conscientious corporate entity. To this end, the Group actively engages with both internal and external stakeholders through diverse channels to gain a deeper insight into their needs and expectations, as outlined below:</p> <ul style="list-style-type: none"> <li>• Internal – SRB’s corporate website, Employee Satisfaction Survey, Employee Information Centre portal which is accessible by the employees, trainings, etc; and</li> <li>• External – SRB’s corporate website, annual report, general meetings, quarterly financial announcements, etc.</li> </ul> <p>By engaging with internal and external stakeholders through these diverse channels, the Company strives to build stronger relationships, foster transparency, and drive meaningful progress towards sustainable practices and responsible corporate citizenship.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

The 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board through the BNRC assesses the training programmes attended by each Director during the financial year 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.4**

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>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 2024.</p> <p>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.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- 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.*

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

### Intended Outcome

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The BNRC plays a vital role in ensuring the ongoing effectiveness and relevance of the Board's composition. It is responsible for periodically refreshing the composition of the Board to maintain a diverse and skilled team. As part of this process, the Board composition and the tenure of each director are carefully reviewed by the BNRC.</p> <p>The BNRC conducts annual evaluations of each director's performance and contribution to the Board. The re-election of a Director is contingent upon a satisfactory evaluation of their performance and their continued meaningful contribution to the Board's objectives and strategic direction.</p> <p>This approach ensures that the Board remains dynamic, with Directors who bring fresh perspectives, relevant expertise, and a commitment to driving the Company's success. It also promotes accountability and transparency within the Board, reinforcing a culture of high performance and effective governance.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As of the date of this Corporate Governance Report, the Board is composed of six (6) Directors, with a balanced representation including three (3) Independent Non-Executive Directors (“INEDs”), two (2) Non-Independent Non-Executive Directors, and one (1) MD. Half of the Board comprises INEDs, aligning with Paragraph 15.02(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Securities, which mandates at least two (2) or one-third (1/3) of the Board to be independent directors, whichever is higher.</p> <p>The Board members are highly qualified professionals with diverse expertise in areas such as accounting and general management, contributing valuable perspectives and insights to Board deliberations.</p> <p>To ensure the independence and objectivity of INEDs and mitigate potential conflicts of interest or undue influence, the Board is committed to upholding rigorous independence assessments. The BNRC conducts these assessments as part of a formal nomination and selection process. The results of these assessments are reported to the Board for thorough consideration and decision-making.</p> <p>The appointment and re-appointment processes for the Board are governed by the Fit and Proper Policy, which has been established to uphold standards of integrity and competence. This policy can be accessed on SRB’s corporate website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</p> <p>In line with the definition of independence outlined in the MMLR of Bursa Securities, all three (3) Independent Directors have successfully passed the independence test during the annual assessment for the financial year ended 2024. Their independent views contribute significantly to the objective decision-making process of the Board, ensuring that decisions are made in the best interest of the Company and its stakeholders.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 5.3**

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

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

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

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

*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.*

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



### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board places great importance on having highly qualified individuals with relevant knowledge, skills, and competencies serving as members of the Board and Key Senior Management, as this contributes significantly to the enhancement of governance and operational excellence within the Group.</p> <p>The BNRC is responsible for recommending candidates for Director appointments and re-elections, including those retiring Directors to be elected or re-elected at the Annual General Meeting (AGM). A Fit and Proper Policy has been established to guide these appointments and re-elections, accessible for reference on the Company's website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</p> <p>In recommending suitable candidates, the BNRC considers specific criteria outlined in the Fit and Proper Policy, including:</p> <ul style="list-style-type: none"><li>a. Character &amp; integrity<ul style="list-style-type: none"><li>• Probity</li><li>• Personal integrity</li><li>• Financial integrity</li><li>• Reputation</li></ul></li><li>b. Experience &amp; Competence<ul style="list-style-type: none"><li>• Qualification, training, skills</li><li>• Experience &amp; expertise</li><li>• Past performance/track record</li></ul></li><li>c. Time &amp; Commitment<ul style="list-style-type: none"><li>• Ability to discharge the role</li><li>• Participation &amp; contribution</li></ul></li></ul> <p>The nomination process for Directors follows a clear and transparent procedure, involving identifying vacancies, identifying candidates, evaluating their suitability, meeting shortlisted candidates, deliberating final recommendations by the BNRC, and recommending candidates to the Board.</p>

For the position of INEDs, the BNRC evaluates candidates based on the definition of “Independent Director” as stipulated by the MMLR of Bursa Securities.

While the Board supports gender diversity and acknowledges the benefits it brings, all appointments are made based on merit and capability. The appointment of Senior Management is guided by their skills, knowledge, experience, personal behaviours, and motivation, with approval from the BNRC following its Terms of Reference (“TOR”).

The Board actively pursues diversity at both the Board and Senior Management levels, recognising the value of diverse perspectives in decision-making processes. A Board Diversity Policy has been established, considering aspects such as professional experience, skills, knowledge, gender, educational background, ethnicity, and age in designing the Board's composition. The Board Diversity Policy is available on the Company’s website at [www.sapura-resoures.com](http://www.sapura-resoures.com).

The profiles of Directors and Key Senior Management are presented in the Annual Report 2024, showcasing the diversity in age, gender, and nationality. The Board believes that workplace and Board diversity are crucial for facilitating informed decision-making by leveraging varied insights and perspectives.

During the financial year ended 31 January 2024, there was a new directorship appointed – namely Encik Reza who was appointed as Non-Independent Non-Executive Director of the Board on 6 April 2023. He is a nominee director of a major shareholder of SRB.

The Board recognises the significance of workplace and Board diversity in enriching the decision-making process through diverse insights and perspectives. For the financial year ended 31 January 2024, the Company's Board and Key Senior Management exhibited a diverse representation in terms of gender, ethnicity, and age, reflecting a commitment to inclusivity and varied perspectives in leadership as below:

		Directors	Key Senior Management (excluding the MD)
<b>Race/Ethnicity</b>	Malay	4	2
	Chinese	2	0
	Indian	0	0
<b>Age Group</b>	41 to 50	2	0
	51 to 60	2	2
	61 to 70	2	0
	Above 70	0	0
<b>Gender</b>	Male	5	1
	Female	1	1

	Please refer to the Annual Report 2024 in respect of the Profile of Directors and the Profile of the Key Senior Management for further information.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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, qualifications and core competencies to ensure the effectiveness of the Board.</p> <p>During the financial year under review, there was new director on board. Encik Reza was nominated by a major shareholder of SRB to the BNRC for review, and following this, his appointment was recommended to the Board for approval. He currently serves as a nominee director representing the interests of a major shareholder.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

## Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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 67th 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, are set out in the Annual Report 2024 of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.8

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Encik Ahmad Jauhari ceased as a Chairman of BNRC on 6 April 2023 and was replaced by Encik Reza who was appointed as a member of the BNRC, and Dr. Yap, an Independent Non-Executive Director, who was redesignated as the Chairperson of the BNRC, both on the same date. Her profile is set out in the Annual Report 2024.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The current Board composition includes one (1) female Director – Dr. Yap, representing 16.7% of the total Board members. While the Board acknowledges Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG), which recommends achieving 30% women representation on the Board, this recommendation has not been formally adopted.</p> <p>However, the Board emphasises meritocracy as the primary criterion for selecting candidates. This emphasis is placed on relevant qualifications, experience, knowledge, and expertise that contribute significantly to enhancing the Board's overall value and effectiveness.</p> <p>As an alternate practice, the Board commits to periodically reviewing its composition and size. This review aims to ensure fair representation of shareholders' investments while also considering diversity in terms of skills, experience, cultural background, gender, and age. By doing so, the Board strives to maintain a balanced and inclusive representation that reflects the Company's commitment to governance excellence and stakeholder inclusivity. This approach aligns with the spirit of Practice 5.9 by promoting diversity in a holistic manner while upholding the principles of meritocracy and effective governance.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board is steadfast in its commitment to ensuring diversity and inclusivity, aiming to increase female representation on the Board. This goal is reviewed annually by the BNRC as part of their assessment of the board's composition, reflecting the Board's proactive approach to promoting gender equality and diversity in corporate governance.
<b>Timeframe</b>	:	Within 2 years



**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is supportive of age and gender diversity and has a 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 <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: 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 FYE2024.  In conducting each assessment/evaluation, the following main criteria were adopted by the BNRC: -  (i) <u>Assessment of the effectiveness of the Board as a whole</u> <ul style="list-style-type: none"><li>• Board Mix and Composition;</li><li>• Quality of information and decision-making;</li><li>• Boardroom activities</li><li>• Board’s relationship with the Management;</li><li>• Environmental, Social and Governance (“ESG”) issues or Sustainability</li></ul> (ii) <u>Directors’ self/peer performance evaluation</u> <ul style="list-style-type: none"><li>• Fit and proper;</li><li>• Contribution to interaction;</li><li>• Quality of input;</li><li>• Understanding of role;</li><li>• Board Chairman’s role; and</li><li>• Calibre and personality.</li></ul> (iii) <u>BARC member’s self/peer evaluation</u> <ul style="list-style-type: none"><li>• Quality and composition;</li><li>• Skills and Competencies; and</li><li>• Meeting Administration and Conduct.</li></ul>

	<p>Based on the results of the evaluation conducted for FYE2024, 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 and 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>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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 of motivating 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 <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The BNRC combines the functions of both the Nomination Committee and Remuneration Committee. The Board is confident that the BNRC has effectively fulfilled its roles and responsibilities concerning the nomination and remuneration functions related to both the Board and Senior Management. Therefore, the Board believes that there is no need to separate these functions into distinct nomination and remuneration committees.</p> <p>The Board, acting as a collective entity, determines the remuneration of Non-Executive Directors. Each Director abstains from any decision regarding their own remuneration, ensuring objectivity and fairness in the process. The Company's Directors receive fees approved by shareholders annually during the Annual General Meeting ("AGM"). This transparent and shareholder-approved approach underscores the Company's commitment to governance principles and accountability.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the remuneration for Directors during the FYE2024 are as follows: -

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Shahrizan bin Shamsuddin	Executive Director	59,000	255,900	1,560,000	Input info here	37,531	362,608	2,275,039	59,000	255,900	1,560,000	Input info here	37,531	362,608	2,275,039
2	Tan Sri Dato' Seri Shahril bin Shamsuddin	Non-Executive Non-Independent Director	59,000	5,000	Input info here	Input info here	10,793.72	Input info here	74,793.72	59,000	5,000	Input info here	Input info here	10,793.72	Input info here	74,793.72
3	Ahmad Jauhari bin Yahya	Independent Director	125,573.77	7,500	Input info here	Input info here	382	Input info here	133,455.77	125,573.77	7,500	Input info here	Input info here	382	Input info here	133,455.77
4	Andrew Heng	Independent Director	101,000	14,000	Input info here	Input info here	12,880.56	Input info here	127,880.56	101,000	14,000	Input info here	Input info here	12,880.56	Input info here	127,880.56
5	Dr. Yap Lang Ling	Independent Director	99,918.03	14,500	Input info here	Input info here	5,979.39	Input info here	120,397.42	99,918.03	14,500	Input info here	Input info here	5,979.39	Input info here	120,397.42
6	Reza bin Abdul Rahim	Non-Executive Non-Independent Director	78,128.41	11,500	Input info here	Input info here	720.22	Input info here	90,348.63	78,128.41	11,500	Input info here	Input info here	720.22	Input info here	90,348.63
7	Datuk Megat Abdul Munir bin Megat Abdullah Rafaie (Alternate Director to Tan Sri Dato' Seri Shahril	Non-Executive Non-Independent Director	Input info here	2,500	Input info here	Input info here	10,767.92	Input info here	13,267.92	Input info here	2,500	Input info here	Input info here	10,767.92	Input info here	13,267.92

	bin Shamsuddin)															
8	Tan Sri Datuk Amar (Dr.) Hamid bin Bugo (Retired on 18 July 2023)	Non-Executive Non-Independent Director	27,243.17	4,770	Input info here	Input info here	382	Input info here	32,395.17	27,243.17	4,770	Input info here	Input info here	382	Input info here	32,395.17



### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
<b>Explanation on application of the practice</b>	:	The remuneration for the top five Key Senior Management in bands of RM50,000 during the FYE2024 are as follows: -	
		<b>Remuneration</b>	<b>Top Five Senior Management</b>
		RM650,000 – RM700,000	Mai Eliza binti Mior Mohamad Zubir
		RM250,000 – RM300,000	Shahrul Ekram bin Sofian @ Mokhtar <i>(resigned on 22 December 2023)</i>
		RM50,000 – RM100,000	Azzaddin bin Abdullah <i>(appointed on 22 December 2023)</i>
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Audit Committee was established on 5 May 1994 and was subsequently renamed to BARC on 20 April 2018.</p> <p>The BARC comprises three (3) members, majority of whom are INEDs.</p> <p>The positions of the Chairman of the Board and the BARC are held by separate individuals, namely Encik Ahmad Jauhari and Mr. Andrew Heng 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 has been revised on 27 March 2024 and is available on the Company's website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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 three (3) 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 BARC has been revised on 27 March 2024 is available on the Company's website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The BARC recognises that one of its responsibilities as set forth in the TOR of the BARC is to conduct an annual assessment on the suitability, objectivity, and independence of the external auditors, Ernst &amp; 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"> <li>• EY's active communication with the BARC;</li> <li>• EY has produced the necessary quality of audit review;</li> <li>• Presentation of a comprehensive audit plan and audit finding report;</li> <li>• Adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with; and</li> <li>• Independence of the External Auditors.</li> </ul> <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>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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



### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 (<b>MIA</b>), Member of the Chartered Public Accountant ("<b>CPA</b>") 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.</p> <p>Aside from Mr. Andrew Heng, Encik Reza is also a Chartered Accountant of the MIA and a fellow of the Institute of Chartered Accountants in England and Wales. 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>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its 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 (“<b>ERM</b>”) 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"> <li>• the identification of each business risk;</li> <li>• the measurement of the identified business risk;</li> <li>• the control or the way the risk is managed in line with the needs of the Group’s policies and strategies; and</li> <li>• 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.</li> </ul> <p>The Statement on Risk Management and Internal Control set out in the Annual Report 2024 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>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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 2024 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group’s internal audit function is outsourced to an independent professional firm, namely, KPMG MRC, to ensure there is an effective and independent internal audit function. KPMG MRC 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"> <li>• perform audit work in accordance with the pre-approved internal audit plan;</li> <li>• carry out reviews on the system of internal control of the Group and the Company;</li> <li>• review and comment on the effectiveness and adequacy of the existing control policies and procedures; and</li> <li>• provide recommended corrective actions, if any, for the improvement of the control policies and procedures.</li> </ul> <p>The BARC and the Board are satisfied with the performance of the internal auditors, KPMG MRC, 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"> <li>• Tenancy Management.</li> <li>• Human Resource Management</li> </ul> <p>Further details of the Internal Audit Function are disclosed in the BARC Report of Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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



## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has outsourced its internal audit function to KPMG MRC. The internal audit engagement by KPMG MRC is headed by the Partner – Head of Risk Consulting, namely Encik Mohd Khaidzir Shahari (“<b>Encik Khaidzir</b>”). 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 five (5) personnel who were deployed by KPMG MRC for the internal audit works during the FYE2024. All the personnel deployed by KPMG MRC 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

There is 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is deeply committed to ensuring transparency and accountability to the Company's shareholders, stakeholders, and investors, maintaining regular communication regarding the Company's performance and significant developments.</p> <p>To formalise this commitment, the Board ensures that a dedicated section governing the Board-Shareholders relationship is included in the Board Charter. This section underscores the Board's dedication to serving the best interests of shareholders by fostering open and transparent communication channels.</p> <p>The Annual General Meeting ("AGM") serves as the primary platform for dialogue with shareholders, providing an opportunity for them to seek clarification on Group-related issues and gain insights into the Company's activities and performance. The AGM also allows the Chairman and Board members to personally address queries and provide explanations on raised concerns. Both individual and institutional shareholders are encouraged to participate actively, meet with the Board, and vote on resolutions outlined in the AGM notice.</p> <p>In addition to the AGM, the Company maintains regular communication with shareholders and investors through various channels such as annual reports, quarterly financial reports, and announcements on the Bursa Securities website. Recognising the critical importance of timely and accurate information dissemination, the Board ensures that shareholders, potential investors, and the public receive relevant updates promptly.</p> <p>Shareholders and investors can access the Company's latest announcements through the dedicated website of Bursa Securities at <a href="http://www.bursamalaysia.com">http://www.bursamalaysia.com</a> or via the SRB's corporate website at <a href="http://www.sapura-resources.com">www.sapura-resources.com</a>. The Company's corporate website serves as a comprehensive resource, providing access to all relevant Company information, including announcements and annual reports. The Board prioritizes disclosure of material information essential for informed</p>

	investment decisions, ensuring equal access to such information for all shareholders.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is 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.

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

### Intended Outcome

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Notice for the Sixty-Sixth (“66th”) AGM, dated 31 May 2023 and scheduled for 18 July 2023, was provided to shareholders 47 clear days prior to the meeting. This timeframe exceeds the minimum required period of 28 days as per practice and 21 days as stipulated by the Main Market Listing Requirements (“MMLR”). The decision to offer a longer notice period was deliberate, aiming to afford shareholders ample time to review the resolutions thoroughly and make well-informed voting decisions during the general meeting.</p> <p>Additionally, the Notice of AGM, which outlines the agenda for the meeting, was published in a prominent local newspaper. This dissemination ensures that shareholders are duly informed of the meeting's agenda and can participate effectively.</p> <p>Furthermore, the explanatory notes accompanying the Notice of AGM provide comprehensive explanations for each resolution proposed. These detailed explanations empower shareholders to understand the rationale behind each resolution, enabling them to exercise their voting rights judiciously.</p> <p>By providing an extended notice period, publishing the Notice of AGM in a major local newspaper, and offering detailed explanatory notes, the Company demonstrates its commitment to transparency, shareholder engagement, and facilitating informed decision-making among shareholders during the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors of the Company participated in the 66th AGM, which was conducted via live streaming webcast and online remote voting using the remote participation and voting (RPV) facilities provided by Boardroom Share Registrars Sdn. Bhd. The meeting adhered to the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. This approach allowed shareholders to engage remotely, pose questions to the Board in real time via typed texts, and cast their votes through the online meeting portal, all without physical attendance by shareholders, proxies, or corporate representatives.</p> <p>The RPV facilities provided a seamless and inclusive platform for shareholders to actively participate and exercise their rights during the AGM, ensuring transparency and accessibility in decision-making processes. Furthermore, members of the Senior Management and external auditors of the Company were present at the AGM and will continue to be available at future meetings to address shareholders' queries, enhancing transparency and accountability.</p> <p>The Board is committed to attending all future General Meetings and addressing relevant questions from shareholders, barring any unforeseen circumstances that may prevent attendance. Additionally, the Chairman of the Board Committees will be accessible to respond to queries related to matters falling under the purview of the Board Committees, further fostering engagement and communication between the Board and shareholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 13.3

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Practice 13.3 emphasises the importance of leveraging technology to enhance shareholder participation and voting processes, while also ensuring robust cybersecurity practices are in place. The Company adheres to these principles by utilising technology to facilitate remote participation of shareholders and electronic voting during its fully virtual 66th AGM held on 18 July 2023.</p> <p>The Company's Constitution, as outlined in Clause 77, permits the convening of meetings at multiple venues using technology that enables members to participate fully and exercise their rights. This provision aligns with the Company's commitment to leveraging technology to enhance shareholder engagement and accessibility.</p> <p>During the 66th AGM, the Boardroom's Meeting Platform served as the platform for the entire proceedings, providing shareholders with a seamless experience for registration and voting procedures. The Administrative Details of the AGM were communicated to shareholders, ensuring clarity and transparency in the process.</p> <p>Recognising the evolving nature of cyber threats, the Company acknowledges the need for continuous improvement in monitoring and controlling such threats. Factors contributing to these threats include increased demand for internet-based services, reliance on digital products and data storage, and heightened customer expectations. Therefore, the Company is committed to implementing effective security measures and protocols to mitigate cyber risks and safeguard shareholder data and privacy. This proactive approach underscores the Company's dedication to maintaining a secure and trustworthy digital environment for all stakeholders.</p>
<b>Explanation for departure</b>	:	

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

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



### Intended Outcome

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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Chairman of 66th 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 66th AGM.</p> <p>The Chief Financial Officer (“<b>CFO</b>”) 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 66th AGM.</p> <p>The Chairman of the Board and the Senior Management had actively responded to relevant questions addressed to them during the 66th AGM. The representatives of external auditors also attended and participated in the 66th AGM.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The 66th AGM was held virtually.  The Remote Participation and Voting (RPV) facilities are hosted on Boardroom's Meeting Platform via its website at <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a> provided by Boardroom Share Registrars Sdn. Bhd. The virtual meeting setup allows for interactive participation by shareholders, enabling them to ask questions, provide feedback, and engage in discussions with the Board and Senior Management. The platform facilitates seamless communication and collaboration.  The virtual meeting setup complies with regulatory requirements and data security standards. Measures are in place to protect sensitive information, prevent unauthorized access, and ensure the integrity of the meeting proceedings.  The Chairman shared at the AGMs 5 questions submitted by Minority Shareholders Watch Group. The questions and the corresponding replies were also read out by the Senior Management during the AGM.  At the "Questions and Answers" session in the meeting agenda, the Boardroom's 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.  There was participation by the shareholders with 3 questions. The questions and answers were subsequently minuted in the AGM minutes of the Company.
<b>Explanation for departure</b>	:

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

**Intended Outcome**

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

**Practice 13.6**

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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the 66th 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 <a href="http://www.sapura-resources.com">www.sapura-resources.com</a> .
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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