

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5191
COMPANY NAME : Tambun Indah Land Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") of Tambun Indah Land Berhad ("Tambun Indah" or the "Company") plays an important role in overseeing the overall performance objectives and long term success and sustainability of the Group.</p> <p>The Board had established a governance structure in fostering the good corporate governance practices where certain areas of responsibilities are delegated to Board Committees and the Executive Management comprising members of the Board holding executive positions and the Senior Management for greater efficiency, and also serves as a control to mitigate or minimize any abuse of authorities.</p> <p>It is the general policy of the Company that all major decisions be considered by the Board as a whole.</p> <p>The Board Committees operate within a clearly defined terms of reference. The respective terms of reference are set out in the Board Charter which is available at the Company's website (www.tambunindah.com).</p> <p>The Board then keeps abreast of the key issues, recommendations and/or decisions made by each Board Committee through the reporting by the Chairman of each Committee and the tabling the minutes of the respective Board Committees of the applicable period for notation by the Board.</p> <p>The Board Committees as at 31 December 2021 were as follows:</p> <ol style="list-style-type: none">1. Audit Committee ("AC");2. Nominating Committee ("NC");3. Remuneration Committee ("RC");4. Risk Management Committee ("RMC"); and5. ESOS Committee.

	<p>The roles of independent directors in the main Board Committees namely AC, NC and RC are fundamental to good corporate governance. The independent directors are free from any undue influence of substantial shareholders or any interested parties which can materially interfere with the exercise of their independent judgements.</p> <p>The Managing Director (“MD”) is responsible for the overall management of business and operations of the Group. He is supported by the Senior Management and the Management Committee or Working Group. The Management Committee or Working Group consists of management from various departments to facilitate smooth and effective operations.</p> <p>The Executive Directors and Senior Management (“Executive Management”) shall formulate the strategies and plans of the Group annually for approval by the Board. The strategic planning process begins at the Senior Management level after assessment and review of the business environment as well as the progress of the previous year’s activities. The Senior Management will take into consideration the feedback from employees, customers and other stakeholders with whom the Group conducts its business during the financial year to ensure the best outcome for the ensuing year, and in the best interest of the Group and its stakeholders.</p> <p>During the process, the Executive Management will hold meetings led by the Executive Deputy Chairman (“EDC”) to discuss pertinent issues and concerns in order to deliver the best outcomes. The Executive Management constantly and actively engage with one another throughout the financial year.</p> <p>During the financial year ended 31 December 2021 (“FY2021”), the EDC had tabled the Business Plan and Budget for the review and approval of the Board. The Board had reviewed and approved the plan as presented.</p> <p>The Board also received reports by the EDC on the progress of the approved strategies, plans and budgets whilst the MD provided updates to the Board, on various operational issues or factors that affected the Group’s businesses.</p> <p>As the pandemic entered a second year, the Board continued to spend time monitoring the impact of the on-going COVID-19 pandemic and reviewing the Group’s sustainability plan, risk management and other mitigating measures to stay resilient as well as maintaining the confidence of the shareholders and stakeholders of the Company.</p> <p>To mitigate corporate liability risk, the Company had launched the implementation of Anti-Bribery Management System (“ABMS”) to prevent, detect and respond effectively to bribery and corruption. During the FY2021, the Anti-Bribery and Corruption (“ABC”) team</p>
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	<p>provided updates to the Board in respect of the ABMS implementation on quarterly basis. The AC through the Internal Auditors (“IA”) also reviewed the implementation of the ABMS by the Group in accordance with subsection 5 of Section 17A of the Malaysian Anti-Corruption & Commission Act 2009 (“MACC Act”) and with reference to Corporate Integrity System Malaysia (“CISM”) Framework.</p> <p>During the FY2021, the NC reviewed and assessed the Board and Senior Management in ensuring that there was effective and orderly succession planning in the Group. The Board was satisfied that the current organisational structure including its work force aligned with the needs of the Group.</p> <p>During the FY2021, the Company had maintained a sound investor relations programme through continuous engagements with shareholders and other stakeholders vide announcements to Bursa Securities, informative website, analyst presentations and corporate briefings.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Mr. Lai Fook Hoy performs his duties as an independent director.</p> <p>The Chairman assumes a leadership role in the Board so that the Board can perform its responsibility effectively. His role includes the following:</p> <ul style="list-style-type: none"> (a) to provide leadership to the Board, and oversee the Board in the effective discharge of its fiduciary duties; (b) to set the Board agenda and to ensure adequate time is allocated for discussion of issues tabled to the Board for deliberation; (c) in consultation with the Secretary, Board members and Senior Management, to ensure Board members receive complete and accurate information at least 7 days in advance of the board meeting; (d) to lead in discussions at meetings and ensure efficient and effective conduct of the Board meetings; (e) to encourage active participation and allow dissenting views to be freely expressed; (f) to manage the interface between the Board and Senior Management; (g) to ensure appropriate steps are taken by the Executive Directors and Senior Management to facilitate an effective communication between the Board and the stakeholders; and (h) to lead the Board in the adoption and implementation of good governance practices.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business. In this respect, the position of the Chairman of the Board and the MD (CEO) are held by different individuals.</p> <p>The Board has established a clear distinction and separation of roles between the Chairman of the Board and the MD in the Board Charter.</p> <p>As at 31 December 2021, the Chairman of the Board was Mr Lai Fook Hoy, and the MD was Mr. Teh Deng Wei.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: The Chairman of the Board was the Chairman of Remuneration Committee, a member of Audit Committee and a member of Nominating Committee until 01 January 2022 when he retired from the positions.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Company Secretaries are members of professional bodies and qualified to act as Company Secretaries.</p> <p>The brief profile of the Company Secretaries are as follows:</p> <p>Mr. Lee Peng Loon, is an associate member of the Malaysian Association of Company Secretaries (MACS). He started his career with the Malaysian Inland Revenue Board (IRB) as a senior officer for several years before joining one of the "Big Four" international accounting firms in its taxation division. He was later transferred to head its secretarial division as the Executive Director, a position he served for 10 years. With more than 35 years of immense tax, accounting and secretarial experiences, he had assisted and supported countless companies in diverse industries to ensure achievements of regulatory compliance.</p> <p>Ms. P'ng Chiew Keem, Riko, is an associate member of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA). She started her career with one of the "Big Four" international accounting firms in Malaysia. She then furthered her studies in Business Management Education in the Asian Institute of Management (AIM), a pioneer business school in Asia, founded in 1968 by the Harvard Business School together with a consortium of prominent business leaders and academic institutions. She has more than 20 years of experience in handling corporate, secretarial, and compliance matters to a large portfolio of clients, indirect tax consulting, accounting and corporate advisory.</p> <p>The primary responsibilities of the Company Secretaries are as follows:</p> <ul style="list-style-type: none">(a) To properly maintain the secretarial records, preparation of resolutions and other secretarial functions of the Company;(b) To issue notice and attend the meetings of the Board, Board Committees and shareholders and to record the minutes of such meetings;(c) To assist in corporate governance practices, by proposing relevant agenda items to be included as recurring meeting agenda;(d) To facilitate the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the

	<p>results of the assessments for the Board and/or Board Committee's deliberation;</p> <p>(e) To update the Board on the changes, which are relevant to the Company, of the listing requirements upon receiving the circulars from Bursa Securities; and</p> <p>(f) To advise on corporate disclosures and compliances.</p> <p>During the FY2021, the Company Secretaries had attended various webinars and professional development programmes to keep themselves abreast with the regulatory changes and other areas of laws, governance and tax.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.6

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

Application	: Applied
Explanation on application of the practice	<p>Board meetings are scheduled in advance before the beginning of a new financial year to enable members of the Board to plan ahead and fit the year's meetings into their schedules.</p> <p>The Board meets at least 4 times a year, once in every quarter with additional meetings to be held when the need arises to consider urgent proposals or matters that required expeditious decision or deliberation of the Board.</p> <p>The meeting materials which are complete with accurate documents for deliberation together with the minutes of the previous Board and Board Committees ("Board Papers") are circulated at least 7 days in advance of each meeting to allow sufficient time for the directors to peruse the agendas tabled so that they can participate effectively in the meeting. The Board papers encompass all matters in the agendas being considered so that informed decisions can be made by the Board.</p> <p>The meetings of the Board and Board Committees are held separately and the proceedings thereat are properly documented in the minutes of the respective meetings.</p> <p>The Company Secretary will circulate the draft minutes to all directors for review and comment before confirmation by the chairman as a correct record. Such a process is to ensure the minutes of meetings accurately reflect the deliberations and decisions of the Board or the Board Committees, including any dissenting views and matters where directors abstained from voting or deliberation.</p> <p>The Board also approves certain matters of the Company via circular resolutions to be signed by a majority of directors.</p> <p>All the directors have unrestricted access to the services of the Company Secretaries and may inspect the minutes, resolutions and other statutory documents during office hours at the registered office of the Company.</p> <p>During the FY2021, there were 6 meetings held and all the Board Papers were circulated to the Board in timely manner.</p>

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The Board Charter of the Company contains the following:</p> <ul style="list-style-type: none">(a) Role of the Board (inclusive matters reserved for the Board)(b) Role of Individual Director(c) Role of Chairman(d) Role of Executive Deputy Chairman(e) Role of Managing Director(f) Role of Independent Non-Executive Directors(g) Role of Board Committees & Terms of References(h) Size and Composition of the Board(i) Nomination & Appointment of Directors(j) Re-election of Directors(k) Tenure of Independent Directors(l) Board Diversity(m) Time Commitment & Acceptance of New Directorship(n) Succession Planning(o) Conflict of Interest(p) Board Performance Evaluation(q) Directors' Training(r) Dealing in Securities(s) Board Meeting(t) General Meeting(u) Remuneration Policies & Procedures(v) Access to Information & Independent Advice(w) Financial Reporting(x) Company Secretaries(y) Shareholders' Communications(z) Corporate Sustainability Framework <p>The Board reviews the Board Charter annually or as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulatory authorities, and that it remains consistent with the policies and procedures of the Board.</p> <p>The last review of the Board Charter was on 14 April 2022.</p>

	A full copy of the Board Charter is available at the Company's website (www.tambunindah.com).	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The Code of Business Conducts and Ethics ("Code") of the Company is prepared based on principles of integrity, sincerity and accountability in order to enhance the standards of corporate governance and behaviour.</p> <p>The Code contains the following:</p> <ul style="list-style-type: none">(a) Responsibilities and Compliance of the Code(b) Working with Local Communities(c) Fair Dealings(d) Dealings with Government Officials(e) Work Environment & Employment(f) Compliance with Laws & Regulations(g) Environment, Occupational Safety & Health(h) Conflict of Interests(i) Anti-Bribery and Corruption Practices(j) Gifts and Entertainment(k) Travel(l) Political Contributions(m) Donations and Sponsorships(n) Outside Employment(o) Protecting Group Assets(p) Proprietary and Confidential Information(q) Political Activities(r) Whistleblowing(s) Review <p>In FY2020, the Board had revised the Code to align with the implementation of ABMS to prevent, detect and respond effectively to bribery and corruption. The Anti-Bribery and Corruption Policy ("ABC Policy") was developed in cohesion with the ABMS.</p> <p>The ABC Policy provides guidance on the Company's protocols to be observed by the directors, employees and business associates</p>

	<p>comprised of vendors, contractors, sub-contractors, consultants, agents, representatives, outsourced personnel, distributors, advisers and other intermediaries who perform works or provide services for or on behalf of the Company and/or the Group. The ABC Policy is to be read together with the Code, Whistle-Blowing Policy, Employee Handbook (for employees) and the MACC Act.</p> <p>All the directors and employees of the Company and/or the Group are required to sign the mandatory annual declaration form whilst business associates are required to complete the “Third Party Declaration Form” to the Company after they had read and understood the Code and ABC Policy of the Company.</p> <p>The Code and the ABC Policy are subject to annual review to ensure their relevance. The last review of the Code was on 14 April 2022.</p> <p>As at 31 December 2021, all the employees of the Group had attended the refresher training course in relation to the understanding of the MACC Act and their obligations towards the measures undertaken by the Company in combating bribes and corruptions.</p> <p>A copy of the Code and ABC Policy are available at the Company’s website (www.tambunindah.com).</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Whistle-Blowing Policy (“Policy”) of the Company sets out a formal communication channel for the employees and stakeholders to communicate matters of concern in good faith and without fear of reprisal. In FY2020, the Board had revised the Policy to align with the implementation of ABMS.</p> <p>The Policy is subject to annual review to ensure its relevance. The last review of the Policy was on 14 April 2022.</p> <p>There were no whistle-blowing cases reported in FY2021.</p> <p>A copy of the Whistle-Blowing Policy is available at the Company’s website (www.tambunindah.com).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognizes sustainability governance and practices are fundamental to support the long term success and value creation of the Group. As such, the Company's sustainability goal is upheld by a framework in which all the strategies are adopted with the consideration of the following key commitments:-</p> <p>Economic</p> <ul style="list-style-type: none">(i) To contribute positively towards economic growth and development through sustainable business operations;(ii) To advocate ethical and sound practices by upholding high standards of governance while ensuring compliance with internal policies and external rules and regulations; and(iii) To maintain and practice transparent and impartial interactions with all stakeholders. <p>Environmental</p> <ul style="list-style-type: none">(i) To ascertain that the Board's decisions and actions take into consideration key values towards environmental preservation and conservation; and(ii) To minimise environmental impacts from the Group's developments and operations through sustainable practices and responsible consumption of resources and materials. <p>Social</p> <ul style="list-style-type: none">(i) To ensure that health and safety values are prioritised in the Group's operations by continuously seeking ways to promote and improve measures within our business environment;(ii) To provide the employees with a platform for career and personal development within a fair and forward-looking working environment while constantly ensuring their wellbeing; and(iii) To contribute to the welfare of the community in which the Group operates in and to continuously provide support and aids to the

	<p>less-fortunate, underprivileged and needy in meeting their social needs.</p> <p>The Board regards continuous engagements with stakeholders; the Board including the Senior Management are able to understand the stakeholders' expectations, interests and concerns as all these are important for implementation of the Company's sustainability strategies and plans including managing risks and considering improvements for the operations.</p> <p>A Sustainability Working Group has been set up to integrate sustainability initiatives and considerations in the day-to-day operations of the Company and amongst others to ensure an effective implementation of sustainability directions of the Group. The Sustainability Working Group comprising the Managing Director and key management team across the business divisions shall meet at least twice a year to review issues relating to sustainability matters.</p> <p>During the FY2021, the Board approved the terms of reference of the Sustainability Working Group and the Company's sustainability framework for inclusion in the Board Charter.</p> <p>The Board had also appointed an independent consultant, BDO Governance Advisory Sdn Bhd to assist in materiality assessment of the Group's economic, environmental and social ("EES") factors including the Sustainability reporting.</p> <p>Given that sustainability governance is a journey, it has been a culture for the Board to actively participate, discuss and deliberate on sustainability matters. During the FY2021, the Board had discussed on topics related to workplace health and safety, digitalisation, environmental conservation and preservation initiatives, sustainable procurement practices and so forth.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has made good progress to achieve a level of sustainability for the targets set in FY2021. Further details are set out in the Company's Sustainability Report section of the Annual Report for the financial year ended 31 December 2021 ("AR 2021").	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of sustainability governance and the needs to have sufficient understanding and knowledge of sustainability matters that are relevant to the Company and its business, including climate related risks and opportunities.</p> <p>During the FY2021, the directors had evaluated their own training needs and had attended seminars and workshops to stay abreast of relevant development in this area.</p> <p>The Board, through the NC, evaluates the effectiveness of the Board's composition and of its mix of skills required to strengthen the Board's leadership and oversight of sustainability issues.</p> <p>Based on recent assessment, the NC was satisfied that the Board has the credentials in discharging its duties based on the following justifications:</p> <ul style="list-style-type: none">(i) All the directors have good industry knowledge to meet the needs of the Company(ii) All the directors have good understanding and knowledge of the external trends, industry issues as well as the risks and opportunities critical to the performance of the Group(iii) All the directors have good understanding of information technology, regulatory and operating environment(iv) Individual directors have the core competencies and experiences that they could contribute to the objectives of the Company(v) Individual directors have educational qualifications
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed in pursuing a strategy of long-term sustainable growth and value creation for its stakeholders. From operational perspective, FY2021 had been a year full of challenges. Notwithstanding that, the Company has delivered a commendable performance in respect of FY2021 as it stayed focus on its sustainability priorities and business continuity measures to stay resilient.</p> <p>Senior Management had worked closely with Board on ESG factors in formulating sustainability strategies, priorities and targets whilst the Board performed its role in overseeing the sustainability matters and this include reviewing the progress of sustainability initiatives and the proactive actions proposed by the Senior Management in addressing the gap.</p> <p>The current performance review for Board and senior management has taken into account their performance in addressing the Group's sustainability risks.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board had established the Sustainability Working Group to manage the sustainability governance and practices of the Group.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is mindful that an effective board should comprise an appropriate mix of skills, knowledge, and experience as well as independent elements to fulfil its obligations and to continually improve performance of the Company.</p> <p>In accordance with the Company's Constitution, 1/3 of the directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election. All the directors shall retire from office at least once every 3 years but shall be eligible for re-election.</p> <p>The NC had assessed Mr. Teh Kiak Seng and Dato' Seri Mokhtar Bin Mohd Jait, the directors due for retirement by rotation at the forthcoming Annual General Meeting ("AGM") based on the following criteria and was satisfied therewith:</p> <ul style="list-style-type: none">(i) The individual director's contributions based on their respective self-assessment results/outcome;(ii) The individual director's contribution to the Board through their respective skills, experience and strength in qualities; and(iii) Their capacity to bring independent judgement and ability to act in the best interests of the Company as a whole. <p>The Board supported the recommendation of the NC that Mr. Teh Kiak Seng and Dato' Seri Mokhtar Bin Mohd Jait be proposed for re-election at the forthcoming AGM.</p> <p>The tenure of Dato' Seri Mokhtar Bin Mohd Jait as an independent non-executive director of the Company is less than 9 years as he was appointed to the Board on 01 July 2019.</p> <p>Mr. Teh Kiak Seng and Dato' Seri Mokhtar Bin Mohd Jait had abstained from deliberating and voting on the above.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As at 31 December 2021, the Board comprised of 3 independent directors, 1 non-independent non-executive director and 3 executive directors.</p> <p>The independent directors' representation on Board was equivalent to 43%.</p> <p>The number of independent directors of Tambun Indah complied with the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") where at least 2 directors or 1/3 of the Board members, whichever is higher are independent directors.</p> <p>As an alternate practice, the Board operates in the manner that its directors exercise independent judgement and with the interests of the shareholders always in the forefront when important decisions are made by the Board.</p> <p>The independent assessments and opinions of the independent directors are important in ensuring the effectiveness of corporate governance practices of the Company. No individual director can dominate the decision-making of the Board despite the Board has representatives of the substantial shareholders.</p> <p>Additionally, the Board is helmed by an independent non-executive Chairman and the main Board Committees namely the AC, NC and RC comprised of entirely independent directors are further indicators of independence.</p> <p>Each independent director of the Company is aware of his responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2021, one of the independent directors of Tambun Indah, Mr. Lai Fook Hoy had served more than a cumulative term limit of 9 years.</p> <p>The NC had assessed and was satisfied that Mr. Lai Fook Hoy had demonstrated his objectivity and independence in expressing his opinions in the decision making of the Board. Hence, his length of service on the Board did not interfere with the exercise of his independence in decision making.</p> <p>The Board concurred with the NC and had recommended Mr. Lai Fook Hoy to be retained and continued to act as an independent director of the Company until the conclusion of the next AGM of the Company, for shareholders' approval through a two tier voting process at the forthcoming AGM.</p> <p>Mr. Lai Fook Hoy had abstained from deliberating and voting on the above.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible to assess the suitability of a new candidate before his appointment as a director of the Company. In the evaluation, the NC takes into consideration among others the candidate's skills, experience, independency, character, integrity, competency and time commitment of the candidate to effectively discharge his role as a director.</p> <p>Following the assessment, the NC will submit its recommendation to the Board for approval. The Company Secretary is then responsible to ensure relevant procedures relating to the appointment of the new directors are properly executed.</p> <p>Upon appointment, the new director will be given a copy of the Board Charter, and provided with an induction programme to familiarize the new director with the business activities, corporate governance practices, and other policies of the Group. The programme also allows the new director to get acquainted with the management.</p> <p>In FY2021, none of the members of the Board were active politicians or actively linked directly with the heads of state, heads of government and ministers.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC identifies and searches for candidates through various contacts and recommendations from independent sources including proposal from the directors, management and major shareholders.</p> <p>The selection process for appointment of new director is set out in Practice 5.5.</p> <p>The Board did not appoint any new director during the financial year.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Board's justifications are set out in Practice 5.3 as well as in the Notice of the 14 th AGM under the explanatory notes. The profile of Mr. Lai Fook Hoy including his age, gender, tenure of service, directorships in other companies, working experience, shareholdings and any conflict of interest are set out in the AR2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2021, the NC of Tambun Indah was chaired by Dato' Seri Mokhtar Bin Mohd Jait, an Independent Director of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board had established a policy of at least 30% female director on the Board. As at 31 December 2021, the Board comprised of 3 female directors, equivalent to 43% women representation on Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	Details are set out in the AR2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board through the NC, performs a formal and objective annual assessment to determine the effectiveness of the Board as a whole, evaluates the Board Committees and the contribution of individual directors through the use of questionnaires.</p> <p>The Company Secretary will collate the results of the questionnaires into a report. The report is prepared based on the collective comments and feedback from all the directors and relevant Board Committees.</p> <p>The Company Secretary then presents the report to the NC for evaluation, and that is subsequently tabled to the Board for deliberation.</p> <p>During the FY2021, the NC had assessed the effectiveness of the Board as a whole and its Committees. The NC, after considering among others the following factors, had recommended that the composition of the Board and Board Committees to remain unchanged:</p> <ul style="list-style-type: none">• Mix of skills and knowledge;• Diversity;• Capabilities and objectivities;• Boardroom activities; and• Performance of the Board Committees. <p>The NC had also assessed the directors based on the self-assessments' questionnaires completed by the individual directors and considered among others the character, integrity, personality, independence and contribution of each director and was satisfied therewith. The NC had recommended that the directors are to remain unchanged.</p>
Explanation for departure	:

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Remuneration Policy that is objective, fair and transparent to ensure a competitive remuneration is in place to motivate, reward and retain directors and senior management to manage the Group's business successfully. None of the executive directors or senior management participates in deciding their own remunerations.</p> <p>The Board through the RC reviews the remuneration package of the executive directors and senior management. The remuneration package is reflective of the individual performance, function, workload, responsibilities, leadership, team spirit and length of service. The Board will also take into consideration on the Company's performance in managing material sustainability risks and opportunities.</p> <p>The RC also reviews and recommends to the Board the remuneration to be paid to non-executive directors based on their level of responsibilities and commitment required. The directors' fees and benefits determined by the Board are subject to annual shareholders' approval.</p> <p>The Remuneration Policy is set out in the Board Charter which is available at the Company's website (www.tambunindah.com).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established a RC with defined terms of reference. The RC is responsible for reviewing the remunerations of executive directors, senior management and non-executive directors according to the Remuneration Policy. The RC then tables its recommendation to the Board.</p> <p>As at 31 December 2021, the RC comprised entirely independent directors.</p> <p>During FY2021, the RC had carried out the following duties:</p> <ul style="list-style-type: none">(i) Reviewed and confirmed the minutes of the RC meeting;(ii) Reviewed and recommended to the Board, the incentives and/or bonus of the executive directors and senior management for FY2021;(iii) Reviewed and recommended to the Board, the remuneration packages of the executive directors and senior management for FY2021;(iv) Reviewed and recommended to the Board, the fees payable to directors of the Company for FY2022 for shareholders' approval at the AGM; and(v) Reviewed and recommended to the Board, the benefits and estimated quantum payable to non-executive directors for shareholders' approval at the AGM.
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The remunerations paid to the directors on named basis in FY2021 are set out below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lai Fook Hoy	Independent Director	60	4	-	-	-	-	64	60	4	-	-	-	-	64
2	Teh Kiak Seng	Executive Director	40	-	-	-	-	-	40	40	-	600	300	38	136	1,114
3	Teh Deng Wei	Executive Director	40	-	-	-	-	-	40	40	-	1,500	750	27	338	2655
4	Teh Theng Theng	Executive Director	40	-	-	-	-	-	40	40	-	409	171	11	88	719
5	Tsai Chia Ling	Non-Executive Non-Independent Director	40	3	-	-	-	-	43	40	3	-	-	-	-	43
6	Lam Voon Kean	Independent Director	58	4	-	-	-	-	62	58	4	-	-	-	-	62
7	Mokhtar Bin Mohd Jait	Independent Director	52	4	-	-	-	-	56	52	4	-	-	-	-	56
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the opinion that it is not in the best interest of the Group to disclose the level of remuneration paid to senior management on a named basis given the competitive environment for personnel with the requisite knowledge and experience in the industry.</p> <p>As alternate practice, the Board discloses the aggregate remuneration paid to senior management.</p> <p>For FY2021, the aggregate sum of remunerations paid to the senior management team was approximately RM0.83 million.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>As at 31 December 2021, the AC was chaired by Ms. Lam Voon Kean and she was not the Chairman of the Board.</p> <p>Ms. Lam Voon Kean is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.</p> <p>The composition of the AC is set out in the AC Report of the Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	Tambun Indah's Terms of Reference of the AC requires a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the AC. In FY2021, none of the members of the Board was a former key audit partner of the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC had assessed the suitability, objectivity and independence of the Company's external auditors, BDO PLT who performed the audits of the Company for FY2021.</p> <p>After having considered the following factors, the AC had recommended BDO PLT to the Board for re-appointment subject to shareholders' approval at the AGM of the Company:</p> <p>Suitability Assessment</p> <ul style="list-style-type: none">• The adequacy of resources, skills, knowledge and experience to perform their duties in accordance with approved professional auditing standards and applicable regulatory and legal requirements;• The adequacy of the audit scope and plan which covers fraud if identified and the key financial and operational risks of the Group;• Timely report on deficiencies noted in the risk management and internal controls;• Timely updates on new developments pertaining to financial reporting standards, corporate governance and other regulated changes;• Ability to meet the deadlines set by the Group; and• Adequate succession plan to meet the audit partner rotation requirement in ensuing objectivity in their audit opinion. <p>Objectivity Assessment</p> <ul style="list-style-type: none">• The nature and extent of the non-audit services rendered and the appropriateness of the level of their fees. <p>Independence Assessment</p> <ul style="list-style-type: none">• The engagement partner has not served for a continuous period of more than 7 years with the Company; and• BDO PLT has given written assurance to the AC confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	As at 31 December 2021, the AC comprised entirely independent directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC had assessed the term of office and performance of the AC and its members for FY2021 in accordance with Paragraph 15.20 of the Main LR of Bursa Securities by way of a set of comprehensive questionnaires.</p> <p>The questionnaires covered amongst others the understanding of the role and terms of reference, financial literacy, integrity, independency, time commitment and so forth.</p> <p>The NC was satisfied that the AC and its members had discharged their duties according to their terms of reference and had recommended to the Board that the existing composition to remain status quo.</p> <p>During the FY2021, members of the AC had attended various trainings and development programmes as set out under "Board Development" in the Corporate Governance Overview Statement section of AR2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adopts a Risk Management Handbook which encapsulates the risk management policies and strategies of the Group. The handbook was revised based on the foundation of Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management (“COSO ERM”) 2017 framework, among others in view of the practices of the Group’s environment and operation.</p> <p>The Board through the RMC reviewed the adequacy of the Group’s risk management framework in FY2021 to ensure risk management and internal controls are in place.</p> <p>During the FY2021, the RMC had reported to the Board periodically on the Group’s risk profile including actions undertaken by the management to manage or mitigate the risks identified.</p> <p>The Statement on Risk Management and Internal Control as set out in the Annual Report provides an overview of the state of risk management and internal controls within the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	Risk management is regarded as an important aspect of the Group's operation. The Group has an on-going process for identifying, evaluating and managing principal risks. An overview of risk management and the state of internal control within the Group is set out in the Statement on Risk Management and Internal Control section of AR2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Auditors will review the systems of internal control of the Group based on the audit plan approved by the AC. The Internal Auditors will then report their findings, their suggestions for improvement and the management responses to the AC on a quarterly basis. The progress of the implementation of recommended actions is being monitored through follow up reviews by the Internal Auditors each quarter. The AC will then report to the Board on the progress and findings of the internal audit function.</p> <p>The AC had reviewed and assessed the adequacy of the scope and coverage of the internal audit function for FY2021 as well as the performance, competency, resources and independence of Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), the outsourced internal auditors and was satisfied therewith. The AC had re-appointed Sterling for another term.</p> <p>Further details of the internal audit function are set out in the AC Report section of AR2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company outsourced its internal audit function to an independent internal audit service provider, Sterling which reports directly to the AC.</p> <p>Sterling had confirmed that they are independent and free from any relationship or conflict of interest with the Group.</p> <p>Brief profile of the internal auditors are as follows:</p> <p>Ms. So Hsien Ying, a Certified Internal Control Professional (US), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), permanent member of The Internal Control Institute (US), Member of Malaysian Alliance of Corporate Directors and Associate Member of The Institute of Internal Auditors Malaysia (IIAM) with 29 years of experience in business process improvement, internal control review, internal audit and risk management.</p> <p>Ms. Yap Sau Peng, a member of Malaysian Institute of Accountant, Certified Member of The Institute Internal Auditors Malaysia, Certified Practising Accountant (CPA) (Australia) and Master in Business Administration (Australia) with 21 years of experience in business process improvement, internal control review, internal audit and risk management.</p> <p>Cheng Chean, a member of Malaysian Institute of Accountant and a Certified Member of Institute of Internal Auditors Malaysia (CMIIA). He is also a Fellow Chartered Certified Accountant (FCCA). Mr. Cheng has 17 years of hand on experience in the fields of External Audit, Internal Audit and Internal Control Review.</p> <p>The number of resources of Sterling deployed for each internal audit review ranges from 2 to 5 audit personnel per visit.</p> <p>Sterling is a corporate member of the Institute of Internal Auditors Malaysia (“IIAM”) and used the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control – Integrated</p>

	Framework as a basis for evaluating the effectiveness of the Group's internal control systems.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of an effective communication channel between the Board, shareholders and other stakeholders and shall provide timely information of the Group's latest financial, corporate developments as well as the Group's businesses and products to enhance value and build the investors' confidence with the Group. The stakeholder engagement is as detailed in Sustainability Statement.</p> <p>During FY2021, the Board had communicated to shareholders and stakeholders through the following channel:</p> <ul style="list-style-type: none">• The issuance of the Company's Annual Report for FY2020 ("AR2020") on 30 April 2021;• The Addendum to AR2020 on 27 August 2021• The AGM of the Company which was held virtually on 27 September 2021;• Announcements released to Bursa Securities namely the quarterly financial results, annual reports, changes in composition of the Board, changes in shareholdings and other announcements in accordance with the Main LR of Bursa Securities and these announcements were also available at the Company's website (www.tambunindah.com);• The Company's website for shareholders and the general public to access for the latest and updated information such as corporate information, corporate slides of the latest quarterly financial results, events of the Group, Board Charter & policies, the Group's projects and other information.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had adopted Practice 13.1 to issue the notice of AGM to shareholders at least 28 days prior to the meeting.</p> <p>The additional time given will allow shareholders to make necessary arrangements to attend and participate in person or through proxies or corporate representatives, and also to consider the proposed resolutions before exercising their voting rights at the meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had adopted Practice 13.2 that all its members including key senior management to attend the general meeting of the Company and respond to shareholders' enquiries, if any.</p> <p>All the directors and key senior management attended the 13th AGM of the Company to engage directly with shareholders of the Company. The Company Secretary and the External Auditors were also in attendance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had conducted its first fully virtual 13th AGM on 27 September 2021 in accordance with the Companies Act 2016 and the Securities Commission Guidance and FAQs on the Conduct of General Meetings for Listed Issuers dated 01 June 2021.</p> <p>The entire AGM proceedings were conducted through live streaming and online participation and voting using Remote Participation and Voting (“RPV”) facilities provided by the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) via its TIIH Online at https://tiih.online.</p> <p>With the RPV facilities, shareholders were able to cast their votes virtually at the TIIH Online platform as if in a physical meeting without appointing proxy to vote for them.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: AGM is a vital forum for interactions with shareholders of the Company. At the fully virtual 13 th AGM, sufficient opportunity was provided to shareholders to pose questions during the AGM. Before the proposed resolutions were put to the vote by poll, Chairman invited shareholders to raise questions relating to the proposed resolutions which the Board and Senior Management were present to respond to any questions from the shareholders. The Company's External Auditors were also present to address issues relating to the audits and the auditors' reports. In enhancing a more meaningful engagement between the Board and shareholders, the MD presented the Group's performance and future plans to shareholders at the start of the meeting which allowed shareholders to share their feedback and post questions during the meeting using the RPV facilities provided. Other than live questions or remarks posted during the AGM, shareholders also submitted their questions electronically before the AGM vide the online platform provided by Tricor. The responses to all the questions including those live questions that the Board was not able to address during the allocated time were made available on the Company's website after the AGM.
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board supports active shareholders' participation at the Company's fully virtual 13th AGM. Save as explained in Practice 13.4, the RPV facilities provided by Tricor had also allowed shareholders to post questions before and during the 13th AGM via typed text in the query box.</p> <p>In the Administrative Notes circulated together with the Notice of the 13th AGM, shareholders were informed that they may submit questions at any time from the day of notice of the AGM was issued and up to the time when the Chairman declared the closure of the Q&A session.</p> <p>During the Q&A session, the questions posted by shareholders were live broadcast on screen and in each of the questions posted, the MD read the question and answer sequentially to enable shareholders to follow through.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of the 13 th AGM have been made available to shareholders no later than 30 business days after the AGM. A copy of the said minutes could be downloaded from the Company's website (www.tambunindah.com).
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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