

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5205
COMPANY NAME : EVERSENDI CORPORATION 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>Eversendai Corporation Berhad (the "Company") is led by an experienced, competent and diversified Board of Directors (the "Board"), which is mindful of the core principles of board leadership and effectiveness, effective audit and risk management as well as integrity in corporate reporting and meaningful relationship with stakeholders towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholders' value while taking into account the interest of other stakeholders. The Board is committed to uphold the highest standards of corporate governance and discharge its duties with due care, skills and diligence for the success of the Company and its subsidiaries (the "Group").</p> <p>The Board's duties and responsibilities include without limitation to the following:</p> <ul style="list-style-type: none">• reviewing and adopting the strategic plan and direction for the Group. In setting the Group's strategic business plans, the Board will review the reports provided by the Group Managing Director who oversees the entire business and operations of the Group.• overseeing the conduct of the business of the Group to evaluate whether the business is being properly managed. At each Board meeting, the Group Managing Director will brief the Board on the current operations, issues faced and plans of the Group for the Board to be kept abreast on the conduct, business activities and development of the Group.• identifying principal risks and ensuring the implementation of appropriate systems to effectively manage and monitor the identified risks.

	<ul style="list-style-type: none"> • reviewing the adequacy and effectiveness of the Group’s risk management and internal control systems which is embedded in all aspects of the Group’s activities, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. • promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour. • developing corporate objectives, policies and strategies. • reviewing and approving acquisitions and disposals of undertakings and properties of substantial value and major investments. • ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, spearheaded by the Group Managing Director through effective participation at general meetings. The Board subscribes to high standards of transparency and accountability in the disclosure of information to its shareholders, potential investors and public. The Company uses various channels for effective communication with the shareholders and other stakeholders including releasing timely announcements and disclosures to Bursa Malaysia Securities Berhad, press releases (if needed), conducting general meetings and updating information available at the Company’s website at www.eversendai.com. <p>The Board is guided by its Board Charter and Code of Conduct for Directors which clearly sets out the Board’s strategic intent, roles and responsibilities in discharging its fiduciary and leadership functions, and the standard of conduct expected of the Directors respectively.</p> <p>In discharging the Board’s duties and responsibilities, the Board has delegated certain duties and responsibilities to the following Board Committees: -</p> <ul style="list-style-type: none"> (a) Audit Committee; (b) Risk Management Committee; (c) Nominating Committee; and (d) Remuneration Committee. <p>The Chairman of each Board Committee will report to the Board on issues deliberated at each committee meeting.</p> <p>The Company is committed to adopting the five (5) principles of the Guidelines on Adequate Procedures (“GAP”), pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission (“MACC”) Act. This includes both established Anti-Bribery and Corruption Policy and Whistleblower Policy which are available on the Company’s website at www.eversendai.com.</p>
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	During the current year under review, the respective Board Committees had reviewed and adopted the revised Terms of Reference to be in line with both the Main Market Listing Requirements as well as the Malaysian Code on Corporate Governance 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

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 Board is led by the Chairman, Tan Sri Dato' Nathan a/l Elumalay, who has provided effective leadership, strategic direction and necessary governance to the Group. The Chairman is primarily responsible for:</p> <ul style="list-style-type: none">• Leading the Board in the administration of management and providing effective leadership to the Board.• Setting the Board agenda with the Company Secretary for each meeting scheduled and ensuring that the Board members are given enough time for discussion of all agenda items.• Leading the Board meetings and discussions in an effective manner and instilling the culture of openness and debate manner at the Board.• Leading the Board by ensuring that the Company and the Group complies and adheres to all the relevant laws and regulations as well as corporate governance best practices.• Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.• Acting as the spokesperson for the Board.• Ensuring effective function of the Board, overseeing and facilitating the Board, Committees and Board members' evaluation reviews and succession planning alongside the Chairman of the Nominating Committee.• Leading the Board in establishing and monitoring good corporate governance practice in the Company and the Group;• Guiding and mediating Board actions with respect to organisational priorities and governance concerns.• Performing other responsibilities assigned by the Board from time to time. <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in Paragraph 5 of the Board Charter which is available on the company website at www.eversendai.com.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Code recommends that the positions of the Chairman and Chief Executive Officer (CEO) are held by different individuals.</p> <p>Although the roles of Chairman of the Board and Group Managing Director are combined, the Board is of the view that there is a strong independent element on the Board and that there are adequate measures and controls to ensure balance of power and authority, so that no individual has unfettered powers of decision. The more significant measures and controls are summarized below.</p> <p>All Executive and Non-Executive Directors have unrestricted and timely access to all relevant information necessary for informed decision-making. The Executive Chairman encourages participation and deliberation by Board members to tap their collective wisdom and to promote consensus building as much as possible.</p> <p>Matters which are reserved for the Board's approval and delegation of powers to the Board Committees, Group Managing Director, Chief Executive Officer and Management are expressly set out in an approved framework on limits of authority. Business affairs of the Group are governed by the Group's Discretionary Authority Limits and manuals on policies and procedures. Any non-compliance issues are brought to the attention of the Management, Audit Committee and/or the Board, for effective supervisory decision-making and proper governance.</p> <p>As the Group is expanding and its business growing, the division of authority is constantly reviewed to ensure that Management's efficiency and performance remain at its level best.</p>

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

Measure	:	The Board is of the view that there are adequate measures and controls to ensure balance of power.	
Timeframe	:	N/A	N/A

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 is not a member of any of the committees, but he is invited to attend the Committee Meetings when necessary.
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	:	The Board is of the view that there are adequate measures and controls to ensure balance of power.
Timeframe	:	N/A
		N/A

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 Secretary of the Company, Mr. Cheok Kim Chee is qualified to act as Company Secretary under section 235(2) of the Companies Act 2016. He is a member of the Malaysian Association of Company Secretaries.</p> <p>The Company Secretary plays an important advisory role to the Board and takes charge of ensuring overall compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and Companies Act 2016, and other relevant laws and regulations.</p> <p>The Company Secretary also:</p> <ul style="list-style-type: none">• Provides support to the Board in fulfilling its fiduciary duties and leadership role in shaping the corporate governance ("CG") of the Company.• Ensures that all appointments to the Board and Committees are properly made.• Maintains records for the purposes of meeting statutory obligations.• Ensures that obligations arising from the MMLR or other regulatory requirements are met.• Facilitates the provision of information as may be requested by the Directors from time to time. <p>The Company Secretary attends the relevant professional development programmes as required by Companies Commission of Malaysia and the Professional Body practicing as a Company Secretary. The Board is satisfied with the performance and support rendered by the Company Secretary.</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

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>The Board is supplied with and assured of full and timely access to all relevant information to honour its duties effectively. A set of Board papers (together with a detailed agenda in the case of a meeting) is furnished to the Board members five (5) business days in advance of each Board meeting or Directors’ Circular Resolution for consideration, guidance and where required, for decisions.</p> <p>In addition to the updated board meeting papers and reports, the Board is also furnished with ad-hoc reports to ensure that they are appraised on key business, financial, operational, corporate, legal, regulatory and industry matters, as and when the need arises.</p> <p>The Directors also have direct access to the advice and services of the Group Internal Audit Department and Company Secretary in addition to other members of Senior Management. The Board is constantly advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities. The Board may, at the Group’s expense, seek external and independent professional advice and assistance from experts in furtherance of their duties.</p> <p>Minutes of meetings are circulated to the Board and Board Committees in a timely manner and signed by the respective Chairman as a correct record of the proceedings of the meetings.</p>	
	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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	:	The Board has adopted a Charter, which sets out, amongst others, the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter serves as a source reference and primary induction literature, providing insights to prospective Board members and Senior Management. It clearly explains the relationship and interaction between the Board, Board Committees and individual Directors. It also sets out the Code of Ethics and Conduct that the members of the Board must observe in the performance of their duties. The Board is currently reviewing The Board Charter to ensure regulatory compliance. Details of the Board Charter is available online in the Governance and Responsibility section at www.eversendai.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	:	The Company’s ethical framework to guide actions and behaviours of all relevant stakeholders (inclusive of the Board) is outlined in the Code of Conduct, Anti-Bribery and Corruption Policy, Whistleblower Policy and Policies and Procedures for the management of Human Resources, Finance, Procurement, Operations, Health, Safety and Environment. The Board will review the Policies and/or Procedures (inclusive of the Code of Conduct) to ensure that it remains relevant and compliant.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group calls for the highest standards of integrity from all its employees and stakeholders. The Group views seriously any wrongdoing on the part of any of its relevant stakeholders, especially with regard to their obligations to Eversendai's interests.</p> <p>The Company's Whistleblower Policy provides an avenue to help all relevant stakeholders to raise concerns without fear of retaliation or any detrimental action.</p> <p>Relevant stakeholders can report any misconduct if they are aware including, but not limited to, the following:</p> <ul style="list-style-type: none">• fraud;• misappropriation of assets;• sexual harassment;• criminal breach of trust;• illicit and corrupt practices;• questionable or improper accounting;• misuse of confidential information;• acts or omissions which are deemed to be against the interest of the Company, laws, regulations or public policies;• giving false or misleading information (including suppression of any material facts or information);• breaches of Group Policies and Code of Conduct; or• the deliberate concealment of any of the above matter or other acts of misconduct. <p>Procedures</p> <p>Protected disclosures shall be submitted with a covering letter bearing the identity of the whistle blower to the Group Managing Director who will discuss with the Board and if deemed fit shall detach the covering letter and forward the protected disclosure to the Head of Human Resource Management for investigation and report within 30 days to the Board.</p>

	Protection The Company recognises that the decision to report a concern can be a difficult one to make. The identity of the Whistle Blowers shall be kept confidential to the extent possible and permitted under law. However, if the need arises for the matter to be taken up in court, the Whistleblower should be willing to present himself/herself to court and furnish details of the malpractices highlighted by him/her.	
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	:	The Board and Management takes responsibility for addressing sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success. Sustainability encompasses Environmental, Social, and Governance (“ESG”) aspects which are addressed in relevant sections of the Annual Report 2021. ESG related aspects are deliberated at both Board of Directors and Board Committee meetings.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The 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	:	<p>Material sustainability matters ("materiality assessment") are mentioned in the Sustainability Report of the Annual Report 2021.</p> <p>Moving forward, the materiality assessment will be reviewed against / guided by the revisions to the Sustainability Reporting Framework (where appropriate and when comparing our business and processes against similar industries); to be issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") as amendments to the Main Market Listing Requirements.</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 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Board and the Management takes responsibility for addressing Sustainability and this is addressed under the training programmes, seminars and/or conferences attended by the Directors during the financial year (under CG Overview Statement of the Annual Report 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 4.4

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	:	Material sustainability related risks and opportunities are deliberated at Board of Directors and Risk Management Committee meetings. Notwithstanding, a formalised performance evaluation thereof against agreed targets will be adopted upon revisions to the Sustainability Reporting Framework (as mentioned under Practice Note 4.2 above).	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The 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.

<i>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.</i>	
Application	: Not Adopted
Explanation on adoption of the practice	: Under MCCG 2021; Step-Up practices apply to “Large Companies”. Eversendai do not fall within the definition of a “Large Company”. MCCG 2021 definition: Large Companies are: <ul style="list-style-type: none">• Companies on the FTSE Bursa Malaysia Top 100 Index; OR• Companies with market capitalisation of RM2 billion and above. Eversendai has < RM 2 billion market capitalisation at the start of the companies’ financial year. FTSE Bursa Malaysia Top 100 Index Comprises the constituents of the FTSE Bursa Malaysia KLCI and the FTSE Bursa Malaysia Mid 70 Index. Eversendai does not fall within both indices.

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 has an on-going responsibility of assessing the Directors. Upon the completion of every financial year, the Nominating Committee ("NC") undertakes a Board Assessment and Evaluation process to assess the effectiveness of the Board in discharging its duties and responsibilities effectively and efficiently.</p> <p>The Board Assessment and Evaluation is primarily based on answers to a detailed questionnaire prepared internally by the Group's Legal and Secretarial Department considering applicable best practices. The assessment questionnaire is distributed to all the respective Board members and covers topics which include, amongst others, the responsibilities of the Board in relation to strategic planning, risk management, performance management, financial reporting, audit and internal processes, human capital management, corporate social responsibility, communication, corporate governance, and shareholders' interest and value.</p> <p>Other areas being assessed include Board composition and size, the contribution of each member of the Board at meetings, the Board's decision-making and output, information and support rendered to the Board as well as meeting arrangements.</p> <p>Actionable improvement programmes will be identified, upon review of the results of the Board and committee assessment by the Nominating Committee and the Board. Such programmes may include training needs of individual Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>There are six (6) members on the Board, comprising the Executive Chairman (who is also the Group Managing Director), two (2) Executive Directors and three (3) Independent Non-Executive Directors. The composition of the Board meets the Main Market Listing Requirements of Bursa Malaysia Securities Berhad of at least one-third (1/3) of the board being independent.</p> <p>All Independent Directors act independently of Management and are not involved in any other relationship with the Group that may impair their independent judgement and decision-making. The composition and size of the Board is reviewed annually to ensure its appropriateness and effectiveness.</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 5.3

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>To-date, one (1) Senior Independent Non-Executive Director, namely Tuan Mohammad Nizar Bin Idris, has served the Board for more than nine (9) years. Tuan Mohammad Nizar Bin Idris had completed his 9-year tenure on 1 June 2019 and has been recommended by the Board to be retained as Non-Independent Non-Executive Director, subject to the approval of shareholders at the forthcoming AGM.</p> <p>The Board has via the Nominating Committee, reviewed and assessed the performances and independence of Tuan Mohammad Nizar Bin Idris and is satisfied that his independence has never been compromised by his long relationship with the Board and is of the view that he is able to continue exercising independent judgement to ensure the checks and balances required for the business of the Group. The Nominating Committee and the Board recognise the benefits of the experience, valuable insight and expertise of Tuan Mohammad Nizar Bin Idris, and are certain that his continued service will serve the interest of the Company and its shareholders.</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 5.4 - 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 Board comprises of members with diverse professional backgrounds, skills, extensive experience and knowledge in the areas of engineering, steel fabrication, information technology, finance, business, general management and strategy required for the successful direction of the Group.</p> <p>Having assessed the size, composition and diversity of the Board annually, the Nomination Committee and the Board confirmed that the existing Board's composition has the requisite competencies and capacity to effectively discharge its functions and responsibilities.</p> <p>The Nomination Committee has the function of assessing the transparency of procedures for proposing new nominees for the Board and the Senior Management and recommending to the Board for its approval.</p> <p>The profiles of the members of the Board and Senior Management are provided for on pages 8 to 14 in the Annual Report 2021.</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 Nominating Committee ("NC"), comprising of three (3) Independent Directors, makes independent recommendations for appointments to the Board. In making these recommendations, the NC assesses the suitability of candidates, taking into account the required mix of skills, knowledge, expertise and experience, professionalism, integrity, gender diversity, competencies and other qualities, before recommending them to the Board for appointment.</p> <p>In searching for suitable candidates for appointment as Director, the NC receives recommendation from existing directors, senior management and major shareholders.</p> <p>The NC also has the authority to obtain external professional services to source for candidates for directorship or seek independent professional advice whenever necessary.</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 necessary information on the experience, qualifications to seek for appointment or re-appointment and the interest and the relationship, position with other directors and major shareholders are disclosed in the Annual Report. The support of the Board on the re-appointments and appointments are disclosed in the Notice of 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

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	:	<p>The Nominating Committee ("NC") is chaired by a Senior Independent Non-Executive Director. All the members of NC are Independent Non-Executive Directors.</p> <p>The NC of the Board consists of:</p> <ul style="list-style-type: none"> • Tuan Mohammad Nizar Bin Idris (Senior Independent Non-Executive Director and Chairman of the Nominating Committee); • Puan Nazariah Binti Ibrahim (Independent Non-Executive Director); and • Datuk Iskandar Bin Sarudin (Independent Non-Executive Director).
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>For the year ended 31 December 2021, the Board comprises of six (6) Directors, one (1) of whom is a woman or 17% female representation.</p> <p>The Board acknowledges the importance of boardroom diversity and the recommended practice pertaining to the establishment of a gender diversity policy. Despite no specific targets being set in relation to boardroom diversity, the Board is committed to improving boardroom diversity in terms of, gender, regional and industry experience, cultural and geographical background, ethnicity, age and perspective.</p> <p>The Board supports gender diversity at all levels which include the Board, Senior Management and general workforce. The Board acknowledges that this is an area for continuous improvement.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board, through the Nominating Committee, will continue to search for suitable and well qualified women candidates to join the Board.	
Timeframe	:	N/A	N/A

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board acknowledges the importance of boardroom diversity and the recommended practice pertaining to the establishment of a gender diversity policy. Despite no specific targets being set in relation to boardroom diversity, the Board is committed to improving boardroom diversity in terms of, gender, regional and industry experience, cultural and geographical background, ethnicity, age and perspective.	
		The Board supports gender diversity at all levels which include the Board and Senior Management. The Board acknowledges that this is an area for continuous improvement.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board, through the Nominating Committee, will continue to search for suitable and well qualified women candidates to join the Board.	
Timeframe	:	N/A	N/A

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 has an on-going responsibility of assessing the Directors. Upon the completion of every financial year, the Nominating Committee ("NC") undertakes a Board Assessment and Evaluation process to assess the effectiveness of the Board in discharging its duties and responsibilities effectively and efficiently.</p> <p>The Board Assessment and Evaluation is primarily based on answers to a detailed questionnaire prepared internally by the Group's Legal and Secretarial Department considering applicable best practices. The assessment questionnaire is distributed to all the respective Board members and covers topics which include, amongst others, the responsibilities of the Board in relation to strategic planning, risk management, performance management, financial reporting, audit and internal processes, human capital management, corporate social responsibility, communication, corporate governance, and shareholders' interest and value.</p> <p>Other areas being assessed include Board composition and size, the contribution of each member of the Board at meetings, the Board's decision-making and output, information and support rendered to the Board as well as meeting arrangements.</p> <p>Actionable improvement programmes will be identified, upon review of the results of the Board and committee assessment by the Nominating Committee and the Board. Such programmes may include training needs of individual Directors.</p>
Explanation for departure	:

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.1

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	:	The Remuneration Committee (“RC”) reviews on a yearly basis the individual remuneration packages of Directors and makes appropriate recommendations to the Board. The present policies on the remuneration of executive directors and senior management considers the scope of work, responsibility, experience, qualification, market situation, performance of the company and individual performance.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee ("RC") of the Board consists of the following Directors:</p> <ul style="list-style-type: none">• Datuk Iskandar Bin Sarudin (Independent Non-Executive Director and Chairman of the Remuneration Committee); and• Tuan Mohammad Nizar Bin Idris (Senior Independent Non-Executive Director). <p>The RC is entrusted with the following responsibilities:</p> <ul style="list-style-type: none">• Recommending to the Board the policy and framework for Directors' remuneration as well as the remuneration and terms of service of the Executive Directors and Senior Management personnel;• Evaluating the performance and reward of the Executive Directors and Senior Management personnel, including ensuring performance targets are established to achieve alignment with the interests of shareholders of the Company, with an appropriate balance between long and short-term goals;• Designing and implementing an evaluation procedure for Executive Directors and Senior Management personnel; and• Reviewing, on a yearly basis, the individual remuneration packages of Executive Directors and Senior Management personnel and making appropriate recommendations to the Board. <p>The RC meets as and when necessary and can also make decisions by way of circular resolutions. The RC had, for the financial year, reviewed the remuneration packages of the Executive Directors and Senior Management personnel of the Company.</p>

	There are written Terms of Reference for the RC which is available on the Company's website at www.eversendai.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

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the remuneration of the directors and senior management during the year ended 31 December 2021 are disclosed in the Corporate Governance Overview Statement in the Annual Report 2021.

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	Tan Sri Dato' Nathan a/l Elumalay	Executive Director	-	RM370	-	-	-	-	RM370	-	RM5,671	-	-	RM5	-	RM5,676
2	Mr. Narishnath a/l Nathan	Executive Director	-	RM134	-	-	-	-	RM134	-	RM1,261	-	-	RM128	-	RM1,389
3	Mr. Narla Srinivasa Rao	Executive Director	-	-	-	-	-	-	-	-	RM1,055	-	-	RM387	-	RM1,442
4	Tuan Mohammad Nizar Bin Idris	Independent Director	RM18	RM3	-	-	-	-	-	RM18	RM3	-	-	-	-	-
5	Datuk Iskandar Bin Sarudin	Independent Director	RM18	RM3	-	-	-	-	-	RM18	RM3	-	-	-	-	-
6	Puan Nazariah Binti Ibrahim	Independent Director	RM18	RM3	-	-	-	-	-	RM18	RM3	-	-	-	-	-
7	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
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

Intended Outcome

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

Practice 8.2

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

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board																					
Explanation on application of the practice	:	<p>The Board is of the opinion that disclosure of senior management’s remuneration on name basis is not encouraged as a precautionary measure of privacy, safekeeping and retainability of senior management might potentially cause conflict among the senior staff. The top senior management’s remuneration range for the year 2021 is disclosed as per the table below:</p> <table><tr><td>Range of remuneration</td><td>Number of Senior Management</td></tr><tr><td>RM750,001 to RM1,500,000</td><td>6</td></tr><tr><td>RM700,001 to RM750,000</td><td>2</td></tr><tr><td>RM650,001 to RM700,000</td><td>0</td></tr><tr><td>RM600,001 to RM650,000</td><td>0</td></tr><tr><td>RM550,001 to RM600,000</td><td>0</td></tr><tr><td>RM500,001 to RM550,000</td><td>0</td></tr><tr><td>RM450,001 to RM500,000</td><td>1</td></tr><tr><td>RM0 to RM450,000</td><td>2</td></tr><tr><td>Total</td><td>11</td></tr></table>		Range of remuneration	Number of Senior Management	RM750,001 to RM1,500,000	6	RM700,001 to RM750,000	2	RM650,001 to RM700,000	0	RM600,001 to RM650,000	0	RM550,001 to RM600,000	0	RM500,001 to RM550,000	0	RM450,001 to RM500,000	1	RM0 to RM450,000	2	Total	11
Range of remuneration	Number of Senior Management																						
RM750,001 to RM1,500,000	6																						
RM700,001 to RM750,000	2																						
RM650,001 to RM700,000	0																						
RM600,001 to RM650,000	0																						
RM550,001 to RM600,000	0																						
RM500,001 to RM550,000	0																						
RM450,001 to RM500,000	1																						
RM0 to RM450,000	2																						
Total	11																						
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	:	The Board will continue evaluating the implications of such disclosure and will make the necessary disclosure provided that it is in the best interest of the Group to do so.																					
Timeframe	:	Others	The Company intends to maintain the current practice to preserve the confidentiality of such information.																				

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Mr. Paladugu Bhaskara Rao	General Manager, Eversendai Engineering Saudi LLC	600,001-650,000	Choose an item.	Choose an item.	750,001-800,000	Choose an item.	1,400,001-1,450,000
2	Mr. Chadalavada Pardhasaradhi	Operations Director, Eversendai Engineering LLC	850,001-900,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	850,001-900,000
3	Ms. Pashmeena Bhatia	Chief Financial Officer, Group Structural Steel & Construction, Eversendai Engineering LLC	850,001-900,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	850,001-900,000
4	Mr. Pitchaimuthu Baskaran	Operations Director, Eversendai Offshore RMC FZE	800,001-850,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	800,001-850,000
5	Mr. Chinaaraj Babu	General Manager, Proposal & Tendering, Eversendai Engineering LLC	750,001-800,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	750,001-800,000

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	:	<p>At this juncture, the Board is of the opinion that the disclosure of senior management's remuneration on a named basis would not be in the best interest of the Group due to confidentiality and might potentially cause conflict among the senior staff.</p> <p>The Board ensures that the remuneration of the senior management commensurate with performance of the company and their individual performance.</p>

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee (“AC”) consists exclusively of independent non-executive directors and the AC Chairman is not the Chairman of the Board.</p> <p>The AC is chaired by Puan Nazariah Binti Ibrahim.</p> <p>Having the positions of the Board Chairman and Chairman of the AC held by different individuals allows the Board to objectively review the findings of AC and its recommendations.</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

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company complies with the practice 9.2 of Malaysian Code of Corporate Governance 2021. None of the members of the Board were former key audit partners within the cooling-off period of three (3) years. Hence, there is no such person being appointed as a member of the Audit Committee.</p> <p>The requirements as to “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” in Practice 9.2 of the Malaysian Code on Corporate Governance 2021 is also set out under the Terms of Reference of the Audit Committee.</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

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 Audit Committee ("AC") has policies to assess the suitability, objectivity and independence of the Independent Auditor.</p> <p>The AC is responsible for assessing the capabilities and independence of Independent Auditors and to make recommendations to the Board on the appointment, re-appointment and termination of Independent Auditors.</p> <p>The AC reviews the suitability and independence of Independent Auditors. The review process covers the Independent Auditor's independence, performance, quality of audit work, adequacy of recourses and the audit fee.</p> <p>The AC was further assured by Messrs Baker Tilly Monteiro Heng in writing that its personnel were and have been independent, throughout the conduct or the audit of the financial statement for the year ended 31 December 2021 and met the by-laws (on professional ethics, conduct and practice) by Malaysian Institute of Accountants and the International Ethics Standards Board and Accountant's Code of Ethics for Professional Accountants.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	In agreement with Malaysian Code of Corporate Governance 2021 recommendation, the Audit Committee comprises of three (3) Independent Non-Executive Directors with a diverse skill set in accountancy, law and administration.

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>Collectively, the members of the Audit Committee (“AC”) possess a wide range of necessary skills to discharge their duties and are financially and legally literate. The profiles of the members are provided in the Annual Report. The Chairwoman of the AC is a Chartered Accountant.</p> <p>The Company is committed to ensure that its AC members keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has established the necessary risk and internal control infrastructure encompassing the risk assessment process, internal control measures, organisational oversight and reporting function to instill the appropriate discipline to continuously improve risk management and internal control capabilities. Details of the risk management framework and internal control systems are set out in the Statement on Risk Management and Internal Control in the 2021 Annual Report. The Board is of the view that the Risk Management and Internal Control Framework in place for the year under review is adequate and effective.	
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	:	The Board has disclosed the features of its risk management and internal control framework and concluded on its adequacy and effectiveness in the Statement on Risk Management and Internal Control of the Annual Report 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

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Risk Management Committee ("RMC") comprises wholly of Independent Non-Executive Directors. The membership classification of each RMC member is as follows:</p> <ul style="list-style-type: none">• Tuan Mohammad Nizar Bin Idris (Senior Independent Non-Executive Director and Chairman of the Risk Management Committee);• Puan Nazariah Binti Ibrahim (Independent Non-Executive Director); and• Datuk Iskandar Bin Sarudin (Independent Non-Executive Director).

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has an established internal audit function performed by the in-house Group Internal Audit Department ("GIAD") which is in charge of the overall internal audit activities of the Group. GIAD functionally reports to the Audit Committee ("AC") and administratively to the Group Managing Director.</p> <p>The GIAD continues to independently review key processes, monitor compliance with policies and procedures, evaluate the adequacy and effectiveness of internal control and risk management systems and highlight significant findings, enhancements and corrective measures in respect of any non-compliance on a timely basis. Its work practices are governed by the Internal Audit Charter, which is approved by the AC.</p> <p>The Internal Audit Charter had authorised GIAD to:</p> <ul style="list-style-type: none">• Have unrestricted access to all the Company's records, information, properties and personnel relevant to the performance of the internal audit function and activities;• Determine the scope of work and exercise diligent efforts covering the Group's critical operating functions and core activities;• Obtain the necessary cooperation and adequate assistance from staff in various operating units and departments where they perform audits; and• Obtain assistance of professionals, from within or outside the Group where considered necessary. <p>The annual audit plan, established primarily on a risk-based approach, is reviewed and approved by the AC annually before the commencement of the following financial year and an update is given to the AC every quarter. The AC oversees the GIAD's function, its independence, scope of work and resources. The Head of the GIAD, on a quarterly basis (unless during circumstances unforeseen and/or beyond our control due to resignations or operational exigencies), presents to the AC audit results and significant matters raised in the audit reports for the audits undertaken in respective areas of operation. Follow-up audits are also carried out to determine the status of implementation of agreed corrective actions based on the previous audit issues reported.</p> <p>The details of the Audit Committee's Terms of Reference over the Internal Audit function is set out under the Audit Committee Report in the Annual Report 2021.</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 Group Internal Audit Department (“GIAD”) has adopted the International Professional Practices Framework (“IPPF”) issued by Institute of Internal Auditors as its practicing standards for the Group. The audit chart was established based on the IPPF standards.</p> <p>Referring to International Standard for the Professional Practice of Internal Auditing standard 1110 “Organisational Independence”, the Head of Internal Audit will annually assess the internal audit personnel to ensure they are free from any relationships or conflict of interest with the Group. If any irregularities are discovered, the Head of Internal Audit will present the findings to the AC.</p> <p>The Internal Audit Personnel are free from any family relationships with any Director and/or major shareholders and do not have any conflict of interest with the Group.</p> <p>The GIAD Head is Mr. Sonny Seow Han Kheng. He is a Certified Internal Auditor under the global Institute of Internal Auditors (IIA USA). He graduated from Swinburne University of Technology (Melbourne, Australia) with a Bachelor’s Degree in Accounting & Computing. He joined GIAD on 3rd May 2021.</p> <p>The Group Internal Audit Function has been divided into three regional offices which are based in Malaysia for Malaysia and Singapore Operations, in India for India Operations and in Dubai for the Middle East Operations.</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

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 Group strives to maintain an open and transparent channel with its stakeholders, institutional investors and the investing public at large with the objective of providing clear and complete information of the Group's performance and financial standing.</p> <p>Announcements on all significant developments and matters of the Group are made to Bursa Malaysia Securities Berhad. Shareholders and stakeholders are provided with a regular overview of the Group's performance via the financial results which are released on a quarterly basis within the mandatory period. The Investor Relations section of the Company's website holds all the announcements made by the Company to Bursa Securities.</p> <p>As part of the Company's active investor relations program, discussions and dialogues are held with fund managers, financial analysts, shareholders, potential investors and members of the media to convey information about the Company's performance, strategy and other matters affecting shareholders' interest.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable as the Company is not a large company by the definitions of the Malaysia Code on Corporate Governance.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice of the Nineteenth Annual General Meeting of the Company will be issued at least 28 days prior to the Annual General Meeting date.</p> <p>The Company is therefore in compliance with Practice 13.1 of the Malaysia Code on Corporate Governance 2021 and Companies Act, 2016 which requires notice of not less than 21 days.</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

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	:	All Directors and Chairmen of the Board Committees are present to provide clarification on shareholders’ queries. Where appropriate, the Chairman of the Board will endeavour to provide the shareholders with written answers to any significant questions that cannot be readily answered during the Annual General Meeting (“AGM”). Shareholders are welcome to raise questions by contacting the Company at any time throughout the year and not only 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

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 does not have a large number of shareholders.</p> <p>Due to the unprecedented circumstances arising from the measures that have been implemented nationally to limit the spread of the COVID-19 Pandemic, and in particular, the Government of Malaysia's official guidance for practising social distancing, the Company will maintain the mode of the 19th Annual General Meeting ("19th AGM") to be conducted on a fully virtual basis through live streaming from the Broadcast Venue and online remote voting using the Remote Participation and Voting ("RPV") Facilities (collectively referred hereinafter as "Virtual 19th AGM").</p> <p>In line with the Malaysian Code on Corporate Governance Practice 13.3, conducting a Virtual 19th AGM would facilitate greater shareholder participation as it facilitates electronic voting and remote shareholders' participation. With the RPV Facilities, the shareholders may exercise their right as a member of the Company to participate (including the right to pose questions to the Board of Directors and/or Management of the Company) and vote at the Virtual 19th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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	:	All the shareholders could raise questions including but not limited to the Company's financial and non-financial performance and long-term strategies. Shareholders submitted their questions prior to the conduct of the meeting via the RPV. Besides, shareholders were also allowed to submit their questions via the RPV during the meeting. Directors and senior management answered the questions raised by shareholders during the meeting.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

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

Provide any reasons and/or check by the issuing platform.		
Application	:	Applied
Explanation on application of the practice	:	The 19 th AGM of the Company was held on a virtual basis through live streaming and online remote voting from a broadcast venue using the RPV provided by DVote Services Sdn Bhd. Relevant questions raised by shareholders were shared with the shareholders via the RPV and the Chairman, Directors and/or senior management responded to the questions verbally.
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 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of the forthcoming 19 th AGM of the Company will be made available on the Company's website at www.eversendai.com within 30 business days from the 19 th AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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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