

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 8524  
**COMPANY NAME** : TALIWORKS 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The business and affairs of the Group are managed by and under the direction of the Board. The role of the Board, amongst others, are:-<ul style="list-style-type: none"><li>a) overseeing the conduct of the Group's business;</li><li>b) reviewing and adopting a strategic plan for the Group's future growth and expansion with a view to support long term value creation for shareholders;</li><li>c) reviewing the Group's effort in driving and implementing sustainable business practices;</li><li>d) identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;</li><li>e) succession planning to provide for a clear and orderly succession;</li><li>f) overseeing the development and implementation of a shareholder communications policy for the Group; and</li><li>g) reviewing the adequacy and the integrity of the Group's management information and internal control systems.</li></ul></li></ul> <p>The above is further elaborated in Section 1.1 of the Corporate Governance Overview Statement ("CG Statement") in the Annual Report.</p>
<b>Explanation for departure</b>	:	

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

## Intended Outcome

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

## Practice 1.2

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<ul style="list-style-type: none"><li>▪ The current Chairman, YAM Tunku Ali Redhaudin Ibni Tuanku Muhriz, was appointed to the Board on 27 November 2019. Tunku Ali brings over twenty years of corporate experience to the Board, combining active participation and advisory work across many sectors, with significant strategy consulting and principal investing knowledge. He currently sits on several boards of public companies and is the Chairman and Founding Trustee of Teach For Malaysia, Chairman of WWF Malaysia, Chairman of the Board of Governors of Marlborough College Malaysia, and Pro Chancellor of Universiti Sains Islam Malaysia. He is also Chairman of Yayasan Munarah and a Trustee of Amanah Warisan Negara. Tunku Ali is well qualified to be appointed as Chairman of the Board.</li><li>▪ The roles and responsibilities of the Chairman are specified in Clause 4.1 of the Board Charter, which is available on the Company's website at <a href="https://taliworks.com.my/corporate-governance/">https://taliworks.com.my/corporate-governance/</a> under the caption "Board Charter".</li><li>▪ Other than leading the Board meetings and discussions and meeting of shareholders, the Chairman ensures that all relevant issues for the successful stewardship of the Group's business are on the Board agenda to facilitate effective decision making by the Board. This is facilitated by: -<ul style="list-style-type: none"><li>(a) setting the Board agenda in consultation with the Company Secretaries and ensuring that Board members receive complete board papers with adequate level of details for deliberation and discussion at the Board meetings in a timely manner;</li><li>(b) encouraging active participation amongst the Board members and allowing dissenting views of Board members to be freely expressed and thereafter duly recorded by the Company Secretaries. As Chairman, Tunku Ali also ensures that there is no member of the Board dominates Board deliberations and every member has equal right and opportunity to be heard and a chance to speak;</li><li>(c) managing the interface between Board and management by providing directives of the Board to be</li></ul></li></ul>

	<p>implemented by the management and the appropriate actions to be followed up via the resolution of outstanding matters documented in minutes of the Board and Board Committees;</p> <p>(d) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole. This is achieved via several channels including electronic communication, general meetings, whistle-blowing to a dedicated email address, stakeholder engagement, holding of media interviews and analysts' briefings; and</p> <p>(e) leading the Board in establishing and monitoring good corporate governance and sustainability practices in the Group. In this respect, the Board will review the terms of reference of the Board Committees and the Board Charter at least once every three years whereas the management will review and implement other aspects of governance policies periodically to ensure that the corporate governance practices in the Group remain relevant and on par with the latest developments in corporate governance matters. The Company Secretaries also play a role in advising the Board on corporate governance regulations and practices.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The Chairman, YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz, is not related to any of the Directors or major shareholders of the Company.</li><li>▪ His roles and functions are clearly separated and distinct from those of the Executive Director, Dato' Lim Yew Boon, who is specifically responsible for managing the strategic agenda and operational performance of the Group and for the execution of the directives and policies of the Board, as well as directing the business operations of the Group on a day-to-day basis.</li><li>▪ As stipulated under Clause 4 of the Board Charter, the positions of Chairman and the Executive Director and/or the Chief Executive Officer are to be held by different individuals, and the Chairman must be a Non-Executive member of the Board. These have been complied with.</li><li>▪ The separation of duties is to reinforce the independence of the Board and ensuring the balance of power and authority between the Chairman and the Executive Director and/or the Chief Executive Officer with a clear division of responsibility between the running of the Board and the Company's business respectively.</li></ul>
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<ul style="list-style-type: none"><li>▪ The Chairman, YAM Tunku Ali Redhaudin Ibni Tuanku Muhriz, is not a member of the Board Committees as disclosed in Section 2.1 of the CG Statement.</li><li>▪ He does not attend any of the meetings of the Board Committees.</li></ul>
<b>Explanation for departure</b> :	
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<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

## Practice 1.5

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

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<ul style="list-style-type: none"><li>▪ The Group engages the services of Boardroom Corporate Services Sdn Bhd, a well-known and established corporate service provider, to provide secretarial services to the Group, effective from 31 December 2021. Prior to this, the Group procured the services of Tricor Corporate Services Sdn. Bhd.</li><li>▪ The previous Company Secretaries, Tan Bee Hwee and Wong Wai Foong, who acted as the Companies Secretaries for 2021, are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016. Both are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators.</li><li>▪ To ensure the effective functioning of the Board, the Company Secretaries regularly update and advise the Board on the changes to statutory and regulatory requirements relating to its duties and responsibilities either via email or circulation of board papers.</li><li>▪ The Company Secretaries play an advisory role to the Board in relation to the Company's constitution and ensure compliance with the relevant security laws, regulatory requirements as well as Principles and Practices of corporate governance under the Malaysian Code of Corporate Governance.</li><li>▪ Every member of the Board has unrestricted access to the advice and services of the Company Secretaries.</li><li>▪ Either one of the Company Secretaries would attend the Board and Board Committees meetings, ensuring that the deliberations and decisions made by the Board and Board Committees respectively are recorded and documented with any dissenting decisions by any members of the Board or Board Committees recorded accordingly.</li><li>▪ The Company Secretaries manage the logistics of the Board and Board Committee meetings and ensure that the records of the proceedings of the Board and Board Committees</li></ul>



	<p>meetings are properly kept at the registered office of the Company.</p> <ul style="list-style-type: none"> <li>▪ The Company Secretaries assist the Chairman in ensuring that the conduct of general meetings are properly managed. This included briefing to the Chairman on the procedures prior to general meetings and preparing written scripts for Board members and management who are expected to speak at general meetings.</li> <li>▪ The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in company law, Listing Requirements and corporate governance developments through attending relevant conferences and training programmes.</li> <li>▪ The appointment and termination of the Company Secretaries are at the absolute discretion of the Board.</li> <li>▪ As the Company Secretaries play an important role in ensuring that the Company and the Board adhere to the Main Market Listing Requirements and the applicable laws, their role and functions are clearly spelt out in Clause 11 of the Board Charter.</li> </ul>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<b>Access to Information from the Company</b> <ul style="list-style-type: none"><li>▪ The Board in discharging its duties and responsibilities has full and unrestricted access to both financial and non-financial information and to management on matters relating to the Group's operational and financial performance.</li><li>▪ Prior to each meeting of the Board and Board Committees, the Company Secretaries will notify members of the Board and Board Committees approximately seven days prior to the meetings via email, an agenda and as soon as all the Board papers are available, a set of the board papers containing reports and other relevant information to enable members of the Board and Board Committees ample time to review the documents and subsequently make informed decisions at the meeting of the Board and Board Committees.</li><li>▪ The agenda and board papers are circulated to the Board and Board Committees via email to ensure that the Board and Board Committee members have sufficient time to review the board papers and at the same time, a hard copy of the board papers is compiled and despatched to directors who requested for them.</li><li>▪ Where physical Board meetings are held, board papers are loaded into the notebook or iPad during the meeting to facilitate deliberations by the Board and Board Committees.</li><li>▪ The board papers include operational, financial, strategic, corporate proposals and other key matters of interest including Board reserve matters as stipulated in the approved Limits of Authority or Board Charter that require the Board's deliberation and approval.</li><li>▪ The Executive Director together with the Chief Investment Officer and the General Manager, Group Finance will be present during meetings of the Board whereas other senior management, external auditors and/or advisers maybe invited to attend the meetings, if required, to provide</li></ul>

additional information on the relevant agenda tabled at the meetings.

- Both the Head of Internal Audit and the General Manager, Group Finance will be present during meetings of the Audit and Risk Management Committee whereas the external auditors will be invited to attend the meetings, if required, to provide additional information on the relevant agenda tabled at the meetings. The external auditors are normally required to attend the meetings of the Audit and Risk Management Committee to present the Audit Planning Memorandum and when the unaudited financial results for the year and the Audited Financial Statements are being tabled for deliberation.
- For the meeting of the Remuneration Committee, the Head of the Group Human Resource will sit in for the meeting to provide explanation on matters relating to the compensation policy, remuneration or the performance standards of the Executive Director and the senior management.
- For the meeting of the Nominating Committee, the Company Secretary will attend to assist and advise the chairperson of the committee on the meeting agenda.
- At Board and Board Committee meetings, the Company Secretary will be in attendance.

#### **Board Meetings**

- The Board meets on a quarterly basis, to amongst others, review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions are required expeditiously or urgently from the Board between the regular meetings, special Board meetings may be convened by the Company Secretaries, after consultation with the Chairman.
- The dates for Board and Board Committee meetings for the year will be circulated by the Company Secretaries well in advance at the end of the previous year to ensure that each of the Directors is able to attend the planned Board and/or Board Committee meetings including that of the annual general meeting. At the end of each Board and Audit and Risk Management Committee meetings, the date, time and place of the next meetings are to be re-confirmed.
- Besides Board meetings, the Board also exercises control on matters that require its approval through the circulation of resolutions. These are only limited to non-complex transactions that would not require rigorous deliberation. Summary of circular resolutions, which have been passed since the last Board meeting, would be circulated for notation at the next Board meeting and minuted accordingly.

	<ul style="list-style-type: none"><li>▪ The Board would normally allocate its time at the scheduled Board meeting during the year as follows: -<ul style="list-style-type: none"><li>(a) reviewing the Executive Director's Quarterly Operational Report comprising the operational performance of the various business units, their key performance indicators, critical issues and any reports of incidence of fraud, bribery or corruption;</li><li>(b) reviewing the Quarterly Financial Reports and Annual Budgets;</li><li>(c) reviewing the reports and minutes of each of the Board Committees; and</li><li>(d) legal and secretarial matters including any updates/pronouncements from the stock exchange and legislation and regulatory developments.</li></ul></li><li>▪ Prior to the Company Secretaries tabling the minutes of the Board and Board Committee meetings at the subsequent Board and Board Committee meetings respectively, the draft minutes will be circulated to the Chairman of the Board and the Board Committees, as the case maybe, for their review within one month from the date of Board and Board Committee meetings.</li><li>▪ After the review by the Chairman of the Board and the Board Committees, as the case maybe, the draft minutes are then circulated to the Board and Board Committees for their review prior to their confirmation at the subsequent Board and Board Committees meeting.</li><li>▪ The deliberations and decisions at the Board and Board Committee are minuted by the Company Secretaries. The deliberations in terms of issues discussed and the conclusions thereto provide a historical record and insight into decisions made by the Board and Board Committees including contrary views expressed by any of the members. Where there are matters to be followed up, these will be attended to until they are resolved. All resolutions are duly minuted.</li><li>▪ Minutes of the meeting of the Board and Board Committees would also indicate the number of Board and Board Committees meetings that had been attended by each member of the Board and Board Committees and they are notified in advance of the date and time of Board and Board Committee meetings that are to be held during the year.</li><li>▪ Minutes of proceedings and resolutions passed are kept by the Company Secretaries in the statutory register at the registered office of the Company.</li></ul>
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	<ul style="list-style-type: none"> <li>▪ A Director, who is, in any way, directly or indirectly interested in any proposed transaction to be entered by the Company or by the Group, will be required to make a declaration to that effect and the Director concerned will then abstain from any decision-making process in which he/she has an interest in.</li> </ul>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The Board has adopted a Board Charter which sets out a list of specific functions that are reserved for the Board. This Board Charter serves not only as a reminder of the Board's roles and responsibilities, but also as a general statement of intent and expectation as to how the Board will discharge its duties. The Board Charter addresses, among others, the following matters:-<ul style="list-style-type: none"><li>(a) a general outline of the Board's purpose;</li><li>(b) an overview of the Board's roles and responsibilities;</li><li>(c) structure and membership, including a requirement that two or one-third of members, whichever is higher, shall comprise of Independent Directors;</li><li>(d) a formal schedule of matters reserved for the Board;</li><li>(e) a position description of the role of the Chairman, the Executive Director, the Independent Director as well as the Company Secretary; and</li><li>(f) appointment of Board Committees.</li></ul></li><li>▪ The Board Charter is periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.</li><li>▪ The Board Charter was first adopted in April 2013 and is reviewed every three years or from time to time when there are significant developments requiring the Board Charter to be amended. Since the first adoption, the Board Charter has been revised, the last revision being made in August 2021.</li></ul>

	A copy of the Board Charter is published on the Company's website at <a href="https://taliworks.com.my/corporate-governance/">https://taliworks.com.my/corporate-governance/</a> under the caption "Board Charter".	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The Code of Business Conduct and Ethics for Directors was first adopted in April 2013 and is reviewed every three years or from time to time when there are significant developments requiring the said Code to be amended. Since the first adoption, the Code of Business Conduct and Ethics for Directors has been revised, the last revision being made in August 2021.</li><li>▪ The Securities Commission has on 30 July 2020 issued the Guidelines on Conduct of Directors of Listed Issuers and Their Subsidiaries ("Guidelines"). The Guidelines set out guidance on the conduct of directors which includes the subsidiaries and this has been reflected accordingly in the last revision of the Code of Business Conduct and Ethics for Directors.</li><li>▪ The Directors are expected to adhere to the Code of Business Conduct and Ethics for Directors which is based on principles of integrity, objectivity, accountability, commitment, transparency, honesty and corporate social responsibility to enhance the Group's standard of corporate governance and behaviour.</li><li>▪ This Code of Business Conduct and Ethics for Directors sets out the general principles and standards of business conduct and ethical behaviour for the Directors in the performance and exercise of their responsibilities as Directors of the Company or when representing the Company and includes the expectation of professionalism and trustworthiness from the Directors.</li><li>▪ The main thrust of the Code of Business Conduct and Ethics for Directors are in the following areas: -<ul style="list-style-type: none"><li>(a) Compliance with applicable laws and regulations</li></ul></li></ul>



	<ul style="list-style-type: none"> <li>(b) Maintain the highest standards and uphold corporate values</li> <li>(c) Conflict of interest</li> <li>(d) Personal and Family Relationships</li> <li>(e) Gifts, Gratuities and/or Bribes</li> <li>(f) Confidentiality</li> <li>(g) Insider Trading</li> <li>(h) Money laundering</li> <li>(i) Abuse of power</li> <li>(j) Commitment against corrupt practices</li> </ul> <ul style="list-style-type: none"> <li>▪ A copy of the Code of Business Conduct and Ethics for Directors is published on the Company's website at <a href="https://taliworks.com.my/corporate-governance/">https://taliworks.com.my/corporate-governance/</a> under the caption "Code of Business Conduct and Ethics for Directors".</li> <li>▪ A separate Code of Conduct containing policies and guidelines relating to standards and ethics for all employees, sexual harassment and disciplinary procedures are given to all employees upon their employment with the Group. This Code of Conduct is incorporated into the Employment Handbook. The Employment Handbook is revised by the Group Human Resource department and the latest revision was made in 2020. It is expected that the Employment Handbook will be further revised in 2022/2023 to take into consideration amendments to the latest Employment Act and enhance amongst others, the Code of Conduct to incorporate policies and procedures on whistle-blowing, flexi-working working arrangements.</li> </ul>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The Group has implemented the “Anti-Bribery Policy and Whistle-Blowing Policies and Procedures” in June 2020. This policy is a specific mean by which any stakeholder can exercise their responsibility to report or disclose through established channels, his or her legitimate concerns related to, amongst others, fraud, financial irregularity, corruption, bribery, serious breaches of the Employees Code of Conduct and Ethics, non-compliance with laws and regulations or company policies, illegal, unethical or questionable practices etc. (collectively referred to as “Misconduct”).</li><li>▪ The objectives of this Policy are:-<ul style="list-style-type: none"><li>(a) to provide a mechanism for legitimate concerns on any Misconduct to be raised or reported, investigated and where necessary, appropriate action to be taken to resolve such issues promptly and effectively within the Group;</li><li>(b) to protect a complainant or whistle-blower from any form of harassment, reprisal or retaliation as a direct consequence of him or her reporting any legitimate concerns under this policy. The protection accorded is to encourage a whistle-blower to report such legitimate concerns whilst removing any fear or risk or disclosure of his or her identity.</li></ul></li><li>▪ Under the Policy, any affected stakeholders can address their concerns pertaining to any Misconducts by raising a formal report directly to the Whistle-Blowing Committee at <a href="mailto:we_hear@lgb.com.my">we_hear@lgb.com.my</a></li><li>▪ The written report can also be furnished to the Whistle-Blowing Committee via hardcopy or hand delivered, sealed in an envelope and marked “Strictly Private &amp; Confidential &amp; to be Opened by Addressee Only” to:</li></ul>

	<p>The Whistle-Blowing Committee, LGB Group, Level 18, Menara LGB, 1, Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur</p> <ul style="list-style-type: none"> <li>▪ When a Misconduct is reported, it will be acknowledged and immediately thereafter forwarded to the relevant parties who will conduct a preliminary investigation to determine the validity of the report and whether it merits further investigation. The Whistle- Blowing Committee will keep the party informed in writing on the progress of the investigation and any conclusion arrived therefrom as soon as a decision is made will be informed to the party who reported the Misconducts.</li> <li>▪ The anti-bribery and whistle-blowing provisions have been incorporated into the “Anti-Bribery Policy Booklet and Whistle-Blowing Policies and Procedures” which is distributed to all employees setting out the channels for reporting of Misconducts, procedures (including how their report will be dealt with and the conclusion arrived therefrom as soon as a decision is made), employees’ safeguards etc.</li> <li>▪ A copy of the Anti-Bribery Policy and Whistle-Blowing Policy is published on the Company’s website at <a href="https://taliworks.com.my/corporate-governance/">https://taliworks.com.my/corporate-governance/</a> under the caption “Anti-Bribery Policy” and “Whistle-Blowing Policy” respectively.</li> <li>▪ If there are any reports of Misconducts reported to the Whistle-blowing Committee, these are then reported to the Executive Director who subsequently reports them in the Quarterly Operational Reports which are briefed to the Board on a quarterly basis.</li> </ul>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</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 4.1**

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ The Group has in place a Sustainability Framework that serve as a guide towards delivering positive impact for the business, environment and communities in locations where the Group operates by incorporating sustainability practices into operations. The Sustainability Framework sets out the four pillars and seventeen ambitions together with the sustainability strategies, priorities and targets. These together with the Sustainability Governance Structure are elaborated in the Sustainability Statement included in this Annual Report.</li> <li>▪ In developing the Sustainability Framework, various engagements were held with heads of business units to craft the sustainability strategies, priorities and agreeing on the targets. In tandem with the Sustainability Framework, environmental, social and governance (“ESG”) risks are also given due attention by the heads of business units and risk owners as part of the risk management process which are documented in the Risk Profile and Risk Registers.</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ The sustainability strategies, priorities and targets are documented in the Sustainability Framework adopted by the Group and are disclosed in the Sustainability Report included in the Annual Report.</li> <li>▪ The performance against targets will be disclosed in the Annual Report for next year as this is the first year the targets are established in the Sustainability Framework.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ The progress of the Group’s sustainability matters are in the Board meeting agenda to keep the Board updated. In 2021, the Board was involved in reviewing and approving the Sustainability Statement 2020 and the Baseline Sustainability Framework, which forms the basis for the Final Sustainability Framework adopted by the Group in 2022.</li> <li>▪ Some of the Directors have attended the ESG Risk Management Briefing 2021 by an external sustainability consultant organised by the Group.</li> <li>▪ Directors are encouraged to attend training, webinars or any other professional development programs in relation to the sustainability issues relevant to the Group and its business, as a way to enhance their ESG competency.</li> <li>▪ The Board has indicated its intention to consider appointing additional directors, specifically women directors, with the required skill sets to strengthen the Board oversight on sustainability issues.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ The performance evaluation of the Board undertaken by the Nominating Committee in addressing the Group’s material sustainability risks and opportunities have been included in the Directors’ Annual Evaluation Form. This included Key Performance Indicator (KPI) on sustainability matters being included in the annual evaluation of the Executive Director where as part of his evaluation, the actual performance against sustainability targets would be tracked and monitored.</li> <li>▪ The sustainability targets in the Sustainability Framework will be assigned to senior management who are directly involved in addressing the Group’s material sustainability risks and opportunities and their KPIs are reflected in the annual self-assessment evaluation forms.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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



### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ Clause 5.2.4(h) and Clause 8(h) of the Board Charter and Terms of Reference of Nominating Committee respectively requires the composition of the Board and the Board Committee be reviewed and refreshed periodically by the Nominating Committee.</li><li>▪ In February 2022, the Nomination Committee convened a meeting and reviewed the composition of the Board and Board Committees and it made the appropriate recommendations to the Board. The outcome of the meeting is found in Section 2.2(b) of the CG Statement.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The composition of the Board is well balanced representing both the major and minority shareholders' interests and complies with paragraph 15.02(1) of the Main Market Listing Requirements where at least two directors or one-third of the Board, whichever is higher, must comprise of independent directors.</li><li>▪ For the year, more than half of the composition of Board members comprise Independent Directors i.e. six out of eight Board members.</li><li>▪ All the Independent Directors have served for less than nine years. The tenure of the Independent Directors is disclosed in Section 1.11 of the CG Statement.</li><li>▪ An annual assessment of the independence of the Independent Directors was conducted by the Nominating Committee in February 2022 as part of the performance review for 2021.</li><li>▪ The Independent Directors submitted a self-assessed performance evaluation which covered a total of 32 questionnaires and the analysed summary of results was tabulated by the Company Secretary. The Nominating Committee noted that all the Independent Directors had met the requirements as Independent Directors and they unanimously agreed to accept the analysed summary of the self-assessed performance evaluation report on each Independent Director and they were subsequently tabled to the Board for further deliberation and notation in February 2022.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ Clause 3.7.2 of the Board Charter stipulates that the Board will provide justification and seek annual shareholders' approval for an Independent Director serving beyond nine years through a two-tier voting process.</li><li>▪ An Independent Non-Executive Director, Soong Chee Keong, will reach the tenure of nine years as an independent director on 25 April 2022. The Board, on recommendation of the Nominating Committee (which Soong Chee Keong had abstained), had on 22 February 2022 approved to retain him as an Independent Non-Executive Director and will recommend the same for shareholder's approval through a two-tier voting process in the forthcoming 31<sup>st</sup> Annual General Meeting with justification in the Explanatory Notes to the AGM Agenda.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ Appointments of Board and senior management are based on objective criteria, merit and with due regard to diversity in skills, experience, age, cultural background and gender.</li><li>▪ None of the Board and senior management has been convicted for any offence including breaches of securities laws or have public sanction or penalty imposed by the relevant regulatory bodies. They have declared their family relationship and conflict of interest, if any, in their respective profile.</li><li>▪ There is no active politician (being a Member of Parliament, State Assemblyman or who holds a position at the Supreme Council, or division level in a political party) appointed as a Board member.</li><li>▪ The Nominating Committee is responsible for recommending to the Board the appointment of new directors by evaluating and assessing the suitability of candidates for board membership.</li><li>▪ The Board diversity, age profile and skill-set of the Board members are disclosed in section 1.14 of the CG Statement whereas the profile of the Directors (including the number of directorship in public and private companies) is disclosed in the Directors' Profile included in this Annual Report.</li><li>▪ Whilst the Board members are also board members of other public and private companies, they were able to commit their time to serve the Board effectively. All the directors have attended more than 50% of the total Board meetings held during the year. The attendance of Directors at Board and Board Committee meetings are disclosed in Section 2.3 of the CG Statement.</li></ul>

	<ul style="list-style-type: none"> <li>▪ The profile of the senior management is disclosed on the Company's website under the caption "Key Senior Management".</li> </ul>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ Under clause 5.2.4(b) of the Board Charter and clause 8(b) of the Terms of Reference of the Nominating Committee, when identifying potential candidates for nomination as director, the Nominating Committee may consult whatever sources it deems appropriate, including, but not limited to, referrals from existing Directors or officers, recommendations from a third-party search firm, or recommendation from shareholders.</li><li>▪ With respect to the recommendation of nominees by shareholders, the Nominating Committee shall have the authority to retain whatever advisors (including attorneys and search firms) it believes appropriate in its efforts to identify and evaluate the potential nominees.</li><li>▪ If the selection of candidates was based on recommendations made by existing Board members, management or major shareholders, the Nominating Committee shall explain why these source(s) suffice and other sources were not used.</li><li>▪ Before any recommendation is made to the Board, the Nominating Committee will make an initial assessment of each candidate. It shall select from this pool one or more candidates for an initial interview. No candidate shall be selected for recommendation to the Board without such candidate having been interviewed by a majority of members of the Nominating Committee in attendance. When the Nominating Committee identifies an individual that it believes meets the criteria and should be elected as director, it will forward its recommendation to the Board.</li><li>▪ In assessing the suitability of a candidate for the position of a Board member, the Nominating Committee is guided by the criteria set out in Clause 8.1(a)(i) of the Terms of Reference whereby the following criteria would be considered by the Nominating Committee in the recruitment</li></ul>



	<p>process before making any recommendation to the Board for consideration: -</p> <ul style="list-style-type: none"> <li>• mix of skills;</li> <li>• knowledge, expertise and experience;</li> <li>• professionalism;</li> <li>• integrity;</li> <li>• diversity (including gender diversity and diversity in ethnicity and age);</li> <li>• ability to discharge the responsibilities expected by the Board as stated in the Board Charter; and</li> <li>• time commitment.</li> </ul> <p>▪ During the year, no new Directors were appointed.</p>	
<b>Explanation for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>		
<b>Timeframe</b>		

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The details of interest, position or relationship of a director are disclosed in the Directors' Profile whereas the tenure of Independent Directors as disclosed in Section 1.11 of the CG Statement. These facts may be able to provide relevant information to shareholders in relation to the appointment and/or reappointment of a director, as to whether the directors to be appointed or reappointed 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 Group.</li><li>▪ For appointment and/or reappointment of a director, the Board will state in the Explanatory Notes accompanying the notice of the general meeting that it had endorsed the recommendation of the Nominating Committee.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ The Nominating Committee is made up entirely of non-executive directors, all of whom are Independent Directors in compliance with paragraph 15.08A(1) of the Main Market Listing Requirements.</li> <li>▪ The Nominating Committee is chaired by Raja Datuk Zaharaton Binti Raja Dato' Zainal Abidin, who is a Senior Independent Non- Executive Director.</li> <li>▪ The composition of the Nominating Committee can be found in the Corporate Information section of the Annual Report.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<ul style="list-style-type: none"><li>▪ Currently, there is one woman director on the Board out of a total eight directors i.e. 12.5%. The Board acknowledges the importance of gender diversity in the Board. It is the intention of the Board to provide equal opportunity to suitable candidates who have the necessary competency and experience to bring value to the Board. The selection and appointment of a new Board member are mainly subject to appropriate due diligence on the mix of skills, level of experience and other criteria.</li><li>▪ Nonetheless, the Board has provided in Clause 3.6.4 of the Board Charter, a target of 30% of women represented in the Board by 30 April 2024.</li></ul>	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board will prioritize the appointment of women directors on the Board as soon as there are Board vacancies if the women candidates meet the qualification and requirements of the Nominating Committee.	
<b>Timeframe</b>	:	Within 2 years	

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board and Management Diversity Policy is disclosed in sections 1.15 and 1.16 of the CG Statement.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <ul style="list-style-type: none"><li>▪ To carry out the tasks of reviewing on an annual basis the effectiveness of the Board as a whole, Executive Director, Independent Directors, Board Committees and the contribution of each individual Director and the required mix of skills and experience and other core qualities, including core competencies, which the Directors should bring to the Board, the Nominating Committee has adopted the following performance evaluation forms. These forms were used to evaluate the performance for the financial year 2021 at a meeting of the Nominating Committee held in February 2022: -<ul style="list-style-type: none"><li>(a) <i>Audit and Risk Management Committee Evaluation Questionnaire</i><ul style="list-style-type: none"><li>(i) Used to evaluate the performance of the Audit and Risk Management Committee over 3 sections covering 43 questionnaires.</li><li>(ii) The Nominating Committee unanimously agreed to accept the summary of the self-assessed and peer-assessed performance evaluation questionnaires on all the Audit and Risk Management Committee members as presented to the Nominating Committee and recommended it to be tabled at the Board for further deliberation and notation.</li></ul></li><li>(b) <i>AC Members' Self and Peer Evaluation Form</i><p>Used by the members of the Audit and Risk Management Committee to evaluate themselves over 7 questionnaires. The self-assessment by the members of the Audit and Risk Management</p></li></ul></li></ul>

Committee will be used by the Nominating Committee in conjunction with the Audit and Risk Management Committee Evaluation Questionnaire to assess the overall performance of the Audit and Risk Management Committee.

*(c) Independent Directors' Self-Assessment Checklist*

- (i) Used to assess whether the existing Independent Directors meet the requirements as independent directors. This was elaborated in Practice 5.2 above.

*(d) Directors'/Key Officers' Self-Assessment Evaluation Form*

- (i) Used as an evaluation form for individual Directors. Under this assessment, Directors self-assessed themselves over 32 questionnaires, and thereafter their score are tabulated and compared to the average score for all Directors.
- (ii) It was concluded that all the directors have achieved above average rating and the Nominating Committee unanimously agreed to accept the analysed summary of the self-assessed and peer-assessed performance evaluation report on each individual director as presented to the Nominating Committee and recommended it to be tabled at the Board for further deliberation and notation.

*(e) Board Skills Matrix Form*

- (i) Used as a general assessment of the composition, knowledge, skills and experience of the current Board. Directors are assessed by the Nominating Committee over 9 sections.
- (ii) The Nominating Committee unanimously agreed to all the assessments in the Board Skills Matrix Form and recommended it to be tabled at the Board for further deliberation and notation.

*(f) Board and Board Committees Evaluation Form*

- (i) Used to assist the process of evaluating the Board and Board Committees. The criteria used by the Nominating Committee in evaluating the Board are in a set of 57 questionnaires in the following areas:-

- (a) Board mix and composition
- (b) Quality of information & decision making

	<p>(c) Boardroom activities (d) Board's relationship with the management</p> <p>whereas the criteria in evaluating the Board Committees are in a set of 8 questionnaires.</p> <p>(ii) The Nominating Committee unanimously agreed to all the scores on the Board and Board Committee Evaluation Forms, as completed by the Nominating Committee and recommended it to be tabled at the Board for further deliberation and notation.</p> <ul style="list-style-type: none"> <li>▪ Where any of the members of the Nominating Committee is required to assess themselves as a member of any of the Board Committees, they have abstained from the assessment exercise in respect of his/her performance in that Board Committee.</li> <li>▪ The above assessments were undertaken together with the external Company Secretary and the Board did not engage any other external party to undertake an independent assessment of the Directors.</li> <li>▪ In assessing the suitability of directors seeking re-election at the forthcoming Annual General Meeting, the Nominating Committee took into consideration, amongst others, the performance, effectiveness and contribution of these directors in the preceding year.</li> <li>▪ The Nominating Committee met twice during the year in review. In February 2022, the Nominating Committee convened a meeting and matters discussed are elaborated in Section 2.2(b) of the CG Statement.</li> </ul>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	



### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The remuneration policy of the Board and Senior Management is made available at the Company's website at <a href="https://taliworks.com.my/corporate-governance/">https://taliworks.com.my/corporate-governance/</a> under the caption "Remuneration Policy". Since the first adoption, the Remuneration Policy of senior management has been revised, the last revision in August 2021.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

## Practice 7.2

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ The Board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Board members.</li> <li>▪ The Terms of Reference of the Remuneration Committee is available on the Company's website at <a href="http://www.taliworks.com.my/corporate-governance/">http://www.taliworks.com.my/corporate-governance/</a> under the caption "Terms of Reference of the Remuneration Committee".</li> <li>▪ The Remuneration Committee is responsible to set the relevant performance standards of the Executive Director to commensurate with his remuneration and to ensure the evaluation process for senior management is fair and equitable.</li> <li>▪ Although the Remuneration Committee does not appraise and assess the performance of the senior management due to the fact that the senior management does not report to the Remuneration Committee, the Remuneration Committee will invite the Group Human Resource Department to present the senior management's appraisal inclusive of their increment and range of bonus to the Remuneration Committee for notation.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The detailed disclosure on a named basis for the remuneration of individual Directors of the Company for the financial year ended 31 December 2021 is set out in the table below.</li></ul>





## Intended Outcome

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

## Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<ul style="list-style-type: none"><li>▪ The Board discloses the top five senior management's combined remuneration including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000 in Section 3.4 of the CG Statement but not on an individual named basis due to confidentiality and security reasons. It is also envisaged that the disclosure of individual remuneration package of senior management is not in the best interests of the Group as it may create and foster animosity amongst the senior management as well as facilitating poaching of key management staff by competitors.</li><li>▪ The Remuneration Policy of Senior Management posted on the Company's website would provide a general guide on how key senior management of the Group is currently being remunerated.</li></ul>
Please provide an alternative practice and explain how the alternative practice meets the intended outcome.		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	<ul style="list-style-type: none"><li>▪ Currently, the Group has an evaluation and assessment procedure whereby individual senior management undertakes a self-appraisal exercise to assess their performance.</li><li>▪ Under the self-appraisal process, senior management is required to record and elaborate on their achievement of goals, tasks and KPIs for the year. They are also required to explain any shortcomings and difficulties faced during the year and their succession planning. These are then reviewed by their immediate superior. The award of salary increments and bonus is mainly based on their achievements against their KPIs and goals as well as a reference to market trends and surveys on salary increases.</li></ul>

<b>Timeframe</b>	:	Within 2 years	
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**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ Clause 5.1.3 of the Board Charter provides for the Chairperson of the Audit and Risk Management Committee to be appointed by the Board and the positions of Chairperson of the Audit and Risk Management Committee and Chairperson of the Board are to be held by different individuals.</li> <li>▪ The Chairman of the Board is YAM Tunku Ali Redhaudin Ibni Tuanku Muhriz while the Chairman of the Audit and Risk Management Committee is Soong Chee Keong.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ Under clause 1(d) of the Terms of Reference of the Audit and Risk Management Committee, a former key audit partner shall observe a cooling-off period of at least three years before being appointed as a member of the Audit and Risk Management Committee.</li> <li>▪ The Board has no intention to appoint any former key audit partner as a member of the Audit and Risk Management Committee.</li> <li>▪ No audit partner or any members of the external audit firm have ever been appointed before to the Audit and Risk Management Committee.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The role of the Audit and Risk Management Committee in relation to the External Auditors is found in Section 5.2 of the Audit and Risk Management Committee's Report included in the Annual Report. The management maintains a transparent working relationship with the External Auditors in seeking professional advice and ensuring compliance with the applicable accounting standards.</li><li>▪ The Audit and Risk Management Committee will meet with the External Auditors at least twice a year without the presence of management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the Audit and Risk Management Committee are duly recorded by the Company Secretary.</li><li>▪ To ensure that the objectivity of the External Auditors is not compromised, the Board has established the "Policies and Procedures for Provision of Non-Audit Services", governing the circumstances under which contracts for the provision of non-audit services can be procured from the External Auditors and procedures and safeguards that must be adhered to by the Group.</li><li>▪ A summary of audit and non-audit fees provided for the year by the External Auditors is disclosed under Additional Compliance Information in the Annual Report. The amount of fees paid for non-audit fees did not exceed the audit fees for the Group.</li><li>▪ In presenting the Audit Planning Memorandum to the Audit and Risk Management Committee, the External Auditors have:<ul style="list-style-type: none"><li>(a) given written assurance and 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; and</li></ul></li></ul>

	<p>(b) highlighted their internal policies and procedures with respect to their audit independence and objectivity which includes safeguards and procedures and independence policy adopted. Further details can be found under the topic “Assessing the Independence and Suitability of the External Auditors” in the Audit and Risk Management Committee Report.</p> <ul style="list-style-type: none"> <li>▪ Prior to the re-appointment of the External Auditors for the forthcoming Annual General Meeting, the Audit and Risk Management Committee has assessed the performance of the External Auditors using the External Auditors’ Evaluation Form and reviewed the 2021 Transparency Report prepared by the External Auditors.</li> <li>▪ Having taken into consideration of the above, the Board, through the Audit and Risk Management Committee, is of the view that the External Auditors are independent and suitably qualified to act.</li> <li>▪ It is a policy of the External Auditors to rotate the Audit Engagement Partner and the Engagement Quality Control Review Partner once every five years to maintain their independence from the Group and this policy has been complied with.</li> </ul>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The Audit and Risk Management Committee comprises four members, two of whom, Soong Chee Keong and Dato' Sri Amrin Bin Awaluddin are members of professional accounting bodies.</li><li>▪ The academic and professional background of the members of Audit and Risk Management Committee varies and they are equipped with knowledge and skills from various industries such as finance, economics, management, legal and information technology. With their vast working experience, they are not only able to understand matters under the purview of the Audit and Risk Management Committee, additionally, they are also able to provide sound advice to the Board in areas of financial reporting, internal and external audit reports and the state of the Group's risk and internal control environment.</li><li>▪ During the year, members of the Audit and Risk Management Committee were guided on the significant accounting issues highlighted in the Audit Planning Memorandum and briefed by the External Auditors on financial reporting and other updates.</li><li>▪ The Quarterly Interim Financial Reports are briefed by the General Manager, Group Finance to members of the Audit and Risk Management Committee and discussed and deliberated amongst the members before the said Report is recommended to be tabled to the Board for approval.</li><li>▪ All members of the Audit and Risk Management Committee are aware of the need to continuously develop and increase their knowledge and in line with this, the members made continuous efforts in keeping themselves abreast of relevant</li></ul>



	<p>developments by attending conferences, seminars, webinars and training programmes to enhance their knowledge in order to discharge their duties effectively as well as to improve their technical competencies in their respective fields of expertise.</p> <ul style="list-style-type: none"> <li>▪ A summary of the training attended by the members of the Audit and Risk Management Committee can be found in Section 1.18 of the CG Statement.</li> <li>▪ The Board through the Nomination Committee, had in February 2022, assessed the performance and effectiveness of the Audit and Risk Management Committee during the year whereby the assessment was done via an Evaluation Questionnaire which covered 43 questionnaires comprising quality and composition; skills and competencies; meeting administration and conduct.</li> <li>▪ Other than the Evaluation Questionnaire, members of the Audit and Risk Management Committee have also submitted to the Nomination Committee, their self-assessed and peer-assessed performance evaluation sheet as well as a self-assessed Financial Literacy Questionnaire to gauge whether they were financially literate and had sufficient financial understanding of the Group's financial performance.</li> </ul>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b><i>Risk Management and Internal Control</i></b></p> <ul style="list-style-type: none"><li>▪ The Board is responsible for identifying and managing principal risks by establishing the Enterprise Risk Management Framework and maintaining an appropriate system of internal controls within the Group by ensuring the effectiveness, adequacy and integrity of this system.</li><li>▪ The Enterprise Risk Management Framework consists of an on- going process to identify, evaluate, monitor and manage principal risks that affect or will potentially affect the achievement of the Group's business objectives.</li><li>▪ The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investments, the Group's assets, and the need to review the adequacy and integrity of those systems regularly. In establishing and reviewing the system of internal control, the Board wishes to highlight that the system of internal control can only provide reasonable but not absolute assurance against the risk of material misstatement or loss due to inherent limitations.</li><li>▪ The Statement on Risk Management and Internal Controls included in the Annual Report provides detailed explanation of the state of risk management and internal control of the Group.</li></ul> <p><b><i>Risk Management Working Group ("RMWG")</i></b></p> <ul style="list-style-type: none"><li>▪ The RWMG, reporting to the Audit and Risk Management Committee, is headed by the Executive Director, a Non-Independent Non-Executive Director and comprise of two other senior management namely the Chief Investment Officer and the General Manager, Group Finance to ensure that all risk classes particularly the Group strategic risks, ESG risks, risks related to the water, waste management, toll operations and construction businesses, are considered at an appropriately senior level in a consistent manner and that the Board through the Audit and Risk Management</li></ul>

	<p>Committee receives periodic reporting on the risk environment and management's actions to mitigate and manage significant risks in a manner consistent with the Group's risk appetite.</p> <ul style="list-style-type: none"> <li>▪ The RMWG is responsible to oversee the risk management activities of the Group, approving appropriate risk management procedures and measurement methodologies across the Group as well as identifying and managing strategic business risks of the Group. In fulfilling the primary objectives, the RMWG is tasked to undertake the following responsibilities and duties under its terms of reference:- <ul style="list-style-type: none"> <li>(a) to promote good risk management practices and effective governance within the Group and in ensuring that roles, responsibilities and accountability in managing risks are clearly established, defined and communicated;</li> <li>(b) to create high level risk policies aligned with the Group's strategic business objectives;</li> <li>(c) to review the enterprise risk management framework for the effective identification, assessment, measurement, monitoring, reporting and mitigation of risks within the Group; and</li> <li>(d) to identify and communicate existing and potential critical risk areas faced by the Group and the management action plans to mitigate such risks by working with the internal auditors in providing periodic reports and updates to the Audit and Risk Management Committee.</li> </ul> </li> <li>▪ The RMWG met two times during the year as required under the Enterprise Risk Management Framework to review the risk profiles and risk registers submitted by the respective business divisions.</li> </ul>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ The features of the Group's risk management and internal control framework and the adequacy and effectiveness of this framework is disclosed in Section 2.0 of the Statement of Risk Management and Internal Controls in the Annual Report.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ The Group's internal audit function has a key role in the Group's control environment. The internal audit function is tasked by the Audit and Risk Management Committee to conduct regular reviews and appraisals on the effectiveness of the governance, risk management and internal control processes within the Group in accordance with the Internal Audit Plan approved by the Audit and Risk Management Committee.</li> <li>▪ The Head of Internal Audit is supported by a team of members. Further elaboration of the internal audit function of the Group can be found in Section 6.0 of the Audit and Risk Management Committee Report included in the Annual Report.</li> <li>▪ To enhance its independence, the internal audit function reports directly to the Audit and Risk Management Committee.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The matters indicated above are disclosed in section 6.0 of the Audit and Risk Management Committee Report included in the Annual Report.	
<b>Explanation for departure</b>	:		
	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b>Investors' Relationship, Media and Shareholders Communication</b></p> <ul style="list-style-type: none"><li>▪ The Company recognises the importance of proper communication with shareholders and the wider investment community to ensure that trading in the Company's securities takes place in an informed market. This is done through timely dissemination of information on the Group's performance and major developments which are communicated via the following medium:-<ul style="list-style-type: none"><li>(i) the Annual Report and relevant circulars despatched to shareholders and published on the Company's website; and</li><li>(ii) issuance of various disclosures and announcements including the interim financial reports to the stock exchange.</li></ul></li><li>▪ Within the organisation, the Group's Investor Relationship is headed by the Corporate and Investment Department under the Chief Investment Officer, who attends to various investors particularly institutional investors, fund managers and investment analysts and a Corporate Communications Department to communicate with members of the media. During the year, we have had several briefings to fund managers and analysts and participated in the Bursa Malaysia Investment Series Webinar as part of our communication with the investment community.</li><li>▪ While the Group endeavours to provide as much information as possible, it is guided by the regulatory framework governing the release of material and price sensitive information. The Group is also bound by the Corporate Disclosure Policies and Procedures which sets out the communication channels, authorised spokespersons and disclosure policies.</li></ul>



- The Board has identified Raja Datuk Zaharaton Binti Raja Dato' Zainal Abidin, the Senior Independent Non-Executive Director, to whom any queries, feedbacks and concerns with regards to the Group, may be conveyed. Letters stamped "Private & Confidential" can be addressed to her personally at the Company's registered office at 12<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.
- For ease of communication via the internet, the Group has made available the following email addresses for stakeholders to send in their email messages:-
  - (a) Communications with the Company at [info@taliworks.com.my](mailto:info@taliworks.com.my)
  - (b) Communications with the Senior Independent Non-Executive Director at [SID@taliworks.com.my](mailto:SID@taliworks.com.my)
  - (c) Reporting of Misconducts (as defined in Practice Note 3.2 above) at [we\\_hear@lgb.com.my](mailto:we_hear@lgb.com.my)

#### **Primary Contact for Investors Relation Matters**

- To ensure consistency in information being disseminated, the Group has identified the Chief Investment Officer to be the key person to whom matters relating to investors relation can be addressed to.
- In addition, the Group has made available the following email address at [investor@taliworks.com.my](mailto:investor@taliworks.com.my) for the investment community to send their email messages.

#### **Regulators and the Minority Shareholder Watch Group ("MSWG")**

- Other than the shareholders of the Company, representatives from the regulators and MSWG will also be invited as observers at the Company's general meetings if prior requests have been made.
- Queries raised by the MSWG and the Company's reply thereto are read out to shareholders at the Annual General Meeting together with the Group's response.

#### **Members of the Media**

- Immediately after the Annual General Meeting, the Board represented by the Chairman together with the Executive Director and the Chief Investment Officer, may address issues raised by the media and answer questions on the Group's activities and plans in the course of providing the media with the latest update on the Group.

	<ul style="list-style-type: none"> <li>▪ Under the Corporate Disclosure Policies and Procedures, several persons have been identified as Authorised Spokesperson namely: - <ul style="list-style-type: none"> <li>(a) on Group matters/ business/ investments – the Chairman, Executive Director and the Chief Investment Officer;</li> <li>(b) on the business unit’s operational matters – the Executive Director and the respective Heads of the Business Units.</li> </ul> </li> </ul> <p><b>Other Stakeholders</b></p> <ul style="list-style-type: none"> <li>▪ Other than above, we also engage with other stakeholders through various channels as disclosed in the Sustainability Statement under the caption Stakeholders Engagement.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

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

### Practice 12.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<ul style="list-style-type: none"> <li>▪ The Company has not adopted Integrated Reporting as it is not categorised as “Large Companies”. Whilst some elements of integrated reporting have been embodied in the Annual Report, on the whole, is not an integrated report based on the parameters set out by the International Integrated Reporting Council’s (IIRC) Integrated Reporting Framework.</li> <li>▪ The Annual Report provides shareholders and stakeholders with a comprehensive overview of the Group’s financial and non-financial information which are contained in the Chairman’s Statement, Management and Discussion Analysis, CG Statement, Audit and Risk Management Report, Statement of Risk Management and Internal Control and Sustainability Statement.</li> </ul>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	<ul style="list-style-type: none"> <li>▪ The Group will consider adopting an integrated reporting to enhance the quality of information available to investors when it is categorised as Large Companies.</li> </ul>
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The 31st Annual General Meeting (“AGM”) of the Company is scheduled on 1 June 2022 and the Notice for the Annual General Meeting is dated 28 April 2022; which is at least 28 days prior to the meeting.</li><li>▪ The Notice for the Annual General Meeting will be advertised in a widely circulated newsprint publication to inform shareholders of the AGM and the agenda thereto.</li><li>▪ In line with Group’s commitment to sustainable business practices, the mailing of CD-ROM version of the Annual Report to shareholders has been discontinued.</li><li>▪ The digital version of the Annual Report can be viewed or downloaded from the Company’s corporate website at <a href="http://www.taliworks.com.my">www.taliworks.com.my</a> or from scanning the QR code as featured in the abridged version of the Annual Report with a smartphone.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>▪ All the Board members attended the Company's Annual General Meeting held on 3 June 2021.</li> <li>▪ The Chairman presides over the Annual General Meeting and where appropriate, may direct queries to the Chair of the Audit and Risk Management, Remuneration and Nominating Committees and the management to respond to shareholders' queries during the meeting.</li> <li>▪ The Executive Director, the Chief Investment Officer and the General Manager – Group Finance representing the management will sit together with the Board at general meetings to address any issues from shareholders and the MSWG.</li> <li>▪ Members of the Board have been informed in advance on the date and time of the forthcoming 31st Annual General Meeting.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>▪ The Company will be conducting the forthcoming 31st AGM on a fully virtual basis via Remote Participation and Electronic Voting (“RPV”) facilities from a broadcast venue where shareholders will be able to go online, participate and vote remotely at the AGM using the RPV facilities.</li><li>▪ With the RPV facilities, shareholders are able to:-<ul style="list-style-type: none"><li>(a) view the Company’s presentation or slides, if any, via the live web streaming;</li><li>(b) choose to participate in the AGM online, view a live webcast of the AGM, ask the Board questions and submit their votes in real time whilst the AGM is in progress;</li><li>(c) appoint the Chairman to vote on their behalf if they are unable to participate in the AGM. Shareholders may use Boardroom Smart Investor Portal proxy appointment service to submit their proxy appointment;</li><li>(d) direct their questions related to the resolutions to be tabled at the AGM as well as financial performance/prospects of the Company to the Chairman and the Board of Directors.</li><li>(e) proceed to cast votes on each of the proposed resolutions, to be tabled at the AGM after the Chairman has opened the poll on the resolutions.</li></ul></li><li>▪ The voting will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements.</li><li>▪ At the Annual General Meeting, the e-voting process will be conducted by the Poll Administrator. An Independent Scrutineers will be appointed to verify the results of the poll.</li></ul>

	<ul style="list-style-type: none"> <li>▪ Before the e-voting commences, the Poll Administrator will announce the procedures to be adopted by the shareholders to facilitate the proper conduct of the e-voting process.</li> <li>▪ Upon completion of the e-voting, the Scrutineers shall upon verification of the poll results announced the results including the number of votes cast in favour and against each of the resolution proposed, upon which the Chairman will declare whether the resolutions were carried.</li> <li>▪ The results of the proposed resolutions will be announced by the Company to the stock exchange on the same day and all information released to the stock exchange will be posted on the Investor Relations section of the Company's website.</li> <li>▪ Minutes of the general meetings will be made available on the Company's website once they are approved by the Board.</li> <li>▪ A shareholder of the Company can vote in person or appoint a proxy/proxies to attend and vote on his/her behalf.</li> </ul>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<ul style="list-style-type: none"> <li>▪ The Chairman encourage active participation by the shareholders during general meetings.</li> <li>▪ Shareholders are given the opportunity to seek clarification on any matters pertaining to financial and non-financial performance of the Group.</li> <li>▪ Shareholders are also encouraged to make their views known to the Board and to raise directly any matters of concern to the Chairman. Management personnel are also present to respond to any enquiries from shareholders.</li> <li>▪ Where questions are raised by the Minority Shareholder Watch Group (“MSWG”), the responses by the Board will be displayed on a screen and read out.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



**Intended Outcome**

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

**Practice 13.5**

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<ul style="list-style-type: none"> <li>▪ To enable as many shareholders as possible to participate remotely, the Company will conduct the forthcoming 31st AGM on a fully virtual basis via live streaming and online remote voting via Remote Participation and Electronic Voting (“RPV”) facilities at <a href="http://meeting.boardroomlimited.my">http://meeting.boardroomlimited.my</a> from the broadcast venue.</li> <li>▪ Shareholders will be able to go online, participate and vote remotely at the AGM using the RPV facilities. They are also able to view the Company’s presentation or slides, if any, via the live web streaming.</li> <li>▪ Shareholders may direct their questions related to the resolutions to be tabled at the AGM as well as financial performance/ prospects of the Company via the RPV facilities to the Chairman, Chairman of Board Committees and/or members of the Board.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <ul style="list-style-type: none"> <li>▪ Minutes of the general meetings are made available on the Company’s website once they are approved by the Board.</li> <li>▪ A copy of the minutes is published on the Company’s website at <a href="https://taliworks.com.my/general-meeting/">https://taliworks.com.my/general-meeting/</a> under the caption “Minutes of Shareholders’ Meeting”.</li> </ul>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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