

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2054
COMPANY NAME : TDM Berhad
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") has overall responsibility for the proper conduct of a Company's business in achieving the objectives and long-term goals of a Company. The Board of TDM Berhad ("TDM" or "the Company") strives to ensure that it is practised throughout the Company as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and raise the performance of the Company.</p> <p>The Board is guided by the prevailing legal and regulatory requirements such as the Companies Act, 2016 and the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Malaysia Securities Berhad") as well as the Company's policies, Company's Constitution and Board Charter in discharging its fiduciary duties and responsibilities.</p> <p>The key roles and responsibilities of the Board broadly covers the following: -</p> <ul style="list-style-type: none">• formulation of corporate policies and strategies;• overseeing and evaluating the conduct of the Group's businesses;• identifying principal risks and ensuring the implementation of appropriate internal controls to manage those risks; and• reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure. <p>The Board's responsibilities are further enhanced by overseeing the integration of sustainability considerations in corporate strategy, governance, and decision-making, as sustainability and its underlying environmental, social, and governance ("ESG") issues become increasingly material to the Company's ability to create durable and sustainable value and maintain stakeholder confidence.</p>

	<p>During the year, the Board has approved the Directors' Fit and Proper Policy for the appointment and re-election of Directors for the Group. The Board has incorporated the relevant sustainability questions in the Board Effectiveness Evaluation for FY2022.</p> <p>To assist in the discharge of its stewardship role, the Board has established a number of Committees, namely Audit Committee, Nomination & Remuneration Committee, Board Risk & Compliance Committee and Board Tender Committee (collectively "Board Committees"), to examine specific issues within their respective Terms of References ("TORs") as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision-making, however, lies with the Board.</p> <p>The Board Committees are responsible to assist the Board in overseeing the Company's affairs and in deliberation of issues within their respective functions and TORs, which outline clearly their objectives, duties and powers.</p> <p>Meanwhile, the Chairman of each Board Committee will report to the Board on the outcome of the Committees' meetings and resolutions, which would also include the key issues deliberated at the Committees' meetings.</p> <p>During the year, the Company experienced changes in its Board where YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) was appointed as a Non-Independent and Non-Executive Chairman/Director on 3 August 2022 following the departure of YM Raja Dato' Idris Raja Kamaruddin ("YM Raja Dato' Idris") on 20 July 2022.</p> <p>In setting the Company's strategic aims, the Board relies on the reports provided by Tuan Haji Najman bin Kamaruddin, the Executive Director ("ED") of the Company who oversees the entire business and operations of the Group.</p> <p>At each Board Meetings, as and when the need arises, the ED will brief the Directors on the current operations, issues faced and plans of the Group in order for the Board to be kept abreast on the conduct, business activities and development of the Company, and to discuss and advise the Management in its formulation of the Company's business strategies, both short-term and long-term.</p> <p>Discussion would include the efficient deployment of resources in achieving the objectives to be met. In making its decisions, the Board would be guided by the Company's values, principles and ethics.</p>
--	--

	<p>Other key Management of the Company and professional advisers are invited to attend meetings to provide additional insights and professional views, advice and explanation on specific items on the meeting agenda, where necessary, to ensure that the Board of Directors has adequate information before making any decisions.</p> <p>In overseeing the strategic and business plan of the Company as well as setting up the goals and targets of TDM Group, the Company conducted an annual Board and Management Retreat. The Board and Management Retreat for the year 2022 was held from 14 to 16 August 2022, with the Business Plan and Strategic Budget of TDM Berhad 2023-2027 with Directions and Priorities 2023 as the primary topic of discussion.</p> <p>During this retreat's session, the Management team presented the Board with an overview of the Company Outlook, Plantation/Healthcare Industry Outlook, Overview Performance 2022, the Financial Performance Trend Analysis, Budget 2024, and TDM Group's Five-Year Business Plan. The topics that were discussed and debated included, among other things, the company's financial performance, an analytical report, the outlook for comparative benchmarking, and new business opportunities.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 1.2

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

Application	: Applied
Explanation on application of the practice	<p>The roles and responsibilities of the Chairman are clearly specified in Item 16 of the Board Charter, which is available on Company's website at https://www.tdemberhad.com.my/corporate-governance.</p> <p>YM Raja Dato' Idris Raja Kamaruddin chaired the Board of Directors until his departure as Chairman of the Board on 17 July 2022. On 3 August 2022, following his resignation, YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) was appointed Chairman of the Board.</p> <p>The Chairman, who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.</p> <p>The Chairman had, during the financial year ended 31 December 2022: -</p> <ol style="list-style-type: none">1) provided leadership to the Board without limiting the principle of collective responsibility for the Board decisions;2) led Board meetings and discussions in a manner that encouraged constructive discussions and effective contribution from each Director;3) ensure adequate time is allocated for discussion of issues tabled to the board for deliberation at Board meetings;4) ensure that Board Committee meetings are not combined with the main Board meeting;5) reviewed the minutes of the Board meetings to ensure that the minutes accurately reflect the Board's deliberations, and matters arising from the minutes have been addressed;6) led the Board in establishing and monitoring good corporate governance practices in the Company.7) presiding and attending the Board and shareholders meetings and ensuring the proceedings thereof comply with good conduct and practices;

	<p>8) through the Management and Company Secretary, set the Board agenda and ensured that Board members receive the complete and accurate information in a timely manner; and</p> <p>9) facilitating effective communication between the Board and stakeholders.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman of the Board and Executive Director ("ED") have always been held by two (2) different individuals and each has a clear accepted division of responsibilities between two roles to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making.</p> <p>The details of separation of functions between the Chairman of the Board and ED are provided in Item 17 of the Board Charter, which is available on TDM's website at https://www.tdmberhad.com.my/corporate-governance.</p> <p>The Chairman of the Board, YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) is primarily responsible for the achievement of the Group's strategic vision and also for leading the Board in its collective oversight of management.</p> <p>Meanwhile, the ED, Haji Najman bin Kamaruddin has overall responsibilities over the business operations and day-to-day management of the Group and the implementation of the Board's policies and decisions.</p> <p>ED is responsible to oversee the entire business and operations of the Group and lead the management team in the day-to-day operations of the Company, ensuring that implementation of the Board's strategies, policies, decisions and strategies are effectively implemented and that the day-to-day management of the business are effectively managed as delegated by the Board from time to time.</p> <p>The specific roles and responsibilities of ED are set out in Item 18 of the Board Charter, which is accessible on Company's website at https://www.tdmberhad.com.my/corporate-governance.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board, YM Raja Dato' Idris Raja Kamaruddin and who was subsequently replaced by YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) have never been a member of Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC") or any other Board Committees of the Company. In addition, the Chairman was not invited to participate in the meeting and deliberation of any specified Board Committees of the Company.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of the Company is currently supported by two (2) in-house qualified Company Secretaries, namely Encik Badrol bin Abu Bakar and Encik Wan Muhamamd Akmal bin Wan Zawawi, who are responsible for advising the Boards on regulatory requirements and corporate governance matters to ensure that the Boards discharge their duties and responsibilities effectively.</p> <p>Encik Badrol bin Abu Bakar is the Chief of Corporate Services for TDM Berhad. He is a Licensed Secretary by the Companies Commission Malaysia (“CCM”) and he holds a Practising Certificate for Secretaries under Section 241 of the Companies Act, 2016 (“CA 2016”). Details of his experience and qualifications are set out on Page 75 of Key Senior Management Profile in the Company’s Annual Report 2022.</p> <p>Meanwhile, Encik Wan Muhammad Akmal bin Wan Zawawi is the Head of Secretarial for TDM Berhad. He is a Certified Company Secretary under Malaysian Association of Company Secretaries (“MACS”) and he holds a Practising Certificate for Secretaries under Section 241 of the CA 2016. He has an extensive professional experience in corporate secretarial and governance matters spanning more than 12 years.</p> <p>Below are amongst of the responsibilities that have been discharged by Company Secretaries: -</p> <ul style="list-style-type: none">a) Advised the Boards and the Directors on their roles and responsibilities, and provided regular updates on new statutory and regulatory requirements relating to the discharge of the Directors’ duties and responsibilities;b) Ensured that the Boards and the Board Committees function effectively based on the Board Charter and the respective Terms of Reference (“TORs”);c) Monitored the developments in corporate governance and facilitated the Boards’ application of the best practices of the Malaysian Code on Corporate Governance (“MCCG”) taking into account the Boards’ needs and stakeholders’ expectations;

	<p>d) Managed all Board and Board Committees' meetings' logistics, attendance of the Boards of Directors and Board Committees, and facilitated Board communications;</p> <p>e) Attended all Board and Board Committees' meetings and ensured that the deliberations and decisions made by the Boards and Board Committees are accurately minuted, and the records of the proceedings of the meetings are properly kept;</p> <p>f) Recorded the Directors' interests disclosures and advised the interested Directors the requirements on restrictions in voting or deliberation on related matters during the meetings;</p> <p>g) Advised and facilitated the conduct of annual Board Effectiveness Evaluation;</p> <p>h) Managed the Annual General Meetings of the Company; and</p> <p>i) Served as the focal person for communication and engagement on corporate governance issues.</p> <p>Most importantly, all Directors have direct access to the information, advice and services of the Company Secretaries.</p> <p>The Company Secretaries are adequately supported by a team of experience governance staff from the Secretarial Department to ensure effective implementation and monitoring of Corporate Governance best practices throughout the Group.</p> <p>The Company Secretaries together with the team constantly keep themselves abreast of the regulatory changes and developments in Corporate Governance and other relevant statutory requirements through relevant conferences and training programmes. They have also completed the relevant continuous professional development programmes as required by the CCM or other professional bodies for practicing Companies' Secretaries.</p> <p>The Board provides its feedback on the performance of the Company Secretaries through the Board Evaluation Assessment form. For the year 2022, the Board was satisfied with the performance and support rendered by the Company Secretaries to the Board/Board Committees in discharging their functions. This was reflected in the Board Effectiveness Evaluation Results which score of 4.67 on a 5-scale rating.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.6

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

Application	: Applied
Explanation on application of the practice	<p>Notice of Board Meetings and agenda are sent to Directors via email</p> <p>Directors are supplied with a device so that all notices and proposal papers are uploaded and distributed to Directors electronically and instantly, enabling Directors to access the board papers at anytime and anywhere.</p> <p>The Company also continues to employ a secured cloud solution for the purpose of distributing and sharing proposal papers with the Board and the Board Committees.</p> <p>This not only eases the process of distribution of board papers and minimised the leakage of sensitive information but also enables the Directors and Management to have access to the proposal papers electronically anytime and anywhere.</p> <p>The multiple electronic platforms are maintained as each system accommodates different cluster of users.</p> <p>The Management and professional advisers are invited to attend meetings to provide additional insights and professional views, advice and explanation on specific items on the meeting agenda, where necessary.</p> <p>Circulation of Minutes of Meeting</p> <ol style="list-style-type: none">1) Deliberations and decisions at Board and Board Committee meetings are minuted in a clear, accurate and timely manner. The minutes record the decisions of the Board including deliberations, comments, concerns or dissenting views. The minutes must indicate whether any Director has abstained from voting or recused himself from deliberating on a particular matter.2) Actions proposed by the Board, timelines and persons responsible are specified in Minutes and communicated to Management.

	<p>3) The Company Secretaries will also follow up with Management on status of actions taken with reference to the previous minutes of meeting and recorded the updates in the matters arising paper tabled at the subsequent board meeting.</p> <p>4) Each meeting serves the purpose for the Boards and Board Committees to properly discharge their duties. The Boards and Board Committees are provided with relevant information on matters for consideration in a timely manner hence facilitated effective boardroom deliberation.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is guided by its Board Charter which clearly sets out the Board's roles and responsibilities in discharging its fiduciary and leadership functions. The Board Charter, which is periodically reviewed by the Board to be in line with regulatory changes, was last reviewed and approved by the Board on 30 March 2023.</p> <p>The Board Charter is available on the Company's website at https://www.tdemberhad.com.my/corporate-governance.</p> <p>The Board keeps itself abreast of the responsibilities delegated to each Board Committees and matters deliberated at each Board Committees' meetings and reports from the respective Board Committees' Chairmen are presented to the Board during Board meetings at the appropriate regular intervals.</p> <p>The Board Charter would be reviewed periodically and updated, where necessary. Any amendments to the Board Charter shall be approved by the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Code of Business Ethics (“COBE”) describes and reinforces Company’s guiding values and commitment consistent with the policies and practices, and essential to Company’s legal and regulatory compliance obligations.</p> <p>The COBE is based on integrity, mutual trust and respect, which are essential to long-term, mutually beneficial relationships with all stakeholders.</p> <p>Most importantly, COBE sets forth the guidelines and ethical standards of conduct to all Directors and employees of the Group as well as any third parties dealing with the Group. The standards set out in this COBE are to be used as reference and general guidelines and are not intended to supersede any applicable legal or regulatory requirements such as those imposed by the Federal and State Government.</p> <p>The Company’s commitment to the COBE is prescribed by its application to all stakeholders who encompass everyone and every organisation which has an interest in the operations with TDM.</p> <p>a) Compliance with Laws and Regulations</p> <p>TDM will comply with all relevant laws and regulations for maintaining ethical behaviour and expects the same compliance from the business associates and in the course of all related transactions.</p> <p>All employees and Board members are also required to comply with all laws and regulations, which apply to the Group in all areas of business.</p>

While it is the Group's philosophy to address matters internally, the COBE takes precedence in not preventing or discouraging any party from reporting any illegal activity including the violation of any Federal, State or International laws, rules or regulations to the appropriate authorities.

The purpose of the COBE is to promote ethical practices and in doing so, should not be an obstacle to any party to testify, participate or assist in any legal proceedings or investigations and in upholding the intent.

No employee or Board member shall discharge, demote, suspend, threaten, harass or in any manner discriminate against an employee for reporting any violation in good faith.

b) Professionalism

Having committed to maintaining the highest standards of professionalism to meet and exceed the expectations of our customers, the Group strives to develop high standards of employee competency to produce high quality products and services.

Results will be achieved by showing respect and acting responsibly, a principle by which TDM conducts itself when dealing with people, customers, employees and the environment. In doing so, all parties are to be treated with dignity and courtesy to protect and improve the work environment, while abiding by the laws, rules and legislation which exist to add value to how we do business.

We shall also act responsibly towards our customers and organisations by providing timely delivery of consistently high quality goods and services as we work together to add value to the business.

With results being essential to our investors and the business, COBE shall be an essential guide to the attainment of our goals, which will be achieved by behaving ethically, legally and morally.

c) Conflict of Interest

When dealing with business associates, any actual or apparent conflicts between personal and professional interests are to be avoided and managed in an honest and ethical manner. As such, employees and Board members are to act in the best interests of the Group and its stakeholders as personal interests must not impede or harm the interest of the organisation.

Certain relationships or transactions, despite their appearance, may be approved following a transparent and ethical process of disclosure, discussion and consultation if they are deemed not harmful or improper to the Group.

However, any conflict of interest or appearance thereof, even if it is harmless to the Group, is prohibited from the outset unless it has undergone a due process of disclosure, consultation and approval.

d) Our Moral Standards of Honesty, Integrity and Fair Dealing

In our relationships with partners, customers and suppliers, we shall treat them fairly and conduct business in a manner consistent with the essential values of the Group, which include the highest standards of integrity, openness, fairness and reliability.

The Group's suppliers, customers, competitors and employees are to be dealt with honestly, ethically and fairly by each employee and board member and in doing so, statements regarding the Group's products and services should not be untrue, misleading, deceptive or fraudulent. No individual is to be taken unfair advantage of by an act amounting to manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other practice of unfair dealing.

Ethical practices are also incorporated into the selection process by recruiting and promoting individuals who demonstrate a commitment to the ethics and principles by which the Group operates. This will be an unequivocal message to anyone whose performance of the highest integrity is a prerequisite to continuous employment and advancement within the Group.

Our partners are selected carefully and we will only work with vendors and suppliers who can share and align themselves with our principles and commitment to ethical business practices as to how they operate will reflect on our growth effectiveness and reputation as well.

e) Occupational Safety and Health

TDM is committed to ensuring the safety and health of all our employees and customers, which is demonstrated by our endeavours to always integrate Occupational Safety and Health (OSH) practices into the business practices and strategy.

	<p>This transcends the Group’s statutory duty to ensure full compliance with all relevant legislation as well as create and sustain a work culture and environment where safety and health are the priority.</p> <p>f) Sexual Harassment</p> <p>In our commitment to maintain a workplace and environment, which is free of harassment in any form, including ethnicity, religion, gender, national origin, ancestry, non-disqualifying physical or mental disability, marital status, sexual orientation or gender identity, all employees have the right to work in an environment which is free of any form of discrimination and conduct.</p> <p>No employee of any gender should be subjected verbally or physically to unsolicited, inappropriate and unwelcome sexual overtures or conduct.</p> <p>TDM will initiate immediate action to address harassment of employees by managers, co-workers or non-employees regardless of whether the incident in question occurs in the workplace or in the course of an employee’s work in the endeavor to promote a working environment in which all staff are treated with courtesy, dignity and respect.</p> <p>g) Uncompromised Fights Against Corruption</p> <p>The Group adopted uncompromising fights against corruption, bribery, embezzlement, abuse of power, insider trading and money laundering. To enforce it, the Group has formulated the Anti-Bribery and Corruption Policy and its Handbook.</p> <p>This provides guidelines on how to control and deal with corruption, bribery, embezzlement and abuse of power that may arise along the business activities. It also covers internal and external improper solicitors that will lead to corruption. The Whistleblowing Policy was established together with its procedure.</p> <p>The COBE was last reviewed and approved by the Board on 24 August 2022.</p> <p>The COBE is available on the Company’s website at http://www.tdmerhad.com.my/corporate-governance.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none"> 1) TDM had established the Whistleblowing Policy allowing TDM Group employees to report concerns about alleged unethical behaviour, as well as actual or suspected fraud within the Group. 2) The Board is committed to internalise whistleblowing program by introducing a safe and acceptable platform for TDM's employees and business partners to channel concern about improper conduct not limited to illegal, unethical, improper business conducts affecting the Company and/or business improvement opportunities. 3) The policy is subject to periodical review by the Board or as and when changes arise to ensure TDM remains at the forefront of the best practices in governance. 4) Employees may make a disclosure of improper conduct whether based on his or her reasonable belief that any person is engaged, is engaging or is preparing to engage in improper conduct. The disclosure of improper conduct does not necessarily lead to any disciplinary action or prosecution against the person whom the disclosure is made. Assurance is given to the employees that they will not be at risk of any form of employer's harassment, which is not limited to threats, victimisation, retribution or retaliation from their superiors or from any of the Management. <p>The Whistleblowing Policy is available on the Company's website at https://www.tdmberhad.com.my/corporate-governance.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>One of the key responsibilities of the Board of TDM under its Board Charter is to set the strategic aims of the Group and ensure that the strategy and business plan of the Group supports long-term value creation and promote sustainability taking into consideration the environmental, social and governance (“ESG”) aspect.</p> <p>In this respect, the Board continuously oversees sustainability initiatives and strategies and evaluates sustainability performance of the Group.</p> <p>Meanwhile, the Group’s Sustainability Committee (“SCoM”) and the Sustainability Working Group (“SWG”) assist the Board in fulfilling its oversight responsibilities to ensure that the Group’s strategies, goals and targets pertaining to the sustainability are aligned with, promote and encourage the Group’s commitment towards ESG, while also implementing proactive risk management practices.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>TDM maintain clear communication channels between the group and its investors to share information on the long-term shareholder value creation activities and to sustain a loyal shareholder base.</p> <p>TDM’s sustainability strategies, priorities and targets as well as its progress are developed and monitored after a careful review of outcomes from the materiality assessment exercise and engagement with key internal and external stakeholders.</p> <p>TDM engaged its stakeholders via several channels and through selected activities as set out in TDM’s Sustainability Statement, which is available on the Company’s Annual Report and corporate website at https://www.tdmberhad.com.my/sustainability-report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied																
Explanation on application of the practice	:	<p>In order to ensure the Board is keep abreast on sustainability issues which are relevant to the company and its business operations, several trainings were attended by the Board as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Title</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Plan Your ESG Journey: Lessons for the Boardroom</td> <td>27 June 2022</td> </tr> <tr> <td></td> <td>Why Investors Care about ESG</td> <td>28 June 2022</td> </tr> <tr> <td>2.</td> <td>Emerging Trends Talk #4 - ESG Oversight: Role of the Board</td> <td>25 August 2022</td> </tr> <tr> <td>3.</td> <td>Human Rights Risk Management for Malaysian Companies</td> <td>29 September 2022</td> </tr> </tbody> </table> <p>In addition, the Board is updated and briefed on the Group's sustainability issues on a regular basis.</p>		No.	Title	Date	1.	Plan Your ESG Journey: Lessons for the Boardroom	27 June 2022		Why Investors Care about ESG	28 June 2022	2.	Emerging Trends Talk #4 - ESG Oversight: Role of the Board	25 August 2022	3.	Human Rights Risk Management for Malaysian Companies	29 September 2022
No.	Title	Date																
1.	Plan Your ESG Journey: Lessons for the Boardroom	27 June 2022																
	Why Investors Care about ESG	28 June 2022																
2.	Emerging Trends Talk #4 - ESG Oversight: Role of the Board	25 August 2022																
3.	Human Rights Risk Management for Malaysian Companies	29 September 2022																
Explanation for departure	:																	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																		
Measure	:																	
Timeframe	:																	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Board and the Senior Management of TDM has performed their respective roles in addressing material sustainability risks and opportunities throughout the year, whilst the performance evaluation of the Board in addressing the Company’s material sustainability matters was evaluated through the annual Board Effectiveness Evaluation.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Group’s sustainability efforts are governed by the Board of TDM who provide oversight on sustainability initiatives and strategies. The Board of TDM also evaluates the Group’s sustainability performance to ensure our priority areas related to Environmental, Social and Governance (“ESG”) pillars are adhered to in short, medium and long-term target.</p> <p>Meanwhile, the Sustainability Committee (“SCoM”) is responsible for managing all sustainability efforts and decisions made on ESG matters within the Group.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied									
Explanation on application of the practice	:	<p>Each Director's tenure is reviewed on an annual basis, as appropriate. The NRC will identify and recommend to the Board, the suitable candidates for appointment of the Board and Board Committees, re-election and re-appointment of Directors, and review the independence of Independent Directors as well as considering the Board's succession planning and training programme.</p> <p>The NRC has clearly specified in its Terms of Reference ("TOR") the tenure of each Director and annual re-election of Director standing for re-election at AGM, using the criteria in accordance with Companies Act, 2016, Bursa Malaysia Securities Berhad, and also other factors in light of the Directors' disclosure of interests, declarations to the Company such as transactions with the Group and any other related party or conflicts of interest situations to ensure the Board is in full compliance and well informed on their fiduciary duties as a Director.</p> <p>The Board and NRC recognised that the Directors' performance is crucial in recommending for the re-election of Directors to the shareholders. In addition, the Company has implemented the Directors' Fit and Proper Policy in 2022 which serves as a guide to ensure all Directors have the necessary qualities, competencies and experience that allows the Directors to perform their duties and carry out the responsibilities effectively.</p> <p>TDM is in compliance with the Practice 5.3 of the MCGG 2021, where the tenure of an independent director should not exceed the cumulative term limit of nine (9) years. The tenure of the respective Independent Directors of TDM as at 31 December 2022 are as follows: -</p> <table border="1"><thead><tr><th></th><th>Name of Directors</th><th>Tenure</th></tr></thead><tbody><tr><td>1.</td><td>Haji Azlan bin Md Alifiah</td><td>3 years 4 month</td></tr><tr><td>2.</td><td>Encik Mohd Kamaruzaman bin A Wahab</td><td>4 years 5 month</td></tr></tbody></table>		Name of Directors	Tenure	1.	Haji Azlan bin Md Alifiah	3 years 4 month	2.	Encik Mohd Kamaruzaman bin A Wahab	4 years 5 month
	Name of Directors	Tenure									
1.	Haji Azlan bin Md Alifiah	3 years 4 month									
2.	Encik Mohd Kamaruzaman bin A Wahab	4 years 5 month									

	<p>The Board will justify and seek an annual shareholders' approval through a two-tier voting process in the event it intends to retain a person who has served in the capacity as an Independent Director for more than nine (9) year.</p> <p>Subsequent to the above, the tenure of an Independent Director will not be more than a cumulative term of twelve (12) years from the date of such appointment. The said Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director.</p> <p>Meanwhile, the NRC, facilitated by the Company Secretaries, annually evaluates and assesses the performance of the Board, Board Committees, the contribution of each individual Directors including the assessment of the independence of each Independent Directors via the Board Effectiveness Evaluation ("BEE") by way of a set of customised questionnaires.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	:	Departure									
Explanation on application of the practice	:										
Explanation for departure	:	<p>As at 30 March 2023, the Board comprises the following:-</p> <table border="1"><thead><tr><th></th><th>Composition</th><th>%</th></tr></thead><tbody><tr><td>Non-Independent & Non-Executive Director</td><td>4/7</td><td>57.0</td></tr><tr><td>Independent & Non Executive Director</td><td>2/7</td><td>29.0</td></tr></tbody></table> <p>On 20 July 2022, YM Raja Dato' Idris Raja Kamaruddin has tendered his resignation as Non-Independent & Non-Executive Director/Chairman and was replaced by YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) on 3 August 2022. Therefore, the composition of the Board of Directors remains the same for the year.</p> <p>Both Independent & Non-Executive Director (“INED”) namely Haji Azlan bin Md Alifiah and Encik Mohd Kamaruzaman bin A Wahab satisfy the independence test as per paragraph 1.01 of Bursa Malaysia Securities Berhad. Apart from the criteria, the independence of all TDM Directors, including the Non- Independent & Non-Executive Director (“NINE”), is assessed annually through the BEE.</p> <p>The NRC, as part of its Terms of Reference (“TOR”), undertakes the annual review of INEDs’ independence status and tables its findings and recommendations to the Board. The Directors’ skills, experience, contributions as well as their backgrounds, economics and family relationships are considered.</p> <p>Thereafter, the NRC determines whether the Directors can continue to bring independent and objective judgement to the Board. The NRC also determines, according to character and judgement, whether there are relationships or circumstances which could affect, or appear to affect, the Independent Directors’ judgement.</p>		Composition	%	Non-Independent & Non-Executive Director	4/7	57.0	Independent & Non Executive Director	2/7	29.0
	Composition	%									
Non-Independent & Non-Executive Director	4/7	57.0									
Independent & Non Executive Director	2/7	29.0									

	<p>The Company is in compliance with Paragraph 15.02 of the Bursa Malaysia Securities Berhad which requires at least two (2) directors or one-third (1/3) of the Board of Directors of the Company, are Independent Directors.</p> <p>Thus, the Board views that the number of Independent Directors of the Company are adequate to provide the necessary check and balance to the Board's decision making process.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	<p>The NRC will undertake annual review of INEDs' independence status to ensure Independent Directors can continue to bring independent judgement to the Board.</p>
<p>Timeframe</p>	<p>:</p> <p>Others</p>	<p>The Board has not set any timeline but will be always mindful of the recommendation.</p>

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>For the year under review, there is no Independent Directors has exceeded a cumulative term limit of nine (9) years of serving.</p> <p>The Company has specified the tenure of its Independent Director should not exceed a cumulative term of nine (9) years under Item 11 of Board Charter which can be accessible on the Company’s website at https://www.tdmberhad.com.my/corporate-governance.</p> <p>The Board will justify and seek an annual shareholders’ approval through a two-tier voting process in the event it intends to retain a person who has served in the capacity as an Independent Director for more than nine (9) year.</p> <p>Subsequent to the above, the tenure of an Independent Director will not be more than a cumulative term of twelve (12) years from the date of such appointment. The said Independent Director may continue to serve on the Board subject to the Director’s re-designation as a Non-Independent Director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC will review the composition of the continuing members of the Board and Senior Management annually and make recommendations to the Board for any new appointment to the Board or Board Committees, when necessary.</p> <p>The NRC then determines whether to approve the recommendation of the new appointment of Directors as well as Senior Management positions. The criteria used in assessment of new Directors and Senior Management shall include but not limited to:</p> <ul style="list-style-type: none">• Skills and competency.• Knowledge and expertise.• Regional and industry experience.• Academic and professional qualifications.• Background, race, gender, age and nationality.• High personal and professional ethics, integrity and values.• Ability to devote the required amount of time to carry out the duties and responsibilities of Board membership.• Financial capability and business stability to devote significant time, energy and resources.• Other directorship. <p>The NRC shall review the Fit and Proper Policy for the appointment and re-election of Directors of the Company and its subsidiaries. The policy serves to guide the NRC and Board in their review and assessment of candidates that are to be appointed to the Board as well as Directors who are seeking re-election.</p> <p>Any candidate to be appointed or re-elected as a Director of the TDM Group must be assessed to meet the following overarching fit and proper criteria which are character and integrity, experience and competence; and time and commitment before a recommendation is made to the Shareholders for approval.</p>

	<p>The NRC always believes in equality and equal opportunity and practise non-discrimination, in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. The age of the Directors and Senior Managements ranges from 45 to 62 as the NRC believes that this creates an environment where each generation brings different skills, experience and talents to the Company.</p> <p>The Board is supportive of gender diversity in the Board’s composition and Senior Management. Currently, there are six (6) female Directors in five (5) subsidiaries of the Group. Two (2) of the Subsidiaries are also led by female as General Manager (“GM”) respectively.</p> <p>Towards its support for the MCCG on gender diversity for Board and Senior Management, the Board through the NRC will continue to consider the gender diversity as part of its future selection and look into having female Board representation, consideration is given to identify suitably qualified women candidates for the position.</p> <p>To demonstrate the Company’s commitment, the Board has included in the Board Charter whereby the Board shall ensure that there is gender diversity in the Board by appointing at least one (1) woman Director as a member of the Board.</p> <p>In considering potential candidates for the appointment to the Board and Senior Management, the NRC would ensure that the potential candidates are able to devote the required time to serve the Board effectively.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) (“YBM Tengku Seri Bijaya Raja”) was appointed as Non-Independent & Non-Executive Director/Chairman on 3 August 2022.</p> <p>The Board delegates to the NRC the responsibility to establish a formal and transparent procedure for the nomination and appointment of new Directors to the Board. Such responsibilities include screening, conducting initial selection of internal and external candidates, performing requisite evaluation and assessment on the candidate’s ability to discharge their duties effectively and efficiently, prior to making recommendations to the Board for its approval.</p> <p>The NRC also ensures candidates possess the appropriate skills, core competencies, experience and integrity to effectively discharge his or her role as a Director.</p> <p>Aside from that, the NRC also made additional verification prior to the appointments, which includes background checks on the individual’s character and bankruptcy search to qualify as Directors.</p> <p>The NRC established and reviewed the Fit and Proper Policy for the appointment and re-election of Directors of the Company and its subsidiaries. The policy serves to guide the NRC and Board in their review and assessment of candidates that are to be appointed to the Board as well as Directors who are seeking re-election. Any candidate to be appointed or re-elected as a Director of the TDM Group must be assessed to meet the following overarching fit and proper criteria:</p> <ul style="list-style-type: none">(i) Character and Integrity;(ii) Experience and competence; and(iii) Time and commitment <p>before a recommendation is made to the Board for approval.</p>

	<p>The potential candidate was required to declare/confirm that he/she meets the criteria of an Independent Director in accordance with the Main Market Listing Requirements prior to recommending to the Board for its approval on his/her proposed appointment as Independent Director.</p> <p>All necessary information would be obtained from the newly appointed Directors for the Company's records and for meeting the statutory requirements and other applicable roles and regulations.</p> <p>Having considered all aspects, the NRC then submitted its recommendations to the Board for approval. Following each appointment, a letter of appointment would be issued, and the Company Secretary undertook the necessary actions as authorised by the Board to ensure the appointments are in accordance with the statutory requirements and as prescribes by the Main Marker Listing Requirements of Bursa Securities.</p> <p>The TOR of the NRC stated that the NRC has the authority to obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.7

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

Application	: Applied
Explanation on application of the practice	<p>The Company take cognisance on the Practice 5.7 of MCCG 2021 and therefore, the Company has provided a Statement accompanying the Notice of 58th AGM as required under Paragraph 8.27(2) of Bursa Malaysia Securities Berhad which stated that there was no individual seeking for election as a Director at the said AGM.</p> <p>Furthermore, NRC carried out an annual evaluation and assessment on each Director including the Director that subject to the re-election at the AGM. The details of Directors' interest, position or any 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 interest of the Company as a whole are disclosed in various parts in the Annual Report.</p> <p>The Company has introduced the Directors' Fit and Proper Policy for re-election and appointment by considering their competencies, commitments, contribution and sufficient time to effectively discharge his/her responsibility.</p> <p>The Board has endorsed the recommendation of the NRC for Directors standing for re-election and the Directors concerned will abstain themselves from deliberation and decision by the Board on their re-appointment.</p> <p>The profiles of each Director are published in the Annual Report of the Company.</p> <p>The notice of 58th Annual General Meeting ("AGM") of the Company was issued on 27 April 2023 which has disclosed brief statement on the basis recommending the re-election of retiring Directors for shareholders' approval at the 58th AGM of the Company.</p>

Most importantly, the Company disclosed trainings attended by directors to provide information to shareholders that the directors are continuously kept abreast of the regulations and as well as professional development, thus are recommended for re-election. Below are the trainings that have been attended by directors during the financial year ended 31 December 2022 and as of 27 March 2023:

No.	Training	Participant
1.	Emerging Trends Talk: Integrated Reporting but Disintegrated Thinking on 23 February 2022	Haji Azlan bin Md Alifiah
2.	Audit Committee Dialogue and Networking Session 1 on 24 February 2022	Haji Azlan bin Md Alifiah
3.	NRC Dialogue & Networking - Session #1 on 15 April 2022	Haji Mazli Zakuan bin Mohd Noor
4.	Audit Committee Conference on 23 to 23 May 2022	Haji Burhanuddin Hilmi bin Mohamed @ Harun
5.	Cyber Security: What's Directors Need to know on 8 June 2022	Haji Najman bin Kamaruddin
6.	International Accountant Conference on 8 to 9 June 2022	Haji Burhanuddin Hilmi bin Mohamed @ Harun
7.	The 2H2022 Outlook and Beyond - In the Eye of the Storm on 17 June 2022	Haji Najman bin Kamaruddin
8.	Invitation to be ICDM Screener - Affiliate Board-Readiness Screening Day 2-Batch 2/2022 on 21 June 2022	Haji Mazli Zakuan bin Mohd Noor
9.	Plan Your ESG Journey: Lessons for the Boardroom on 27 June 2022	YM Raja Dato' Idris Raja Kamarudin <i>* Resigned on 20 July 2022</i>

	10.	Why Investors Care About ESG on 28 June 2022	1. YM Raja Dato' Idris Raja Kamarudin <i>Resigned on 20 July 2022</i> 2. Haji Azlan bin Md Alifiah 3. Mohd Kamaruzaman bin A Wahab
	11.	Emerging Trends Talk #4 - ESG Oversight: Role of the Board on 25 August 2022	1. Haji Mazli Zakuan bin Mohd Noor 2. Haji Najman bin Kamaruddin
	12.	KPMG Board Leadership Center Exclusive - Human Rights Risk Management for Malaysian Companies On 25 August 2022	1. Mohd Kamaruzaman bin A Wahab 2. Haji Samiun bin Salleh
	13.	International Directors Summit on 26 September 2022 to 28 September 2022	Haji Mazli Zakuan bin Mohd Noor
	14.	Taklimat Akta Syarikat 2016 Terengganu 2022 on 27 September 2022	1. Haji Azlan bin Md Alifiah 2. Haji Najman bin Kamaruddin
	15.	LEAP Summit 2022 on 25 October 2022	3. Haji Najman bin Kamaruddin
	16.	Mandatory Accreditation Programme on 26 October 2022 to 27 October 2022	YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) <i># Appointed on 3 August 2022</i>
	17.	Seminar Related Party Transaction (RPT) & Conflicts of Interest, Including the 'Arms-Length' Definition on Transaction 13 December 2022	Haji Najman bin Kamaruddin
	18.	Workshop on Strategic Roles for Board of Directors on 10 January 2023	Haji Burhanuddin Hilmi bin Mohamed @ Harun
Explanation for departure	:		

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.8

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Chairman of the NRC is Haji Mazli Zakuan bin Mohd Noor who is the Non-Independent & Non-Executive Director.</p> <p>However, the majority of members of NRC are Independent & Non- Executive Directors.</p> <p>The composition of the NRC can be found on page 85 of the Annual Report 2022.</p> <p>The Terms of Reference of the NRC is made available on the Company's website at https://www.tdmberhad.com.my/corporate-governance.</p> <p>The Company is in compliance with Paragraph 15.08A of Bursa Malaysia Securities Berhad which requires nominating committee comprises exclusively of Non-Executive Directors, a majority of whom must be independent.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Group practises non-discrimination in any form, including those based on age, gender, ethnicity, or religion, throughout the organisation.	
		The Board is mindful of the target of at least 30% women Directors and the Board are always on the look out to expand the pool of potential women candidates for board candidacy. In addition, the Board is currently focusing on refreshing the current Board composition and appointment of additional women Director(s) with the combination of skills, experience and strength in qualities which are relevant to the Group which includes the utilisation of independent.	
		-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board through the NRC shall pool resources to diligently source for, assess and where appropriate, recommend suitable female candidates for nomination to the Board, depending on the availability of qualified candidate and the Board's skills requirements.	
		To demonstrate its commitment, the Board has approved the Board Charter which includes the responsibility of the Board to ensure that there is gender diversity in the Board by appointing at least one (1) woman Director as a member of the Board.	
Timeframe	:	Others	Please specify number of 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supportive of gender diversity and believes the present size and composition of members are appropriate to commensurate the complexity of the Group's businesses and conducive for effective conduct of the Board decision making.</p> <p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board.</p> <p>The matter of gender diversity is discussed and given prominence during deliberations by the NRC and the Board.</p> <p>The Board had, on 27 March 2018 approved the Gender & Diversity Policy of the Company. This reflects the Company's commitment towards gender diversity.</p> <p>The Board will endeavour to meet the target of having women representation on the Board if the candidates are of equal standing.</p> <p>To demonstrate its commitment, the Board has included in the Board Charter an additional responsibility of the Board to ensure that there is gender diversity in the Board by appointing at least one (1) woman Director as a member of the Board.</p> <p>More women representation on the Board and in senior management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aims of selecting the best candidate to support the achievement of the Company's strategic objectives.</p> <p>The Gender & Diversity policy is accessible at the Company's website at https://www.tdmerhad.com.my/corporate-governance.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The NRC recognises the importance of evaluating the Board, the Committees and the individual Directors as one of its primary responsibilities to ensure that the Board is operating efficiently and effectively.</p> <p>During the Financial Year Ended (“FYE”) 2022, the Board, through the NRC and facilitated by the Company Secretaries, has conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director in the FYE 31 December 2022: -</p> <ul style="list-style-type: none">(i) Directors’ self/peer evaluation;(ii) Board and Board Committee performance evaluation;(iii) Board Skills Matrix;(iv) AC members’ evaluation; and(v) Assessment of Independent Directors. <p>Performance indicators by which the Board is evaluated include the Board’s composition, administration and processes, conduct, accountability, interaction and communication whilst the performance indicators for individual director include his interactive contributions, quality of input and understanding of his roles.</p> <p>The additional sections have been included in the Board Assessment to ensure the questionnaire addressed the current developments in the industry, among others the matters related to Environmental Social and Governance (ESG Issues).</p> <p>The NRC based on peer review conducted on an annual evaluation to determine the effectiveness of the board, its committees and each individual director.</p>

	All results were reported to the Board for notation, discussion and further improvements. Based on the aforesaid evaluations conducted for the FYE 2022, the NRC and the Board were satisfied with the performance of each Director, the Board as a whole, and the Board Committees.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance to ensure that the remuneration and incentives for the INEDs do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at Board meetings as well as to ensure that the remuneration package for the executive directors and senior management is fair and take into account the complexity of the Company's business and individual's responsibilities.</p> <p>The Board will ensure that compensation policies and packages of Directors and Senior Management are reflective of the Group's demands, complexities and performance as a whole as well as skills and experience required, and in line with the strategic objectives of the Company which rewards contribution to the long-term success of the Company.</p> <p>In view thereof, the Board had adopted Policies and Procedures to Determine the Remuneration of Directors and Senior Management, whilst the NRC has been entrusted with discharging the remuneration strategies, as outlined in Board Remuneration Policy, which is available on the Company's website at https://www.tdemberhad.com.my/corporate-governance.</p> <p>Meanwhile, the NRC must ensure that the Company is able to attract and retain its Directors needed to run the Group successfully including reviewing and recommend matters relating to the remuneration of Board, Board Committee and Senior Management.</p> <p>The remuneration of the Senior Management is based on the Human Resource Policy approved by the Board.</p>

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

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has a Nomination & Remuneration Committee ("NRC"). The NRC comprises all Non-Executive Directors.</p> <p>The NRC is responsible for assessing the performance of the individual Board members and Board Committees. The assessment was done annually vide Directors' Performance Evaluation on interaction contributed, input quality and understanding of role.</p> <p>The independent assessment had also been done by independent directors in accordance with Main Market Listing Requirements.</p> <p>The NRC in its meetings reviewed the director's remuneration which includes fees and benefits for FY 2022 and recommended to the Board for its approval.</p> <p>The authority and duties of the NRC as well as functions are clearly defined in its Terms of Reference ("TOR") which is available on the Company's website at https://www.tdmberhad.com.my/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration of the Board is based on the Board Remuneration Policy which was revised by the Board on 30 March 2023 and available on the Company's website at https://www.tdemberhad.com.my/corporate-governance.</p> <p>In accordance with Section 230 of the Companies Act, 2016, the fees and any benefits payable to the directors are tabled to the shareholders for approval at the AGM.</p> <p>The remuneration received by each of the Directors in the financial year ended 2022 is set out in the table below.</p> <p>The details of the Directors' remuneration are also disclosed in the Corporate Governance Overview Statement in the Annual Report of the Company.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) (Appointed on 3 August 2022)	Non-Executive Non-Independent Director	31	62	Nil	Nil	Nil	Nil	93	31	62	Nil	Nil	Nil	Nil	93
2	YM Raja Dato' Idris Raja Kamarudin (Resigned on 20 July 2022)	Non-Executive Non-Independent Director	56	75	Nil	Nil	Nil	Nil	131	78	133	Nil	Nil	Nil	Nil	211
3	Haji Mazli Zakuan bin Mod Noor	Non-Executive Non-Independent Director	82	50	Nil	Nil	Nil	Nil	132	110	139	Nil	Nil	Nil	Nil	249
4	Haji Burhanuddin Hilmi bin Mohamed @ Harun	Non-Executive Non-Independent Director	82	47	Nil	Nil	Nil	Nil	129	98	91	Nil	Nil	Nil	Nil	189
5	Haji Samiun bin Salleh	Non-Executive Non-Independent Director	82	29	Nil	Nil	Nil	Nil	111	82	29	Nil	Nil	Nil	Nil	111
6	Haji Azlan bin Md Alifiah	Independent Director	82	64	Nil	Nil	Nil	Nil	146	82	64	Nil	Nil	Nil	Nil	146
7	Mohd Kamaruzaman bin A Wahab	Independent Director	82	34	33	Nil	Nil	Nil	149	95	74	Nil	Nil	Nil	Nil	169
8	Haji Najman bin Kamarudin	Executive Director	82	17	447	342	Nil	33	921	118	89	447	342	Nil	33	1,029
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board has decided that the remuneration of Key Senior Management is not being disclosed on a named basis (including their salary, bonus, benefits in-kind and other emoluments) to the public at a large such disclosure are subject to Personal Data Protection Act 2010 that such disclosure may be detrimental to its business interest given the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the plantation and healthcare industry.</p> <p>The Company also believes that the non-disclosure of the information on key personnel and their remuneration will not affect the interests of its shareholders.</p> <p>As an alternative, the Company has disclosed the remuneration of its top five Key Senior Management personnel in the band of RM50,000.00 as disclosed in the Corporate Governance Overview Statement on page 90 of the Annual Report 2022.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board ensures that the remuneration of Key Senior Management is commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Key Senior Management to lead and run the Company successfully.
Timeframe	:	Choose an item.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") is chaired by Haji Azlan bin Md Alifiah who is an Independent & Non-Executive Director, while the Chairman of the Board is YM Raja Dato' Idris Raja Kamaruddin and subsequently succeeded by YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil), a Non-Independent & Non-Executive Director/Chairman. This has ensured that the objectivity of the Board's review of the AC's findings and recommendations is not impaired.</p> <p>The Chairman of the AC is a member of the Malaysian Institute of Accountants ("MIA") and has vast experience in finance and corporate matters to lead discussions and deliberations related to financial issues and to review results and statements.</p> <p>His full profile can be viewed on page 70 of the Company's Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Terms of Reference ("TOR") of the AC has been revised to reflect the cooling off period for the appointment of a former audit partner as a Board Audit Committee member from 2 years to 3 years.</p> <p>As at to-date, the Company has not appointed any former partner of the external audit firm to be a member of AC.</p> <p>The TOR of AC is available on the Company's website at https://www.tdemberhad.com.my/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted the External Auditors Assessment Policy to assess the suitability, objectivity and independence of the external auditors annually prior to making a recommendation to the shareholders for re-election, based on the following key areas:</p> <ul style="list-style-type: none">a) The competence, audit quality and resource capacity of the external auditor in relation to the audit;b) The nature and extent of the non-audit services rendered and the appropriateness of the level of fees; andc) Obtaining written assurance from the external auditors 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. <p>During the AC Meeting held on 16 April 2023, the AC formally assessed the suitability, effectiveness and independence of its External Auditors, namely Messrs. Ernst & Young ("EY").</p> <p>The AC is also reviewing the fees and list of non-audit services provided by the external auditors to the TDM Group.</p> <p>Private sessions with the external auditors were also conducted by the AC to gauge the extent of the concerns of matters raised by the external auditors.</p> <p>The AC has assessed the performance of the External Auditors, EY, and was satisfied with the quality of the services rendered and the competency and sufficiency of resources provided for the Company.</p> <p>In view thereof, the Audit Committee recommended for EY to be retained as the Company's External Auditors for the financial year ending 31 December 2023. A resolution on the re- appointment of EY as the Company's External Auditors will be tabled at the forthcoming AGM to be held on 8 June 2023.</p>

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee, Tuan Haji Azlan bin Md Alifiah is a Member of the Malaysian Institute of Accountants.</p> <p>The Board is satisfied with the AC's performance as the Chairman and its members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC.</p> <p>All members of the AC are financially literate, have sufficient understanding of the Group's business and commercial expertise skills required to discharge their roles and responsibilities effectively. All members of the AC have undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.</p> <p>The profile of the Audit Committee Members can be found on page 69 to 71 of the Company's Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the Board Risk & Compliance Committee (“BRCC”), identify, evaluate, monitor and manage significant business risks and internal control of the Group in order to safeguard shareholders’ investment and the assets of the Group.</p> <p>The Group has established the Risk Register together with Risk and Control Self-Assessment (“RCSA”) and Risk Action Plans to identify, evaluate and manage significant risks faced by the Group. It is part of the Risk Management tool that has been implemented throughout the Group.</p> <p>The respective risk owners are responsible to identify the risks and ensure that adequate control systems are implemented to mitigate and control the risks faced by the Group.</p> <p>Details of the Group’s Risk Management and Internal Control Framework are set out in its Statement on Risk Management and Internal Control of the Company’s Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board through the Statement on Risk Management and Internal Control has described how risk management and internal control frameworks have been effectively implemented through the establishment of Board Risk & Compliance Committee and Management Investment Risk and Compliance Committee.</p> <p>The Statement on Risk Management and Internal Control is stated on page 101 to 107 of the Company’s Annual Report 2022.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established an in-house internal audit function for the Group which is headed by the Head of Internal Audit Department, TDM Berhad. The Group Internal Audit (“GIA”) is independent of Management where it reports direct to the AC, and administratively to the Executive Director.</p> <p>The function of the GIA is governed by the GIA Charter which is approved by the AC. The role of the GIA is to provide an independent and objective assurance on governance, risk management and control system of the Group. The Head of Internal Audit is responsible for reporting to the AC on the assessment of adequacy and effectiveness of the Group’s control mechanism.</p> <p>The effectiveness of Internal Audit Function was continuously measured through reviewing the individual Internal Audit engagement report and annual performance of Internal Audit activities.</p> <p>The Group’s Internal Audit’s authority, scope and responsibilities are governed by an Internal Audit Charter approved by the AC.</p> <p>The AC review annually the adequacy of the scope, function and resources of the External Audit to ensure that the responsibility of Internal Audit is fully discharged.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	: Applied								
Explanation on application of the practice	<p><u>Independence of Internal Audit</u></p> <p>In discharging its duties and responsibilities, the Head of Internal Audit Department received instruction from and reported directly to the AC. The Internal Audit activities, including the audit scope, procedures, frequency and the content of the reports, remain free from any management interference. IAD has no direct operational responsibility or authority over the areas audited. Since IAD does not involve in the implementation of controls, development of procedures or engage in any activities that may impair the judgment of the Internal Auditors, it maintains its independence and objectivity.</p> <p><u>Conflict of Interest</u></p> <p>The Internal Auditors were free from any relationships or conflicts of interest, which could impair the audit objectivity and independence for each audit engagement.</p> <p><u>IAD Resources</u></p> <p>IAD consists of seven (7) resources including one Head. Details of responsible personnel for Internal Audit as follows:</p> <table border="1"><tr><td>Name</td><td>Azrol Hadi bin Rosalan</td></tr><tr><td>Degree/Professional Certification</td><td>Accountancy Professional Qualification from The Association of Chartered Certified Accountant (ACCA).</td></tr><tr><td>Professional Membership</td><td>ACCA IIAM</td></tr><tr><td>Years of Experience</td><td>16 years</td></tr></table>	Name	Azrol Hadi bin Rosalan	Degree/Professional Certification	Accountancy Professional Qualification from The Association of Chartered Certified Accountant (ACCA).	Professional Membership	ACCA IIAM	Years of Experience	16 years
Name	Azrol Hadi bin Rosalan								
Degree/Professional Certification	Accountancy Professional Qualification from The Association of Chartered Certified Accountant (ACCA).								
Professional Membership	ACCA IIAM								
Years of Experience	16 years								

	<p><u>Internal Audit Framework</u></p> <p>IAD has developed its own IA Framework based on the MMLR, MCCG, Committee of Sponsoring Organizations of the Treadway Commission (COSO) Integrated Internal Control Framework, ISO 31000:2018 Risk Management Framework and International Professional Practices Framework to guide the IA activities.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of effective dialogue with shareholders and investors. The Company believes that communication with the shareholders is a two-way process. The Company takes into consideration views and feedback it receives from all the stakeholders.</p> <p>The Company has an Investor Relations Department that facilitates communication between the Company and the investment community to brief them on financial performance, strategies moving forward and updates on deals and transactions to ensure that capital markets are well apprised of our plans. Senior Management of the Company actively engages with the investment community and the Board is periodically briefed on these interactions and feedback from the investment community.</p> <p>The Investor Relations Department has an extensive programme that involves the holding of regular meetings, conference calls and site visits, all intended to keep the investment community abreast of the Company's strategic developments and financial performance.</p> <p>The modes of engagement amongst others:</p> <p>a) Investor Relation Website</p> <p>The Company via its Investor Relation ("IR") webpage i.e.: https://www.tdmbherhad.com.my/investor-relation provides an online platform detailing all relevant information of the Company and it is accessible to the public.</p> <p>This webpage enhances the IR functions by including all announcements made by the Group, share price information, annual reports alongside the corporate and governance structure of the Group. Notices of general meetings, minutes of general meetings, slide presentations made at such meetings and webcasts are also accessible on Company's IR webpage for the benefit of the shareholders who are unable to attend these meetings.</p>

These IR functions are established to enable continuous communication between the Group and its stakeholders. The stakeholders are encouraged to channel their concerns to the IR Unit whose name, contact number and e-mail address is provided on the Company's IR webpage.

b) Annual General Meeting ("AGM")

The Company regards the Annual General Meeting ("AGM") as an important event in the corporate calendar of which all Directors and key senior executives should attend.

The Company further regards the AGM as an important forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the Company's shareholders.

During the AGM, the Chairman, Directors and Senior Management personnel and the Company's External Auditors are available to reply to shareholders' questions on the business and performance of the Company. Responses to queries raised by the Minority Shareholders Watchdog Group ("MSWG") before the AGM are shared with the shareholders during the meeting, assuring the shareholders that pertinent issues and queries pertaining to the business of the Company are amply addressed.

The Chairman encourages active participation by the shareholders during the AGM.

In addition to the normal agenda for the AGM, the Board presents the progress and performance of the business as contained in the Annual Report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. Shareholders who are unable to attend and allowed to appoint proxies to attend and vote on their behalf. Where necessary, the Chairman and Executive Director shall undertake to provide written answers to any significant questions that cannot be readily answered at the meeting.

A press conference shall also be held after each general meeting. At this press conference the Chairman or the GCEO shall provide an insight of the Company's performance for the year, prospects and any specific events within the guidelines of the Company's Corporate Disclosure Policy.

c) Annual Report

The Directors believe that an important channel to reach shareholders and investors is through the Annual Report. Besides including comprehensive financial performance and information on business activities, the Group strives to improve the contents of the Annual Report in line with the developments in corporate governance practices.

The Company's Annual Report can be obtained by accessing the Investor Relation website at <https://www.tdmberhad.com.my/reports-presentations/>.

d) Media Relations

All media communications shall be centrally co-ordinated through the Corporate Communications Department. The Group will engage with the media in an open, transparent and honest way via the following:-

- Press Releases
- Press Briefings
- Press Conferences
- By-lined articles in the media
- Interviews

e) Investor Relation Programme

Investors are increasingly relying on online sources to get and vet information on the company and its business activities. Besides updating the website and ensuring all crucial information is announced properly in compliance with listing rules, the company also engages news aggregator service to ensure that information on TDM can reach as wide as audience possible. The company is committed to having the investing community making an informed choice in their decision making.

f) Vendor Relations

The Company also maintains a website at <https://www.tdmberhad.com.my> which can be accessed by shareholders and vendors to keep abreast with the Company's development and its business opportunity.

The Company's website provides easy access to vendor information pertaining to currently available procurement dealings including tender exercise, request for quotation ("RFQ"), request for proposal ("RFP") and other related transactions.

	<p>All suppliers who wish to participate in the Group’s procurement exercise must follow and abide by the terms and conditions listed in the advertisement uploaded to the website.</p> <p>The Tender Committee will do a thorough assessment via Technical and Commercial Evaluation exercises of all the tenderers’ proposals.</p> <p>Once approved by the Authority Limits of Approval, the success of the tenderer shall be notified via email and issued a Letter of Award (“LOA”).</p> <p>g) Community Engagement</p> <p>TDM, as a concerned corporate citizen, is always striving to make a positive impact on the community by engaging in Corporate Social Responsibility (“CSR”) in the communities in which it operates. TDM’s mission is to exemplify corporate citizenship by being an organization that prioritises its responsibilities while also adding value to its community.</p> <p>TDM also encourages community engagement via its online presence which is linked across multiple digital platforms including its corporate website. That engaging and maintaining a thriving online network is an important part to building and delivering information about the Group and its activities.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has already applied this Practice. For its 57th Annual General Meeting held on 23 June 2022, the Company issued the notice on 28 April 2022, which represented a notice period of at least 28 days.</p> <p>The Company will continue to comply with this Practice.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors attended the Company's 57th AGM held on 23 June 2022 to engage directly with the shareholders, physically and virtually.</p> <p>The proceedings of the AGM included a Question-and-Answer session in which the Chairman of the AGM would invite shareholders to raise questions on the Company's financial statements and other items for adoption at the AGM, before putting a resolution to vote.</p> <p>The Chairmen of the Audit Committee, Nomination & Remuneration Committee, Board Risk & Compliance Committee and Board Tender Committee were on standby to receive any queries by the shareholders in relation to the activities and functions of their Committees.</p> <p>The Management and External Auditors were also present at the Company's 57th AGM to respond to the shareholders' queries.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In light of the Covid-19 pandemic and good Corporate Governance practice, the Company had leveraged technology to conduct the 56th AGM fully virtual through live streaming and online remote voting using remote participation and voting facilities, as accordance to the Constitution of the Company and Section 327 of the Companies Act 2016.</p> <p>On the other hand, once the Country entered the Endemic Phase, the 57th Annual General Meeting of the Company was physically held on 23 June 2022. Despite this, the Company continues to uphold and comply with the SOP, which is specified by the Ministry of Health from time to time.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Board has always encouraged and welcome shareholders to raise any issues or concerns to the Company including but not limited to the Company's financial and non-financial performance as well as the Company's long-term strategies.</p> <p>With regards to the 57th AGM, there were questions raised by the shareholders/proxies and/or corporate representatives during the AGM. The Chairman had at his best responded to the questions during the AGM accordingly.</p> <p>In view of this, the Company has also taken initiative to respond to additional questions raised at the AGM via Company's website and the shareholders/proxies and/or corporate representatives were informed to visit and view the answer within seven (7) to ten (10) working days.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 57th AGM of the Company dated 23 June 2022 duly confirmed and signed by the Chairman of the Meeting, YM Raja Dato' Idris Raja Kamarudin was made available on Company's website at https://www.tdemberhad.com.my/reports-presentations within thirty (30) business days after the AGM. The Company is committed to ensure the same practice is carried out for the 58th AGM in regards with the circulation of the minutes of general meeting to the shareholders.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

Click or tap here to enter text.

