

CORPORATE GOVERNANCE OVERVIEW STATEMENT

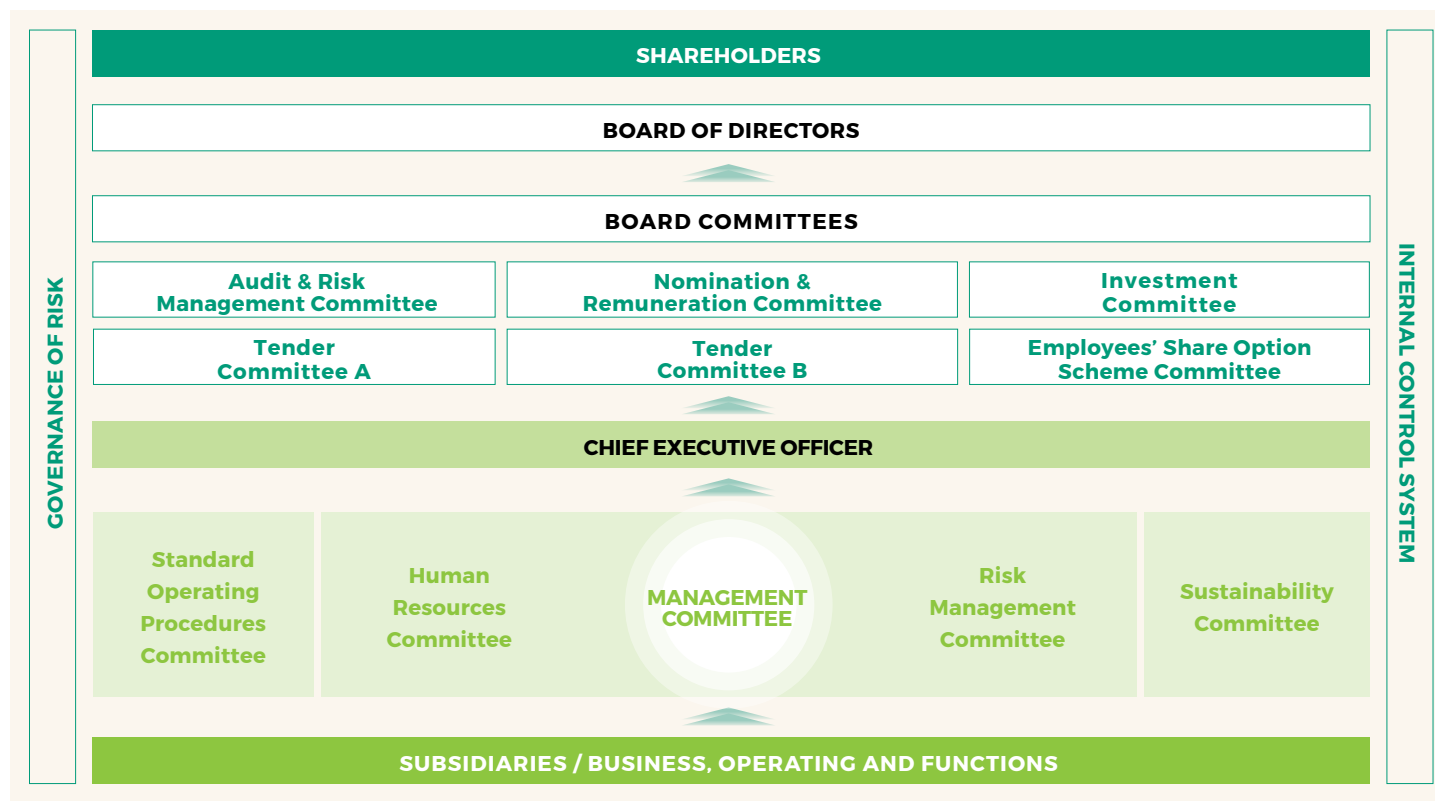
THE BOARD AFFIRMS THAT IT SHALL CONTINUE TO INTEGRATE GOOD AND EFFECTIVE CORPORATE GOVERNANCE PRACTICES INTO THE OVERALL BUSINESS DIRECTION AND MANAGEMENT OF THE GROUP.

The Board and its subsidiary companies firmly affirms its commitment to the integration of robust and effective corporate governance practices into the overall business direction and management. As custodians of the Company's governance standards, the Board is charged with the responsibility of upholding corporate governance as an integral part of the Group's operations, with a strong focus on maximizing shareholder value and enhancing investors' interests.

As guardians of corporate governance, the Board is dedicated to ensuring the Company's compliance with the Malaysian Code on Corporate Governance 2021 ("the MCCG 2021"), the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements"), and the Corporate Governance Guide issued by Bursa Malaysia Berhad ("CG Guide").

This statement provides a comprehensive summary of THP's corporate governance practices for the financial year ended 31 December 2022 ("FY2022"). Readers are encouraged to refer to the Corporate Governance Report, available online at www.thplantations.my, for a more detailed overview of the Company's corporate governance practices.

OUR GOVERNANCE STRUCTURE



CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD ROLES



Strategy

- Sets the strategy to secure the continued growth of the Group over the long term in the interests of our shareholders, taking account of our responsibilities to colleagues, customers, the communities in which we operate and the interests of our other stakeholders
- Ensures that resources are in place to deliver the strategy



Governance

- Instil and maintain a culture of honesty, integrity and transparency
- Ensures that financial and other controls and processes for risk management are in place and working effectively
- Sets an effective remuneration policy
- Maintains effective relationships with shareholders



Performance

- Reviews progress towards strategic and operational goals and the performance of management
- Ensures that Board balance and committee membership are appropriate and effective, and fully compliant with the requirements of the MCCG 2021

CHAIRMAN

The Chairman of the Board plays a critical leadership role in overseeing the conduct of the Board and its interactions with shareholders and other stakeholders.

The roles of the Chairman are as follows:

- Provides leadership to the Board
 - Plans Board meetings;
 - Ensures the Board receives proper information in a timely manner;
 - Chairs all Board/shareholder meetings;
 - Ensures that all Directors contribute and participate at Board meetings; and
 - Drives discussion toward consensus and to achieve closure on such discussions.
- Represents the Board to shareholders and be the spokesperson at the Annual General Meeting ("AGM"). Supports the role of the CEO in reporting operational and public relations matters;
- Ensures the integrity and effectiveness of the governance process; and
- Performs other responsibilities as assigned by the Board from time-to-time.

CHIEF EXECUTIVE OFFICER

The CEO is responsible for the day-to-day management of both the Company and Group, and is an integral member of the Senior Management team. In many cases, the CEO also serves as an Executive Director, holding a dual role in providing strategic direction to the Board while managing the Company's operations on a daily basis.

The roles of the CEO/Executive Director are as follows:

- Develops and implements strategy which reflect long-term objectives and priorities established by the Board;
- Assumes full accountability to the Board for all aspects of Company operations and performance;
- Puts adequate operational plans and financial control systems in place;
- Closely monitors operating and financial results in accordance with plans and budgets; and
- Represents the Company in engagement with major customers, employees, suppliers, and professional associations.

NON-EXECUTIVE DIRECTOR

Non-Executive Directors serve as a vital bridge between management, shareholders, and other stakeholders, providing essential checks and balances to ensure that high standards of corporate governance are upheld. Their primary focus is on safeguarding the interests of shareholders and other stakeholders, and they are responsible for ensuring that THP applies these high standards of corporate governance.

Under the Companies Act, 2016 ("the Act"), there is no legal distinction between the duties imposed on Executive and Non-Executive Directors. All directors, including independent directors, are required to act in the best interests of THP and to exercise independent judgment without any external influence.

The roles of Independent Directors are as follows:

- Not to be involved in day-to-day operations of the Company or running of the business; and
- Protects the interests of shareholders and contributes to impartial board oversight.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

COMPANY SECRETARY

As a key support to the Board, the Company Secretary provides independent and impartial advice to the Board, helping to ensure that it operates in accordance with the highest standards of corporate governance. In addition to providing independent advice, the Company Secretary is also responsible for ensuring that there is good information flow between the Board and management, shareholders, and other stakeholders.

The roles of the Company Secretary are as follows:

- i. Works closely with the Chairman to raise all material compliance and governance issues;
- ii. Attends all Board, Board Committees and Subsidiaries Board meetings;
- iii. Ensures accurate records of all meetings and that all decisions made are properly minuted; and
- iv. Facilitates the communication of key decisions and policies between the Board, Board Committees and Subsidiaries Board.

BOARD CHARTER

The Board Charter has long served as a reliable guide for excellence in corporate governance at our Company. Rooted in the principles and recommendations of the MCGG 2021, it represents a comprehensive embodiment of our governance practices, Board policies, and guidelines.

This Charter is a valuable resource for our Directors, offering detailed references for the Board's role, powers, duties, and functions. It outlines rigorous processes and procedures for the Board and its committees to fulfill their stewardship responsibilities with utmost effectiveness and efficiency.

To ensure continued compliance with current rules and regulations, our Board Charter undergoes annual review and updates as necessary. We maintain its relevance and accuracy in a constantly evolving corporate landscape.

Our Board Charter is available to interested parties on our website, www.thplantations.my as part of our commitment to transparency and good governance.

BOARD COMPOSITION

The Board comprises highly experienced individuals who are leaders in their respective fields of enterprise. Their wealth of knowledge, backgrounds, and sound judgement is indispensable in ensuring that THP Group maintains the highest standards of performance, accountability, and ethical behaviour, as demanded by our stakeholders.

As at 31 December 2022, the Board consists of seven (7) members, of whom five (5) are Independent Non-Executive Directors, and the remaining two (2) are Non-Independent Non-Executive Directors, including an Alternate Director.

Profiles of each Board member are provided on pages 45 to 52 of this Annual Report. Given the Company's current activities and size, the Board believes that the current number and composition are sufficient and well-balanced to effectively discharge their duties, while ensuring that no individual or group of individuals dominates the Board's decision-making.

The Board is constantly mindful of its duty to safeguard the interests of the Group's customers, investors, and all other stakeholders. In fulfilling its responsibilities, the Board adheres to the highest standards of corporate governance and is committed to upholding the trust and confidence of our stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD RESPONSIBILITIES

The Board is responsible for the overall conduct of the Group's business and has the powers and duties set out in the Board Charter, among others, include the following:

- i. Reviewing and adopting strategic plans for the Company, primarily the five (5) year rolling strategic plan for the Group.
- ii. Overseeing the conduct of the Company's business to ensure that it is being properly managed. Key operational matters are discussed during Board meetings, and expert advice or independent advice is sought where necessary.
- iii. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.
- iv. Implementing succession planning, including the appointment and recruitment of Senior Management team members.
- v. Developing and implementing an investor relations policy or shareholders' communications policy for the Company.
- vi. Reviewing the adequacy and integrity of the Company's internal controls and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines

The Board is committed to upholding high standards of corporate governance and is supported by various committees established at both the Board and management levels, as well as the Internal Audit Department ("IAD"). Regular meetings and discussions with the IAD ensure that the Company's internal controls system is adequate and provides a strong check and balance.

In addition, the Board maintains a dynamic and robust corporate climate that prioritizes strong ethical values. Active participation and structured dialogue involving key people at all levels are encouraged and conducted, while accessibility to information and transparency in all executive actions are consistently maintained. The Board also invests in value-centered programs for team building and active subscription to core values to continuously fortify the corporate climate.

SEPARATION OF POSITIONS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman plays a pivotal role in leading the Board, overseeing its agenda, and fostering a culture of open communication and debate, while the CEO, with the support of senior management, is responsible for proposing the Group's strategy, executing the business plan in line with the Board's approved strategy, and implementing the decisions made by the Board.

The clear division of responsibilities between the Chairman and CEO ensures a balance of power and authority, avoiding any one individual having unchecked decision-making powers. As such, the roles of the Chairman and CEO are distinct and clearly defined, allowing for effective leadership and governance of the company.

BOARD COMMITTEES

While the Board maintains a schedule of key matters that are reserved for their decision, the Board discharges some of their responsibilities through delegation to Board Committees.

All Board Committees operate within clearly defined Terms of Reference ("ToR"), primarily to assist the Board in discharging its responsibilities whilst the ultimate responsibility for the final decision lies with the full Board. The Board Committees bring an increased focus on key areas and probe them more deeply, thereby gaining a greater understanding of the details.

The Board currently has five (5) main Board Committees as follows:

- i. Nomination & Remuneration Committee;
- ii. Audit & Risk Management Committee;
- iii. Investment Committee;
- iv. Tender Committee A; and
- vi. Tender Committee B.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Nomination & Remuneration Committee (“NRC”) Report, Audit & Risk Management Committee (“ARMC”) Report and Investment Committee (“IC”) Report are provided on pages 66 to 77 of this Annual Report.

All deliberations and decisions taken by the Board Committees are documented and recommended by the respective Board Committees prior to submission as Board papers for deliberation at Board meetings.

The Company Secretary is the secretary to these committees and ensures that these committees adhere to the highest standards of Corporate Governance and apply the provisions and principles of the MCCG 2021.

Only Committee members are entitled to attend meetings however, other Board members may attend at any time if they choose to do so. Professional advisers and members of the Senior Management team shall attend these committee meetings when they are invited to do so.



The responsibilities of these committees are set out in the individual ToR, which are available on the Company’s website at www.thplantations.my.

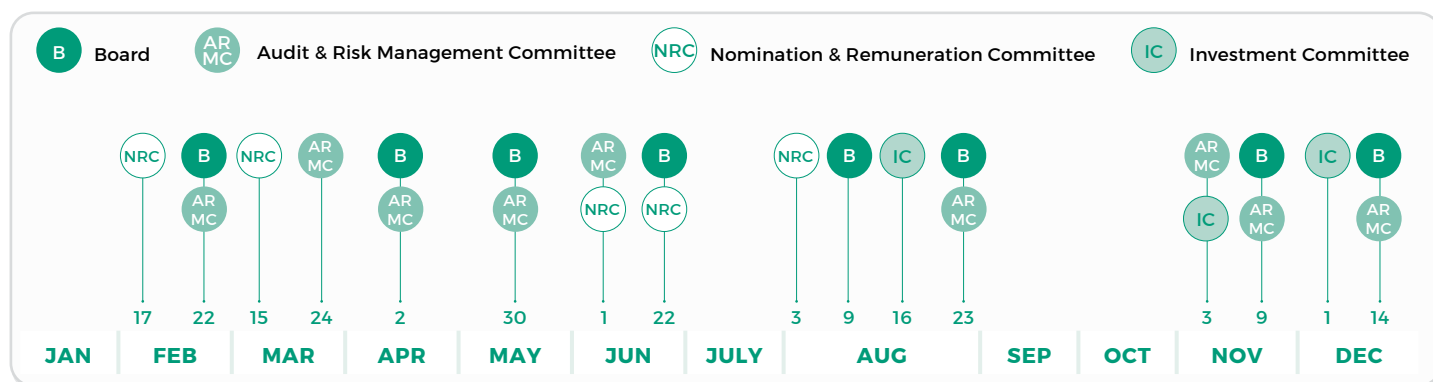


The roles and responsibilities of the Board Committees, along with the activities undertaken during FY2022, are outlined in each of their respective reports are provided on pages 66 to 77 of this Annual Report.

BOARD MEETINGS

To facilitate efficient planning, Board meetings for the upcoming financial year are scheduled prior to the end of the current financial year. Special Board Meetings may be held between the scheduled meetings in the event of urgent matters that require prompt attention from the Board. The Board is provided with comprehensive and timely access to all relevant information necessary to carry out its duties effectively. In advance of each meeting, a set of Board papers is distributed to each member, containing information on the Group’s performance, key operational, financial, and corporate issues.

All Board decisions are recorded in minutes and circulated to Directors for review and confirmation at the following meeting. Directors are encouraged to request clarification or provide feedback before confirming the minutes as a correct record of proceedings. Senior Management may attend the meetings to provide additional details or clarification on matters, and independent advisors or professionals may be invited to offer advice. The Chairman of the ARMC is responsible for informing the Board of salient matters arising from audit findings that require the Board’s attention. The Board’s agenda may also cover specific topics such as the Group’s financial and operational results, strategic and corporate initiatives, acquisitions and disposals of material assets, major investments, and changes to management and control structures, including key policies, procedures, and authority limits.



CORPORATE GOVERNANCE
OVERVIEW STATEMENT

A total of 8 Board meetings were held in 2022 and all Directors have complied with the minimum fifty per centum (50%) attendance as required under Paragraph 15.05 (3) of the Listing Requirements.

The Directors' attendance at Board meetings for the FY2022 is detailed below:

Name of Directors	Number of Meetings Attended %
Datuk Dr. Ahmad Kushairi bin Din¹ <i>Chairman, Independent Non-Executive Director</i>	100% 7/7
Dato' Sri Amrin bin Awaluddin <i>Non-Independent Non-Executive Director</i>	100% 8/8
YM Tengku Dato' Seri Hasmuddin bin Tengku Othman <i>Non-Independent Non-Executive Director</i>	100% 8/8
Haji Bakri bin Jamaluddin² <i>Independent Non-Executive Director</i>	88% 7/8
Muhammad Ramizu bin Mustaffa³ <i>Independent Non-Executive Director</i>	100% 6/6
Ir. Mohamed Ajmel Hafiz bin Jamaludin⁴ <i>Independent Non-Executive Director</i>	100% 4/4
Datuk Dr. Kamilia binti Ibrahim⁵ <i>Independent Non-Executive Director</i>	100% 4/4
Dzul Effendy bin Ahmad Hayan <i>Alternate Director to YM Tengku Dato' Seri Hasmuddin bin Tengku Othman</i>	N/A
Tan Sri Abu Talib bin Othman⁶ <i>Chairman, Non-Independent Non-Executive Director</i>	50% 1/2
Mohd Adzahar bin Abdul Wahid⁷ <i>Senior Independent Non-Executive Director</i>	100% 2/2
Dato' Shari bin Haji Osman⁸ <i>Independent Non-Executive Director</i>	100% 2/2

Notes:

¹ Appointed as Director on 18 March 2022 and redesignated as Chairman on 28 June 2022

² Appointed as Director on 2 January 2022

³ Appointed as Director on 5 April 2022

⁴ Appointed as Director on 27 June 2022

⁵ Appointed as Director on 28 June 2022

⁶ Resigned as Director on 30 May 2022

⁷ Resigned as Director on 11 May 2022

⁸ Resigned as Director on 30 May 2022

KEY BOARD DISCUSSION AND ACTIVITIES**Financial**

- Financial Statements for the FY2021
- Audit fee for THP and Group for the FY2021
- Appointment of External Auditors for the financial year ending 2022
- Quarterly Report on Consolidated Results
- Updates on changes in accounting standards and/or policies
- The Group's annual budget, cashflow projections
- Restructuring of SUKUK
- Interim dividend for the financial year ending 31 December 2022

Governance and Policies

- Updates on material litigation cases within the Group
- Director's Fit & Proper Policy
- Schedule of Board meetings for the FY2022
- Status of compliance with MCCG 2021
- Formation of a temporary Board Committee

Operation, Risk, Strategy, Sustainability

- Updates on the Group's estates performance
- Business growth and improving yields
- Improving operational efficiency
- Purchase of FFB from smallholders
- 5 years Replanting Programme of the Group
- Land issues in Sarawak
- Risk Register and the Group Top 20 Risks
- Risk Management Framework
- Strategy Recovery Plan to stabilize and strengthen the Group's operations and finances
- Updates on sustainability matters
- Updates on Recovery Plan Project
- Organisation structure
- 5 years Business Plan of the Group from 2023 to 2027

Appointment and Resignation

- Review Board and Board Committees composition
- Change of directorship in the Board
- Change of directorship in the Subsidiaries Board
- Change of composition of Board Committees
- Board Evaluation Assessment (assessment of the effectiveness of the Board, Board Committees, Individual Directors and Independent Directors)
- Re-election of Directors
- Change in Key Senior Management
- Top Management Movements

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Remuneration

- Annual fees for the Board and Board Committees
- Remuneration package of new directors
- Performance bonus for employees of the Group
- Salary increments for employees of the Group.

Investment and Divestment

- Updates on THP's assets rationalisation plan
- Assessment on the effectiveness of joint venture performance

Others

- Reports for inclusion in the Annual Report 2021
- Circular to Shareholders for Recurrent Related Party Transactions

THE GOVERNANCE OF SUSTAINABILITY

The Board bears ultimate responsibility for the governance of sustainability. The CEO and the Sustainability Committee provide support to the Board in implementing, tracking, evaluating, and revising the Group's sustainability policy and initiatives. The CEO provides the Board with updates on the Group's sustainability performance and reviews reports from the Committee on the Group's sustainability management and the development of the annual Sustainability Statement. The Sustainability Committee, which includes various Head of Departments, is responsible for overseeing the implementation of the Board's strategic sustainability direction and supervising the development of the Sustainability Statement. Further information on the Sustainability Statement are provided on pages 22 to 44 of this Annual Report.

NOMINATION & REMUNERATION COMMITTEE REPORT

The Board is pleased to present the NRC Report for the FY2022. The NRC assists the Board in reviewing the size and balance of the Board to ensure an appropriate mix of skills, experience and knowledge, succession planning, human capital development and the development of the remuneration framework for the Directors, Management and employees.

The structure and procedures of the NRC in remuneration function are as follows:

- The remuneration of Directors shall be the ultimate responsibility of the Board after considering the recommendations made by the NRC.
- The determination of remuneration packages of Non-Executive Directors, including the Non-Executive Chairman shall be a matter to be considered by the Board as a whole and thereafter to be put forth to the shareholders for approval.
- The level of remuneration should be sufficient to attract and retain the Directors needed to steer the Company successfully. The level of remuneration should reflect the experience and responsibilities undertaken by the Non-Executive Directors concerned
- The CEO does not participate in discussions pertaining to his own remuneration.



The ToR of the NRC are available on the Company's website at www.thplantations.my

MEMBERS AND ATTENDANCE

The NRC comprises Non-Executive Directors with a majority being Independent Directors. The composition of the NRC complies with the requirements of both the Listing Requirements and the MCGG 2021.

Name of Directors	Number of Meetings Attended %
Datuk Dr. Kamilia binti Ibrahim¹ <i>Chairman, Independent Non-Executive Director</i>	100% 1/1
YM Tengku Dato' Seri Hasmuddin bin Tengku Othman <i>Member, Non-Independent Non-Executive Director</i>	100% 5/5
Haji Bakri bin Jamaluddin² <i>Member, Independent Non-Executive Director</i>	100% 3/3
Ir. Mohamed Ajmel Hafiz bin Jamaludin³ <i>Member, Independent Non-Executive Director</i>	N/A
Datuk Dr. Ahmad Kushairi bin Din⁴ <i>Member, Independent Non-Executive Director</i>	100% 2/2
Dato' Shari bin Haji Osman⁵ <i>Chairman, Independent Non-Executive Director</i>	100% 2/2
Mohd Adzahar bin Abd Wahid⁶ <i>Member, Senior Independent Non-Executive Director</i>	100% 2/2

Notes:

- ¹ Appointed as Member on 20 July 2022 and redesignated as Chairman on 9 August 2022
- ² Appointed as Chairman on 30 May 2022 and redesignated as Member on 9 August 2022
- ³ Appointed as Member on 9 August 2022
- ⁴ Appointed as Member on 24 May 2022 and resigned as Member on 21 July 2022
- ⁵ Resigned as Member on 30 May 2022
- ⁶ Resigned as Member on 11 May 2022

Meetings of the NRC are attended by the CEO. Other members of the Senior Management are invited to meetings of the NRC when necessary to support detailed discussion on matters relevant to the agenda of the meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SUMMARY OF ACTIVITIES OF NRC

The main activities undertaken by the NRC during the FY2022, were as follows:

NOMINATION FUNCTION

- a) Assessing and recommending to the Board, the continuation of service of the Directors who are seeking re-election at the AGM.
- b) Reviewing and assessing the annual performance and effectiveness of the Board.
- c) Assessing and recommending to the Board, the appointment of new Directors on the Board.
- d) Reviewing and recommending to the Board, the composition of the Subsidiaries Board.
- e) Assessing and recommending to the Board, the appointment of new key Senior Management.
- f) Reviewing and recommending to the Board, the changes, movements, promotions and extension of contracts of Senior Management Personnel in Head Office.
- g) Reviewing and recommending to the Board, the changes to the organisation structure.

REMUNERATION FUNCTION

- a) Reviewing and recommending to the Board, the annual directors' remuneration.
- b) Reviewing and recommending to the Board, the authority in approving employees' salary increments, bonus, allowances, appointment and promotion.

OTHERS

- a) Reviewing and recommending to the Board, the Directors' Fit & Proper Policy.
- b) Reviewing the disclosure in the Annual Report on the NRC Report.

APPOINTMENTS

The NRC plays a vital role in the leadership and succession planning of the Board and Key Senior Management. It ensures that proper procedures are in place for nominating, training, and evaluating Directors. The NRC takes the lead in the process of appointing new Board members or identifying potential candidates. The policy on Board appointments involves the NRC developing an appropriate specification that outlines the necessary skills and experience required for the role. Shortlisted candidates are then interviewed by the Chairman and members of the NRC, and where applicable, third-party feedback is sought. After careful consideration, the NRC makes a recommendation to the Board to appoint the preferred candidate.

During the FY2022, the NRC oversaw a change in the Board's composition. Three (3) directors of THP left during the FY2022, namely Tan Sri Abu Talib bin Othman and Dato Shari bin Haji Osman, both resigned on 30 May 2022 and Mohd Adzahar bin Abdul Wahid, who resigned on 11 May 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board appointed the following Independent Non-Executive Directors during the FY2022:

- i. Haji Bakri bin Jamaluddin on 2 January 2022
- ii. Datuk Dr. Ahmad Kushairi bin Din on 18 March 2022
- iii. Muhammad Ramizu bin Mustafa on 5 April 2022
- iv. Ir. Mohamed Ajmel Hafiz Jamaludin on 27 June 2022
- v. Datuk Dr. Kamilia binti Ibrahim on 28 June 2022

On 30 March 2023, Dzul Effendy bin Ahmad Hayan was redesignated from Alternate Director to YM Tengku Dato' Seri Hasmuddin bin Tengku Othman to Non-Independent Non-Executive Director.

For change in Key Senior Management of THP, Shahrizal bin Suhainy resigned as the Chief Financial Officer of THP on 14 November 2022.

The Company Secretary ensures that all appointments are properly made and that all necessary information is obtained from the Directors, both for the Company's own records and for the purposes of meeting statutory obligations as well as obligations arising from the Listing Requirements.

RE-ELECTION OF DIRECTORS

The process of re-electing Directors allows shareholders to regularly evaluate the composition and effectiveness of the Board. In alignment with the Company's Constitution, at least one third (1/3) of the Directors shall retire from office every year provided always that all Directors shall retire at least once in every three (3) years and shall be eligible for re-election at the AGM.

At this upcoming 49th AGM of the Company, Dato' Sri Amrin bin Awaluddin and YM Tengku Dato' Seri Hasmuddin bin Tengku Othman are subject to retirement by rotation under Clause 89 of the Company's Constitution.

However, Dato' Sri Amrin bin Awaluddin has expressed his intention not to seek for re-election at the 49th AGM of the Company. Hence, Dato' Sri Amrin bin Awaluddin will retire as the Non-Independent Non-Executive Director of THP at the conclusion of the 49th AGM of the Company. Whilst, YM Tengku Dato' Seri Hasmuddin bin Tengku Othman, being eligible has offered himself for re-election at the 49th AGM of the Company.

The Company's Constitution also provide that newly-appointed directors shall hold office until the next AGM and shall then be eligible for re-election. The following Directors, who have been appointed since the last AGM shall retire in accordance with Clause 94 of the Company's Constitution and being eligible, have offered themselves for re-election:

- i. Ir. Mohamed Ajmel Hafiz Jamaludin
- ii. Datuk Dr. Kamilia binti Ibrahim
- iii. Dzul Effendy bin Ahmad Hayan

TENURE FOR INDEPENDENT DIRECTORS

The tenure of service of Independent Non-Executive Directors will be nine (9) years.

INDEPENDENCE DIRECTORS

The Board gives careful attention to maintaining the independence, composition, and balance of its members. To preserve the continuity of Board processes and the effectiveness of the team's personal interactions, the Group systematically refreshes Board and Committee membership. The Board believes that it has the appropriate blend of skills, experience, independence, and knowledge of the Group to fulfill its obligations and responsibilities effectively, as required by the MCCG 2021.

Moreover, the Directors are mindful of their legal duties to act in good faith and promote the Company's success for its shareholders, while also considering the interests of other stakeholders. The Directors' biographies on pages 45 to 52 reveal a diverse set of skills and experiences that enable them to provide independent judgment on issues like strategy, performance, risk management, resource allocation, and standards of conduct, all of which are critical to the Group's success.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD INDUCTION, EFFECTIVENESS AND TRAINING

The Board Effectiveness Review operates on an internal evaluation process carried out using a survey and questionnaire format. The process is detailed in the table below:

This Process was Divided into 3 Stages		
<p>➤ STAGE 1 Completion of questionnaire</p> <p>A comprehensive questionnaire was sent to each Board member. Board members completed and returned the questionnaire to the Company Secretary.</p>	<p>➤ STAGE 2 Evaluation of responses/reporting</p> <p>The Company Secretary compiled a report to be tabled to the NRC based on the feedback provided by Board members, addressing the performance of the Board and each of its committees.</p>	<p>➤ STAGE 3 Discussions with the Board</p> <p>The NRC discussed the draft conclusions. Subsequently, these conclusions and a draft action plan were recommended to the Board.</p>

Criteria for Assessment

<p>1 Board composition together with the utilisation of the experience, skills and expertise, as well as diversity of Board members.</p>	<p>4 Understanding by the Board of the prevailing culture within the Group.</p>	<p>7 Risk management and the effectiveness of the Board in considering the Group's risk management framework and internal controls.</p>
<p>2 Board dynamics and the interaction between the Chairman, Non-Executive Directors and management to achieve the Board's objectives.</p>	<p>5 Quality, timeliness of delivery and presentation of Board papers and Board support.</p>	<p>8 The effectiveness of the Board's strategic and operational oversight.</p>
<p>3 Leadership and succession planning including the oversight of the Group's processes for managing, developing and retaining talent.</p>	<p>6 Time management and operational performance of Board and Board Committee meetings.</p>	<p>9 Priorities for change that would enhance Board performance.</p>

The results of the evaluation were discussed with the Board and showed a board that appeared to be functioning well, with some identified opportunities for improvement. Consideration was given to the skills, characteristics and diversity needed on the Board to underpin the strategy.

When a new Director is appointed to the Board, they will undergo specific briefings on the Group with the objectives of providing an overview of the Company's vision and mission, nature of business, current issues and the long term targets of the Group.

In compliance with the Listing Requirements, the Company regularly assesses the training needs of its Directors to ensure that they are well-equipped with the requisite knowledge and competencies to contribute effectively to the role of the Board.

In addition, the Directors are also encouraged to continue attending various training programmes that are relevant to further enhance their knowledge and expertise in discharging their responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For FY2022, the Directors attended conferences, seminars and training programmes, including those listed below:

Training/Seminar	Organiser
Datuk Dr. Ahmad Kushairi bin Din	
Induction Programme - In-house Programme	THP
Mandatory Accreditation Programme	ICDM
Dato' Sri Amrin bin Awaluddin	
Fundamental Disruption of Asset Management and Securities	Bank Islam Malaysia Berhad
Permukiman Agensi Agama Persekutuan Tahun 2022	Jabatan Perdana Menteri
Internet of Things	Theta Edge Berhad
Future of Islamic Banking	Bank Islam Malaysia Berhad
Sustainability and Its Impact on Organisations: What Directors Need to Know	ICLIF & Asian School of Business
Future of Finance & Society	Bank Negara Malaysia & INCEIF
Islamic Finance & Shariah for Board Members	ISRA Institute
AML/CFT - Legal & Regulatory Environment	Bank Islam Malaysia Berhad
Khazanah Megatrends Forum 2022	Khazanah
ESG - Phase 2 Project	Bank Islam Malaysia Berhad
Voluntary Carbon Market	TH
The Malaysian Code of Corporate Governance 2021 - In-house Programme	THP
YM Tengku Dato' Seri Hasmuddin bin Tengku Othman	
Board Risk Intelligence Executive Masterclass Asia (Malaysia Series) 2022	Asian World Centre
The Malaysian Code of Corporate Governance 2021 - In-house Programme	THP
Haji Bakri bin Jamaluddin	
Induction Programme - In-house Programme	THP
Mandatory Accreditation Programme	ICDM
The Malaysian Code of Corporate Governance 2021 - In-house Programme	THP
Anti-Bribery & Corruption	Puncak Niaga Berhad
Muhammad Ramizu bin Mustaffa	
Induction Programme - In-house Programme	THP
World Congress of Accountant	The Institute of Chartered Accountants and International Federation of Accountants
Terengganu Inc Group Corporate Directors' Programme 2022: Enhancing Governance & Leadership and Post Pandemic Environment	Terengganu Incorporated
Datuk Dr. Kamilia binti Ibrahim	
Induction Programme - In-house Programme	THP
Mandatory Accreditation Programme	ICDM
Ir. Mohamed Ajmel Hafiz bin Jamaludin	
Induction Programme - In-house Programme	THP
Mandatory Accreditation Programme	ICDM
Dzul Effendy bin Ahmad Hayan	
Awareness Programme on Thriving Performance Conversation	TH
Program "Professional Mentoring Certification for Senior Leaders"	TH
Invest Asean: Framing a Future	Maybank Investment Bank Berhad
TH Nominee Director's Training Programme 2022	TH
Workshop Session with Mercer - SAA Finalisation & Hedging Framework	TH
TH Knowledge Sharing Workshop on Investment Management and Monitoring	TH

CORPORATE GOVERNANCE OVERVIEW STATEMENT

All Directors have successfully completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia Securities Berhad. The Listing Requirements require newly appointed directors of public listed companies to attend the MAP within four (4) months after their appointment.

DIRECTORS' REMUNERATION

The Board believes that the level of remuneration offered by the Group is sufficient to attract and retain Directors of calibre and with sufficient experience and talent to contribute to the performance of the Company. Comparisons with similar positions within the industry and other major public listed companies are made in order to arrive at a fair remuneration rate. The aim of the remuneration policy and philosophy is to:

- i. Align with THP's strategic thrust and value drivers;
- ii. Attract and retain Directors of such calibre who are able to provide the necessary skills and experience, commensurating with the responsibilities for the effective management of the Group; and
- iii. Support the philosophy of value-based management.

The policy and framework for the overall remuneration of the Directors are reviewed against market practices by the NRC, following which recommendations are submitted to the Board for approval.

The remuneration of the Non-Executive Director includes Directors' fees and attendance allowance for each Board and Board Committee meetings that they attended as well as medical insurance coverage in Malaysia.

The details of the directors' fees and benefits are as follows:

DIRECTORS' FEES

Board/Board Committee	Monthly Fees (RM)	
	Chairman	Member
Board	12,000	5,000
Audit & Risk Management Committee	2,000	1,000
Nomination & Remuneration Committee	Nil	Nil
Tender Committee A	Nil	Nil
Tender Committee B	Nil	Nil
Investment Committee	Nil	Nil

DIRECTORS' BENEFITS

➤ Meeting Allowance	Board and Board Committee meetings of RM1,000.00 per meeting
➤ Other benefits	Medical and insurance coverage in Malaysia

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of remuneration (including benefits-in-kind) of each Director for the FY2022 are as follows:

	RM						
	Annual Monthly Fees			Salary & Bonus	Meeting Allowances (including subsidiaries)	Benefits-in-kind	Total
	Board	Board Committees	Subsidiaries				
Datuk Dr. Ahmad Kushairi bin Din ¹	89,958	N/A	40,065	N/A	10,000	10,610	150,633
Dato' Sri Amrin bin Awaluddin	-	N/A	-	N/A	8,000	1,050	9,050
YM Tengku Dato' Seri Hasmuddin bin Tengku Othman	60,000	12,000	106,942	N/A	35,500	4,602	219,044
Alternate Director: Dzul Effendy bin Ahmad Hayan	N/A	N/A	N/A	N/A	N/A	1,050	1,050
Haji Bakri bin Jamaluddin ²	59,839	10,215	72,647	N/A	28,000	4,587	175,288
Muhammad Ramizu bin Mustaffa ³	44,333	14,516	43,490	N/A	18,500	3,576	124,415
Ir. Mohamed Ajmel Hafiz bin Jamaludin ⁴	30,667	4,742	38,013	N/A	14,500	4,522	92,444
Datuk Dr. Kamilia binti Ibrahim ⁵	30,500	N/A	76,352	N/A	16,000	1,050	123,902
Tan Sri Abu Talib bin Othman ⁶	59,613	N/A	74,516	N/A	3,000	1,323	138,452
Mohd Adzahar bin Abdul Wahid ⁷	21,774	8,710	39,194	N/A	10,000	4,602	84,280
Dato' Shari bin Haji Osman ⁸	24,839	4,968	27,000	N/A	14,000	5,748	76,555
TOTAL	421,523	55,151	518,219	N/A	157,500	42,720	1,195,113

Notes:

¹ Appointed as Director on 18 March 2022 and redesignated as Chairman on 28 June 2022

² Appointed as Director on 2 January 2022

³ Appointed as Director on 5 April 2022

⁴ Appointed as Director on 27 June 2022

⁵ Appointed as Director on 28 June 2022

⁶ Resigned as Director on 30 May 2022

⁷ Resigned as Director on 11 May 2022

⁸ Resigned as Director on 30 May 2022

Number of Directors whose remuneration falls within the following bands:

Ranges of Remuneration	Number of Directors
Less than RM50,000	2
RM50,001 to RM100,000	3
RM100,001 to RM150,000	3
RM150,001 to RM200,000	2
More than RM200,001	1

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT & RISK MANAGEMENT COMMITTEE

The Board is pleased to present the ARMC Report for the FY2022.

The Group established the ARMC to be in line with Listing Requirements. Its main roles and functions are to oversee the Group's financial reporting and performance, internal and external audit functions and risk management and internal control oversight.



The ToR of the ARMC are available on the Company's website at www.thplantations.my.

MEMBERS AND ATTENDANCE

A total of nine (9) meetings were held during the FY2022. Details of the composition of the ARMC and their attendance are as follows:

The ARMC membership is in line with Paragraph 15.09 & 15.10 of the Listing Requirements and Practice 9.1 & 9.2 of the MCGG 2021, in which:

Name of Directors	Number of Meetings Attended %
Muhammad Ramizu bin Mustafa ¹ <i>Chairman, Independent Non-Executive Director</i>	100% 6/6
YM Tengku Dato' Seri Hasmuiddin bin Tengku Othman ² <i>Member, Non-Independent Non-Executive Director</i>	100% 9/9
Bakri bin Jamaluddin ³ <i>Member, Independent Non-Executive Director</i>	75% 6/8
Ir. Mohamed Ajmel Hafiz bin Jamaludin ⁴ <i>Member, Independent Non-Executive Director</i>	100% 4/4
Mohd Adzahar bin Abdul Wahid ² <i>Chairman, Senior Independent Non-Executive Director</i>	100% 3/3
Dato' Shari bin Haji Osman ⁵ <i>Member, Independent Non-Executive Director</i>	100% 3/3

1 All four (4) members are Non-Executive Directors and the majority of the members are Independent Directors

2 Muhammad Ramizu bin Mustafa is a member of the Malaysian Institute of Accountants ("MIA") and his profile is provided on page 49 of this Annual Report

3 No alternate director is appointed as a member of ARMC

4 The Chairman of the ARMC is an Independent Director

5 The Chairman of the ARMC is not the Chairman of the Board

6 None of the ARMC members are a former audit partners of the Group's external auditor

Notes:

¹ Appointed as Chairman on 24 May 2022

² Resigned as Chairman on 11 May 2022

³ Appointed as Member on 22 February 2022

⁴ Appointed as member on 9 August 2022

⁵ Resigned as Member on 30 May 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SUMMARY OF ACTIVITIES OF THE ARMC

The main activities undertaken by the ARMC during the FY2022 were as follows:

FINANCIAL REPORTING

- a) Reviewed the quarterly financial results and yearly financial statements, including their corresponding announcement, to ensure compliance with Listing Requirements, applicable and approved accounting standards of the Malaysian Financial Reporting Standards (“MFRS”) and other statutory laws and regulations prior to the Board for approval. The details of the activities are as follows:

Date of Meeting	Quarterly Result/ Financial Statement Reviewed
22 Feb 2022	Unaudited fourth quarter results for the year ended 31 December 2021
24 Mar 2022	Audited Financial Statement for the financial year ended 31 December 2021
30 May 2022	Unaudited first quarter results for the period ended 31 March 2022
23 Aug 2022	Unaudited second quarter results for the period ended 30 June 2022
9 Nov 2022	Unaudited third quarter results for the period ended 30 September 2022

- b) Reviewed and assessed the impact on changes of accounting policies, adoption of new accounting standards and treatments, tax review, financial and legal disclosures and also significant judgements and estimates applied in the Group’s financial statements; and
- c) Reviewed and evaluated the quarterly and yearly operational and financial performances of the Group, as presented by Management.

INTERNAL AUDIT

- a) Reviewed and approved the scope of the internal audit, along with the annual audit plan, budget, and resource requirements to ensure sufficient coverage of the Group’s activities;
- b) Reviewed and analysed significant internal audit findings from the internal audit reports, as well as the follow-up outcomes and the status of audit work executed by internal auditors;
- c) Evaluated the sufficiency of measures taken by the Management in resolving and addressing issues, ensuring that all significant concerns were adequately tackled in a timely manner; and
- d) Reviewed the adequacy of internal auditors experiences, competencies and resources to ensure internal audit works are carried out effectively.

The ARMC was satisfied with the overall performance of the Group’s internal audit function and its resources to perform their function effectively and independently.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

RISK MANAGEMENT AND INTERNAL CONTROL

- a) Conducted a review of the existing risk management and internal control system, and discussed the risks and corresponding controls that should be put in place to minimize the identified risks;
- b) Evaluated and analysed the adequacy and efficiency of Management's internal control measures in recognising, evaluating, mitigating, and overseeing both financial and non-financial risks;
- c) Reviewed the revised and expanded ToR of ARMC prior to recommending to the Board for approval;
- d) Reviewed and approved the Company's revised risk management framework, policy and procedures;
- e) Assessed the organization's corporate risk profile and provided updated reports on the current risk status, along with recommended action plans to reduce the potential risks; and
- f) Promoted awareness and sound risk management culture within the Company.

EXTERNAL AUDIT

- a) Reviewed the external auditor's scope of works and audit plan for the Group;
- b) Evaluated the sufficiency, proficiency, and background of the external auditors appointed for the audit engagement, as well as their effectiveness in conducting the audit. Additionally, reviewed the audit fees and potential re-appointment of the auditors to the Board for recommendation;
- c) Evaluated the performance of the external auditors, as well as their suitability, impartiality, and autonomy in performing the audit;
- d) Conducted a review with the external auditors regarding the conformity of the Group's yearly financial statements to the Listing Requirements, as well as the relevant accounting standards of the MFRS and other legal and regulatory mandates;
- e) Examined and discussed the external auditor's management letter(s) and the corresponding management response(s); and
- f) Examined and discussed any noteworthy audit discoveries and concerns that surfaced during the interim and final audits, significant financial and accounting problems, as well as any other topics that the external auditors wished to address in the presence of senior management.

The external auditors have assured the ARMC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for the FY2022.

The ARMC was satisfied with the work performed by the external auditors based on their quality of service, sufficiency of resources, performance, independence and professionalism, and their ability to conduct external audit within an agreed timeline fixed by Management.

OTHER

- a) Reviewed the related party disclosures and transactions of the Group in compliance with Listing Requirements, MFRS, the Act and the Group's internal guideline to ensure that such transactions are undertaken on commercial terms which are not detrimental to the interests of the minority shareholders of the Group and to ensure that the related internal control procedures are both sufficient and effective;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTERNAL AUDIT FUNCTION AND ACTIVITIES

The Group's IAD operates independently from the Group's business and operating units. The IAD's primary function is to assist the ARMC in fulfilling its responsibilities, to which it reports directly.

The IAD's role is to provide the ARMC with regular, impartial, and objective reports on the sufficiency and effectiveness of the Group's risk management and internal control systems. This includes assessing the extent to which the Group's operating and business units comply with relevant policies, procedures, and statutory laws and regulations. As an independent observer, the IAD also participates in tender-box opening sessions, price negotiation sessions, and tender committee meetings.

The IAD adheres to the Group's Internal Audit Charter and the internal audit standards set forth by the Institute of Internal Auditors. The audits it conducts encompass a wide range of operational areas within the Group, such as estate and mill management, procurement and contract management, accounting and financial controls, and resource management and administration.

During the FY2022, the IAD has:

<p>A Prepared the internal audit scope and annual internal audit plan for approval by ARMC;</p>	<p>E Produced internal audit reports for Management's responses and actions;</p>
<p>B Conducted 31 audits on various operating units based on the annually approved internal audit plan and Management request;</p>	<p>F Performed follow-up audit review on internal audit findings based on previous internal audit reports;</p>
<p>C Reviewed and evaluated the adequacy and effectiveness of the Group's risk management and internal control system;</p>	<p>G Reported to the ARMC on periodic basis, the key internal audit findings, status of follow-up audit reviews, status of internal audit works and the adequacy of resources within IAD;</p>
<p>D Reviewed and evaluated the state of compliances of the Group's operating and business units with its established policies and procedures, and its applicable statutory laws and regulations;</p>	<p>H Undertook ad-hoc reviews and special assignments on matters arising from the audits and/or as and when requested by the ARMC and/or Management and reported the results to the ARMC and/or Management.</p>

Throughout the year, the Group's internal audit functions were carried out internally, and no elements of the internal audit programs and plans were outsourced. Furthermore, all internal auditors are members of the Institute of Internal Auditors Malaysia.

The IAD also provided in-house audit training for its auditors to develop their skills and abilities, as well as training for the Group's operating unit personnel to increase their awareness of internal controls.

The total cost incurred by the IAD of the Group for the FY2022 was approximately RM0.94 million.

This Audit & Risk Management Committee Report was approved by the THP Board on 29 March 2023.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

INVESTMENT COMMITTEE REPORT

On February 2022, the THP Board had reactivated the IC of the Company.

COMPOSITION

Under its ToR, the IC shall comprise of at least three (3) members, comprising exclusively Non-Executive Directors. The IC held three (3) meetings in FY2022.

Name of Directors	Number of Meetings Attended %
Ir. Mohamed Ajmel Hafiz bin Jamaludin¹ <i>Chairman, Independent Non-Executive Director</i>	100% 3/3
Datuk Dr. Kamilia binti Ibrahim² <i>Member, Independent Non-Executive Director</i>	67% 2/3
Muhammad Ramizu bin Mustaffa³ <i>Member, Independent Non-Executive Director</i>	100% 3/3
Datuk Dr. Ahmad Kushairi bin Din⁴ <i>Chairman, Independent Non-Executive Director</i>	N/A
YM Tengku Dato' Seri Hasmuiddin bin Tengku Othman⁵ <i>Member, Non-Independent Non-Executive Director</i>	N/A
Dato' Shari bin Haji Osman⁶ <i>Member, Independent Non-Executive Director</i>	N/A
Mohd Adzahar bin Abdul Wahid⁷ <i>Member, Independent Non-Executive Director</i>	N/A

Notes:

¹ Appointed as Chairman on 9 August 2022

² Appointed as Member on 9 August 2022

³ Appointed as Member on 9 August 2022

⁴ Appointed as Chairman on 18 March 2022 and resigned as Chairman on 9 August 2022

⁵ Resigned as Member on 9 August 2022

⁶ Resigned as Member on 30 May 2022

⁷ Resigned as Member on 11 May 2022

Meetings of the IC are attended by the CEO. Other members of Senior Management are invited to meetings of the IC when necessary to support detailed discussion on matters relevant to the agenda of the meeting.

ROLES

The purpose of the IC is to review and recommend to the Board the Group's Investment Policy, strategic direction, strategic plan pertaining to investment and divestment activities and monitor significant matters related to all existing and potential investments of the Group.

The functions and responsibilities of the IC are to evaluate proposals on new investments and disposals of significant value to ensure consistency with the Strategic Plan and returns in excess of a hurdle rate adjusted for risk and performance premium, to recommend investments of a prescribed amount as determined by the Board from time to time. This includes and is not limited to investments, divestments and large capital expenditures together with the required project financing.



The ToR of the IC are available on the Company's website at www.thplantations.my

During FY2022, the activities of the IC are summarised below:

- 1 Reviewing the strategic direction and strategic plan of the Group
- 2 Reviewing the existing investments portfolios i.e. the joint venture subsidiaries
- 3 Reviewing and recommending the proposed investments and divestments, including their funding requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

STAKEHOLDER ENGAGEMENT

The Company adheres to the Corporate Disclosure Guide issued by Bursa Securities, as well as the disclosure requirements of the Listing Requirements, recognising the significance of providing timely and equitable disclosure of material information to shareholders, investors, and the public.

The Group holds regular meetings and briefings with investors, research analysts, bankers, and the media to discuss its recent performance results, current developments, and future plans. However, the Company recognises its obligation to refrain from disclosing any information that could potentially impact the stock price. As a result, while these forms of communication are crucial, the Company is careful in its responsibility to avoid revealing price-sensitive information.

CONDUCT OF GENERAL MEETINGS

The AGM provides an important platform for shareholders to interact directly with the Board. The Board will assess the most practical and effective voting method to facilitate shareholders' voting process, considering aspects such as practicability, efficiency, and reliability.

At least 28 days before the AGM, shareholders will receive written notification, either in hardcopy or electronic format, containing the Notice of AGM and Annual Report's publication on the Company's website. The notification will include a designated website link where shareholders can download a copy of the Notice of AGM and Annual Report. Shareholders have the right to request a hardcopy of the Company's Annual Report through the designated channel.

The 48th AGM held on 23 June 2022 was conducted on a virtual basis via live streaming and through the Remote Participation and Electronic Voting ("RPEV") facilities. Shareholders attending the AGM via RPEV were able to submit their questions during the meeting for the Company to respond.

Datuk Dr. Ahmad Kushairi bin Din chaired the 48th AGM, with all Directors and Senior Management present to address any queries raised by shareholders or proxies.

During the meeting, the CEO presented the Company's financial and operational performance for the year under review, along with the strategic recovery plan. The presentation included visual and graphical aids, such as key financial figures and operational highlights, to help shareholders understand and analyze the Company's performance.

The minutes of the 48th AGM proceedings are available on the Company's corporate website.

DIRECTORS' RESPONSIBILITY STATEMENT IN THE PREPARATION OF AUDITED FINANCIAL STATEMENTS

The Directors are required under the Listing Requirements to issue a statement explaining its responsibilities in the preparation of the audited financial statements. The Directors are required by the Act to prepare audited financial statements for each financial year which provide a true and fair view of the state of affairs of the Group at the end of the financial year and of the profit and loss of the Company and the Group for the financial year under review. In preparing these audited financial statements, the Directors have:

- Used appropriate accounting policies and consistently applied them;
- Made judgments and estimates that are reasonable and prudent; and
- Stated whether applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in the audited financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Group and to enable them to ensure that the financial statements comply with the Act alongside applicable approved accounting standards in Malaysia.

The Directors are also responsible for taking such steps that are necessary to safeguard the assets of the Group and to prevent fraud and other irregularities.

This Corporate Governance Overview Statement was approved by the THP Board on 29 March 2023.