

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5112  
**COMPANY NAME** : TH PLANTATIONS 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.

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| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>The Board acknowledges its responsibilities for the overall governance and accountability towards the shareholders for the performance of the Company. The Board is committed to the pursuit of its objectives and goals with the assurance that the high standards of corporate governance are being practiced within the Company.</p> <p>Amongst others, outlined below are the key responsibilities of the Board:</p> <ol style="list-style-type: none"><li>1. Reviewing and adopting strategic plans for the Company, primarily the five (5) year rolling strategic plan for THP and its subsidiaries;</li><li>2. 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;</li><li>3. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;</li><li>4. Implementing succession planning, including the appointment and recruitment of Senior Management team members;</li><li>5. Developing and implementing an investor relations policy or shareholders' communications policy for the Company; and</li><li>6. 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.</li></ol> |

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|   | <p>In 2022, the Board plays an active role in overseeing the Company's business operation, amongst others, implementation of the mechanization program, replanting program and estates consolidation exercise.</p> <p>For effective oversight and monitoring function of the Board, the Management at every quarter Board meeting had presented the performance of the Company via the financial and operational status report, including providing clarification to the queries raised by the Board.</p> |  |
| <b>Explanation for departure</b>  | :   |  |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |  |
| <b>Measure</b>  | :   |  |
| <b>Timeframe</b>  | :   |  |

### Intended Outcome

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.

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Chairman of the Board carries out a leadership role in managing the Board, shareholders and other stakeholders. The roles and responsibilities of the Chairman are as follows:</p> <ul style="list-style-type: none"><li>i. Provides leadership to the Board<ul style="list-style-type: none"><li>- Plans Board meetings, agenda;</li><li>- Ensures the Board receives proper information in a timely manner;</li><li>- Chairs all Board meetings;</li><li>- Ensures that all Directors contribute and participate at Board meetings; and</li><li>- Drives discussion towards consensus and achieves closure on such discussions.</li></ul></li><li>ii. Chairs shareholders' meetings;</li><li>iii. Represents the Board to shareholders and is the spokesperson at the Annual General Meeting ("AGM"). Supports the CEO in reporting operational and public relations matters;</li><li>iv. Ensures the integrity and effectiveness of the governance process; and</li><li>v. Performs other responsibilities as assigned by the Board from time to time.</li></ul> |
| <b>Explanation for departure</b>   | : |  |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### Intended Outcome

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

### Practice 1.3

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

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The positions of Chairman and CEO of THP are held by two (2) different individuals namely Datuk Dr. Ahmad Kushairi bin Din as Chairman and Mohamed Zainurin bin Mohamed Zain as CEO.</p> <p>Both positions have distinct roles and responsibilities. This is to ensure that there is a balance of power and authority between the Chairman and the CEO and thus, avoiding any unfettered power of decision-making in any one individual.</p> <p>The CEO is responsible for the day-to-day management of the business and operation of the Company. He is supported by the senior management team as well as the management committees. The performance of the management under the leadership of the CEO is monitored through a financial and operational status report presented at every quarter Board meeting.</p> <p>In turn, the Chairman leads the Board during the Q&amp;A session with the management, including challenging the justification given for every achievement.</p> <p>Their roles are set out in the Board Charter and made available on THP's website at <a href="http://www.thplantations.my">www.thplantations.my</a></p> |
| <b>Explanation for departure</b>   | : |  |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### Intended Outcome

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

### Practice 1.4

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

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| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> |   |   |
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | Datuk Dr. Ahmad Kushairi was appointed to the Board on 18 March 2022 as an Independent Non-Executive Director.<br><br>On 24 May 2022, he was appointed as a member of the Nomination & Remuneration Committee and on 28 June 2022, he was appointed as the Chairman of THP.<br><br>Following thereto, he had resigned as a member of the Nomination & Remuneration Committee on 21 July 2022. |
| <b>Explanation for departure</b>   | : |   |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>   |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### Intended Outcome

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

### Practice 1.5

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.

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Company Secretaries of THP are Puan Aliatun binti Mahmud and Puan Wan Nurul Hidayah bin Wan Yusoff. Both are qualified to act as Company Secretaries under Section 235(2) of the Companies Act, 2016. Both had also obtained practicing certificates under Section 241 of the Companies Act, 2016.</p> <p>Their roles and responsibilities during the year, amongst others are as follows:</p> <ul style="list-style-type: none"><li>- Attended all meetings of the Board, Board Committees and Board subsidiaries as well as the Annual General Meetings of the Company and its subsidiaries.</li><li>- Ensuring accurate records of all the meetings and that all decisions made are properly minuted and thereafter communicated to the relevant Management for appropriate actions.</li><li>- Advised the Board in relation to the Constitution of the Company, Board policies and procedures, corporate governance best practices and the regulatory requirements.</li></ul> <p>The Company Secretaries are kept informed of regulatory changes and developments in corporate governance and Main Market Listing Requirements through continual education and professional training.</p> |
| <b>Explanation for departure</b>   | : |  |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
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## 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.

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| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Board meetings for the ensuing financial year are scheduled before the end of the current financial year to facilitate the planning of Board meetings by the Directors. A corporate calendar will be issued and circulated to all Directors and key senior management thereafter.</p> <p>Special Board Meetings are convened between the scheduled meetings to consider urgent proposals or matters that require urgent decisions or deliberation by the Board.</p> <p>All meeting materials, including the Minutes of meetings are provided to the Board on average seven (7) calendar days prior to meetings to ensure the Directors have sufficient time to assess the proposals or information.</p> <p>In 2022, an average of seven (7) calendar days were recorded for the distribution of Board papers save for Special Board Meetings for which a shorter time frame had been agreed upon by the Board.</p> <p>To ensure information between the Board and the management are disseminated efficiently and in a timely manner, the Company had adopted digital board papers instead of the distribution of hard copies. The Board is able to access the digital board papers on a real-time basis from the comfort of their home.</p> |
| <b>Explanation for departure</b>   | : |   |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

**Intended Outcome**

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

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

**Practice 2.1**

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

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

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board formally adopts a Board Charter, which provides guidance to the Board in the fulfillment of its roles, duties and responsibilities.</p> <p>The Board Charter outlines the roles and responsibilities of the Board, the balance and composition of the Board, the Board's authorities, the schedule of matters reserved for the Board, the establishment of the Board Committees, processes and procedures for convening Board meetings, compliance with ethical standards, Board's access to information, Director's Training and Code of Ethics.</p> <p>The Board Charter is available on THP's website at <a href="http://www.thplantations.my">www.thplantations.my</a>.</p> |
| <b>Explanation for departure</b>   | : |  |
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |
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### 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.

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| <b>Application</b>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board ensures that the Group upholds high standards of ethics and corporate behaviour. This pursuit is premised on the idea that a governing board is in a position of trust. The Board demands that the conduct of Directors is consistent with their duties and responsibilities to the Company and, indirectly, to the Shareholders.</p> <p>The Directors’ Code of Conduct and Ethics is set out in the Board Charter and made available on THP's website at <a href="http://www.thplantations.my">www.thplantations.my</a>.</p> |  |
| <b>Explanation for departure</b>   | : |  |  |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b>   | : |  |  |

**Intended Outcome**

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

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

**Practice 3.2**

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

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| Application   | : | Applied  |  |
| Explanation on application of the practice  | : | <p>THP has in place a Whistleblowing Policy (“the Policy”) intended to enable employees and other persons to make disclosures about wrongdoings at any time to a designated person in THP without fear of reprisal so that problems can be identified and resolved quickly within THP.</p> <p>This Policy also ensures people exercise their rights (to make a disclosure) responsibly and sensibly when suspecting something amiss.</p> <p>The Policy is made available on THP's website at <a href="http://www.thplantations.my">www.thplantations.my</a>.</p> |  |
| Explanation for departure   | : |  |  |
|   |   |  |  |
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| 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.

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| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>Our 'tone at the top' is set by THP's Board, with whom the ultimate responsibility of setting the Group's sustainability strategic direction rests. The Board is supported by the CEO and the Sustainability Committee ("SC" or "Committee"). Our CEO is tasked with reporting to the Board on the Group's sustainability performance, as well as reviewing updates from the Committee on THP's sustainability management and preparation of the annual Sustainability Statement.</p> <p>The Committee which was reformed in November 2020 comprises various Heads of Departments (as listed below). This requires vibrant, competent and effective Committee members to steer THP into the mainstream supply chain of palm oil products. In addition, the Committee is also responsible for monitoring the execution of the Board's strategic sustainability directions and overseeing the preparation of the Sustainability Statement.</p> |

|   |   |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
|---|---|--|---|-------------------------------|--|----------------------|---------------------------------|----------------------------------|------------------------------------|---|-----------------------|--|--------------------------|--|-------------------------|--|
|   | <table border="1"> <tr> <td>1 Chief Executive Officer ("CEO")<br/>Chairman</td><td>8 Estate Department<br/>Member</td></tr> <tr> <td>2 Plantation Director<br/>Deputy Chairman</td><td>9 Agronomy<br/>Member</td></tr> <tr> <td>3 Sustainability<br/>Secretariat</td><td>10 Legal &amp; Secretarial<br/>Member</td></tr> <tr> <td>4 Plantation Controllers<br/>Member</td><td>11 Administration (Foreign<br/>Labour Unit) Member</td></tr> <tr> <td>5 Marketing<br/>Member</td><td>12 Heads of other Departments<br/>By Invitation</td></tr> <tr> <td>6 CEO's Office<br/>Member</td><td>13 LTH Representative<br/>By Invitation</td></tr> <tr> <td>7 Engineering<br/>Member</td><td></td></tr> </table> |  | 1 Chief Executive Officer ("CEO")<br>Chairman | 8 Estate Department<br>Member | 2 Plantation Director<br>Deputy Chairman | 9 Agronomy<br>Member | 3 Sustainability<br>Secretariat | 10 Legal & Secretarial<br>Member | 4 Plantation Controllers<br>Member | 11 Administration (Foreign<br>Labour Unit) Member | 5 Marketing<br>Member | 12 Heads of other Departments<br>By Invitation | 6 CEO's Office<br>Member | 13 LTH Representative<br>By Invitation | 7 Engineering<br>Member |  |
| 1 Chief Executive Officer ("CEO")<br>Chairman   | 8 Estate Department<br>Member   |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
| 2 Plantation Director<br>Deputy Chairman  | 9 Agronomy<br>Member  |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
| 3 Sustainability<br>Secretariat   | 10 Legal & Secretarial<br>Member  |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
| 4 Plantation Controllers<br>Member  | 11 Administration (Foreign<br>Labour Unit) Member   |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
| 5 Marketing<br>Member   | 12 Heads of other Departments<br>By Invitation  |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
| 6 CEO's Office<br>Member  | 13 LTH Representative<br>By Invitation  |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
| 7 Engineering<br>Member   |   |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
| Explanation for<br>departure  |   |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
|   |   |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. |   |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
| Measure   |   |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |
| Timeframe   |   |  |   |                               |  |                      |                                 |                                  |                                    |   |                       |  |                          |  |                         |  |

## Intended Outcome

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

## Practice 4.2

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

| Application   | :  | Applied   |   |                      |  |  |  |  |  |  |  |  |   |   |  |  |  |   |   |   |  |  |  |   |   |   |
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| Explanation on application of the practice  | :  | <p>THP recognizes the stakeholders as being key enablers who support the Group’s business activities, contribute to the success and to whom THP owes a duty to care for and to share the value we create. Our approach to sustainability takes into consideration the long-term impact of our activities in relation to both the Group and our stakeholders. As such, THP proactively engages with the stakeholders. The approach to engage with the stakeholders is summarised below, which highlights their main concerns as well as THP’s response.</p> <table><tr><th>STAKEHOLDER GROUPS &amp; ENGAGEMENT PLATFORMS</th><th colspan="2">STAKEHOLDER CONCERNS</th></tr><tr><td><b>Shareholders</b><ul style="list-style-type: none"><li>Annual General Meetings</li><li>Quarterly announcements</li><li>Special meetings</li></ul></td><td colspan="2"><ul style="list-style-type: none"><li>Management Discussion &amp; Analysis from pages 10 to 21</li><li>Product Quality and Operational Efficiency on page 28</li><li>Audited Financial Statements from pages 96 to 223</li></ul></td></tr><tr><td><b>Directors</b><ul style="list-style-type: none"><li>Quarterly and special Board meetings</li><li>Quarterly and special Board Committee meetings</li></ul></td><td colspan="2"><ul style="list-style-type: none"><li>Governance and Ethics on page 30</li><li>Corporate Governance Overview Statement from pages 60 to 78</li><li>Statement of Risk Management and Internal Control from pages 79 to 86</li></ul></td></tr><tr><td><b>Management</b><ul style="list-style-type: none"><li>Operational meetings and ad hoc meetings</li></ul></td><td><ul style="list-style-type: none"><li>Product Quality and Operational Efficiency on page 28</li><li>Traceability and Supply Chain Management on page 30</li><li>Effluents and Water Discharge Management on page 31</li></ul></td><td><ul style="list-style-type: none"><li>Waste Management on page 32</li><li>Water Management on page 34</li><li>Human Rights on page 37</li><li>Occupational Safety and Health on page 38</li><li>Employee Welfare and Development on page 41</li></ul></td></tr><tr><td><b>Employees</b><ul style="list-style-type: none"><li>‘Open-door’ policy</li><li>Company intranet, special briefings and bulletins</li><li>Training</li></ul></td><td colspan="2"><ul style="list-style-type: none"><li>Governance and Ethics on page 30</li><li>Human Rights on page 37</li><li>Occupational Safety and Health on page 38</li><li>Employee Welfare and Development on page 41</li></ul></td></tr><tr><td><b>Customers</b><ul style="list-style-type: none"><li>Regular emails/in-person correspondence to discuss issues raised</li></ul></td><td><ul style="list-style-type: none"><li>Product Quality and Operational Efficiency from pages 28 to 29</li><li>Traceability and Supply Chain Management on page 30</li><li>Governance and Ethics on page 30</li></ul></td><td><ul style="list-style-type: none"><li>Biodiversity and Conservation from pages 34 to 35</li><li>NDPE Commitment on page 35</li><li>Local Communities on page 44</li></ul></td></tr><tr><td><b>Local Communities</b><br/><i>(i.e. towns, villages)</i><ul style="list-style-type: none"><li>Informal grievance channels</li><li>Community programmes</li><li>Land management schemes</li></ul></td><td colspan="2"><ul style="list-style-type: none"><li>Effluents and Water Discharge Management on page 31</li><li>Biodiversity and Conservation from pages 34 to 35</li><li>Local Communities on page 44</li></ul></td></tr><tr><td><b>Local Authorities</b><br/><i>(i.e. Malaysian Palm Oil Board (“MPOB”), DOSH, DOE, municipal councils, etc.)</i><ul style="list-style-type: none"><li>Monthly, annual and special reporting</li><li>Forums</li></ul></td><td><ul style="list-style-type: none"><li>Governance and Ethics on page 30</li><li>Effluent and Water Discharge Management on page 31</li><li>Waste Management on page 32</li></ul></td><td><ul style="list-style-type: none"><li>Water Management on page 34</li><li>Human Rights on page 37</li><li>Occupational Safety and Health on page 38</li></ul></td></tr></table> | STAKEHOLDER GROUPS & ENGAGEMENT PLATFORMS | STAKEHOLDER CONCERNS |  | <b>Shareholders</b> <ul style="list-style-type: none"><li>Annual General Meetings</li><li>Quarterly announcements</li><li>Special meetings</li></ul> | <ul style="list-style-type: none"><li>Management Discussion &amp; 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|   | <p>Throughout the process, THP recognised the limitations of our current stakeholder engagement scope. Nevertheless, THP has expanded and formalised additional platforms for engagement with the stakeholders, including formal stakeholder meetings at each complex level as well as the provision of grievance channels for the stakeholders to submit their concerns regarding the Group's operations.</p> <p>The Company has in 2022 based on the above framework undertaken various stakeholders' engagements and these are reported into the Annual Report 2022.</p> |  |  |  |
| <b>Explanation for departure</b>  | :   |  |  |  |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |  |  |  |
| <b>Measure</b>  | :   |  |  |  |
| <b>Timeframe</b>  | :   | <table border="1"> <tr> <td></td><td></td></tr> </table> |  |  |
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### Intended Outcome

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

### Practice 4.3

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.

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board has been at the forefront of sustainability issues including climate-related risks by complying with Principal 5 in MSPO (Environment). This includes the monitoring of the Group's Green House Gas (GHG) Emissions annually to ensure that the Group is in line with the goal of being an environmentally conscious company.</p> <p>The Board also attended conferences, seminars and training programs related to sustainability matters such as:</p> <ol style="list-style-type: none"><li>1. Sustainability and Its Impact on Organisations: What Directors Need to Know (ICLIF &amp; Asian School of Business)</li><li>2. ESG- Phase 2 Project (Bank Islam Malaysia Berhad)</li><li>3. Voluntary Carbon Market (TH)</li></ol> <p>THP is also continuously exploring other viable efforts in order to further reduce the GHG emissions and improve day-to-day operations. This includes the adoption of the No Deforestation, Peat and Exploitation (NDPE) policy which is crucial in the environmental effort at a global level.</p> |
| <b>Explanation for departure</b>   | : |  |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### Intended Outcome

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

### Practice 4.4

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

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| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>In recognition of the ever-changing Sustainability Agenda, we have made incremental improvements to strengthen our sustainability commitment. A dedicated Sustainability Department ("SD") was formed in November 2020 which reports directly to the CEO.</p> <p>The Sustainability Department comprises two units, the MSPO Certification/Sustainability Unit and the OSH Unit. The CEO oversees the overall implementation of the Group's sustainability efforts, while the Head of Sustainability directs and monitors the implementation of sustainability initiatives within the Group</p> <p>Meanwhile, the Sustainability Unit ensures and monitors our operations are in compliance with MSPO standards through process of MSPO internal audit by SD team and MSPO external audit by accredited Certification Body annually. This MSPO audit process comprises of following Principles &amp; Criteria:</p> <ol style="list-style-type: none"><li>1. Management Commitment &amp; Responsibility</li><li>2. Transparency</li><li>3. Compliance to Legal Requirement</li><li>4. Social Responsibility, Health, Safety &amp; Employment Condition</li><li>5. Environment, Natural Resources, Biodiversity &amp; Ecosystem Services</li><li>6. Best Practices</li><li>7. Development of New Plantings</li></ol> <p>Besides the MSPO audit process, Sustainability Unit also monitors the implementation of sustainability initiatives through ESG monitoring checklist report which is reported by Regional Plantation Controllers twice a year.</p> <p>Whereas the OSH Unit is responsible for the implementation of OSH managements system aligns with policies, acts and regulations through inspection visit annually.</p> |

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|  | <p>The ESG risks are also deliberated in Audit &amp; Risk Management Committee comprises of Board members. This exercise is coordinated by the Risk &amp; Compliance Department. The ESG risks are one of the components in 20 company's risk registers.</p> <p>SD also committed towards GHG emissions and mitigation efforts such as:</p> <ol style="list-style-type: none"> <li>1. Avoiding deforestation by complying with NDPE commitment &amp; policy.</li> <li>2. Methane Capture (JVC with Cenergi SEA at Kilang Sawit Bukit Lawiang.</li> <li>3. Enhancement of Renewable Energy Initiatives such as rooftop solar panel installation at estates and mills building.</li> </ol> <div data-bbox="563 770 1406 1236"> <pre> graph TD     CEO[Chief Executive Officer] --&gt; HS[Head of Sustainability]     HS --&gt; PA[Personal Assistant]     HS --&gt; AM1[Assistant Manager, MSPO]     HS --&gt; AM2[Assistant Manager, Engineer]     HS --&gt; SAM[Senior Assistant Manager, OSH / MSPO (Sarawak)]     HS --&gt; SE[Senior Executive, OSH] </pre> </div> |
| <b>Explanation for departure</b> :   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |
| <b>Measure</b> :   |   |
| <b>Timeframe</b> :   |   |

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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| <b>Application</b>                             | : | Adopted   |
| <b>Explanation on adoption of the practice</b> | : | The Head of the Sustainability Department i.e. Mr Samshul Bahri Muhammad, has been appointed in order to manage sustainability as part of THP's operations. |

### Intended Outcome

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

### Practice 5.1

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

| Application                                   | :                    | Applied   |           |            |                                  |                     |                               |                      |   |       |                      |            |                              |                      |                                       |             |                                 |       |                              |                      |
|---|----------------------|---|-----------|------------|----------------------------------|---------------------|-------------------------------|----------------------|---|-------|----------------------|------------|------------------------------|----------------------|---------------------------------------|-------------|---------------------------------|-------|------------------------------|----------------------|
| Explanation on application of the practice    | :                    | <p>The Nomination &amp; Remuneration Committee (“NRC”) is mindful that, for the Board to be effective, the composition of the Board should have a mix of skills and experiences (including gender diversity) that are needed to meet the current and future needs of the Company. For a formal and transparent assessment of the candidate, the Company had adopted the Directors’ Fit &amp; Proper policy that tightens up the current process.</p> <p>For that purpose, the Board upon recommendation of the NRC, had approved several appointments of directors. As a result, the current composition of the Board with the mix of skills and experience was as follows:</p> <table><tr><th>Directors</th><th>Background</th></tr><tr><td>Datuk Dr. Ahmad Kushairi bin Din</td><td>Oil palm plantation</td></tr><tr><td>Dato’ Sri Amrin bin Awaluddin</td><td>Finance &amp; Accounting</td></tr><tr><td>Tengku Dato’ Seri Hasmuddin bin Tengku Othman</td><td>Legal</td></tr><tr><td>Bakri bin Jamaluddin</td><td>Plantation</td></tr><tr><td>Muhammad Ramizu bin Mustaffa</td><td>Finance &amp; Accounting</td></tr><tr><td>Ir. Mohamed Ajmel Hafiz bin Jamaludin</td><td>Engineering</td></tr><tr><td>Datuk Dr. Kamilia binti Ibrahim</td><td>Legal</td></tr><tr><td>Dzul Effendy bin Ahmad Hayan</td><td>Finance &amp; Accounting</td></tr></table> <p>The profiles for each director are detailed on pages 45 to 52 of the Annual Report 2022.</p> | Directors | Background | Datuk Dr. Ahmad Kushairi bin Din | Oil palm plantation | Dato’ Sri Amrin bin Awaluddin | Finance & Accounting | Tengku Dato’ Seri Hasmuddin bin Tengku Othman | Legal | Bakri bin Jamaluddin | Plantation | Muhammad Ramizu bin Mustaffa | Finance & Accounting | Ir. Mohamed Ajmel Hafiz bin Jamaludin | Engineering | Datuk Dr. Kamilia binti Ibrahim | Legal | Dzul Effendy bin Ahmad Hayan | Finance & Accounting |
| Directors                                     | Background           |   |           |            |                                  |                     |                               |                      |   |       |                      |            |                              |                      |                                       |             |                                 |       |                              |                      |
| Datuk Dr. Ahmad Kushairi bin Din              | Oil palm plantation  |   |           |            |                                  |                     |                               |                      |   |       |                      |            |                              |                      |                                       |             |                                 |       |                              |                      |
| Dato’ Sri Amrin bin Awaluddin                 | Finance & Accounting |   |           |            |                                  |                     |                               |                      |   |       |                      |            |                              |                      |                                       |             |                                 |       |                              |                      |
| Tengku Dato’ Seri Hasmuddin bin Tengku Othman | Legal                |   |           |            |                                  |                     |                               |                      |   |       |                      |            |                              |                      |                                       |             |                                 |       |                              |                      |
| Bakri bin Jamaluddin                          | Plantation           |   |           |            |                                  |                     |                               |                      |   |       |                      |            |                              |                      |                                       |             |                                 |       |                              |                      |
| Muhammad Ramizu bin Mustaffa                  | Finance & Accounting |   |           |            |                                  |                     |                               |                      |   |       |                      |            |                              |                      |                                       |             |                                 |       |                              |                      |
| Ir. Mohamed Ajmel Hafiz bin Jamaludin         | Engineering          |   |           |            |                                  |                     |                               |                      |   |       |                      |            |                              |                      |                                       |             |                                 |       |                              |                      |
| Datuk Dr. Kamilia binti Ibrahim               | Legal                |   |           |            |                                  |                     |                               |                      |   |       |                      |            |                              |                      |                                       |             |                                 |       |                              |                      |
| Dzul Effendy bin Ahmad Hayan                  | Finance & Accounting |   |           |            |                                  |                     |                               |                      |   |       |                      |            |                              |                      |                                       |             |                                 |       |                              |                      |

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|  | <p>In 2022, the NRC had annually reviewed the performance of the Board and Board Committees through the Board Evaluation Assessment (“BEA”) 2022. Amongst others, the assessment focus on the following areas:</p> <ul style="list-style-type: none"> <li>• The Director’s performance and contribution to the Board and Board Committees meetings;</li> <li>• The effectiveness of the Board and Board Committees meetings; and</li> <li>• The level of independence demonstrated by the Directors and their ability to act in the best interest of the Company.</li> </ul> <p>Under the Directors’ Fit &amp; Proper policy, the NRC is required to assess the performance of directors standing for re-election that meet the fit and proper criteria. For that purpose, the result of BEA 2022 was used to determine the eligibility of directors standing for re-election at the forthcoming 49<sup>th</sup> AGM of THP.</p> <p>Pursuant to Clause 89 of the Company’s Constitution, Dato’ Sri Amrin bin Awaluddin and YM Tengku Dato’ Seri Hasmuddin bin Tengku Othman are due for retirement by rotation. YM Tengku Dato’ Seri Hasmuddin bin Tengku Othman, being eligible has offered himself for re-election at the 49<sup>th</sup> AGM of the Company.</p> <p>However, Dato’ Sri Amrin bin Awaluddin has expressed his intention not to seek for re-election at the 49<sup>th</sup> 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 49<sup>th</sup> AGM.</p> <p>Pursuant to Clause 94 of the Company’s Constitution, all 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 at the 49<sup>th</sup> AGM of the Company and being eligible, have offered themselves for re-election:</p> <ol style="list-style-type: none"> <li>i. Ir. Mohamed Ajmel Hafiz bin Jamaludin;</li> <li>ii. Datuk Dr. Kamilia binti Ibrahim; and</li> <li>iii. Dzul Effendy bin Ahmad Hayan.</li> </ol> <p>Based on the assessment conducted, the NRC is satisfied with the performance of Directors who are standing for re-election at the forthcoming 49<sup>th</sup> AGM of the Company. All of them have demonstrated their commitment and diligence as members of the THP Board.</p> <p>Accordingly, the NRC recommended to the Board that the re-election of the above directors be tabled at the forthcoming 49<sup>th</sup> AGM of THP, for approval of the shareholders.</p> |
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| <b>Explanation for departure</b>   | : |  |  |  |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |  |
| <b>Measure</b>   | : |  |  |  |
| <b>Timeframe</b>   | : | <table border="1"> <tr> <td></td> <td></td> </tr> </table> |  |  |
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### Intended Outcome

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

### Practice 5.2

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

| <b>Application</b>   | :                | Applied  |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |
|--|------------------|--|--|--|-------------|------------------|---|--------------------|-----|-----|------------------------------------|---|----|--|---|----|--------------|----------|------------|
| <b>Explanation on application of the practice</b>  | :                | As of 31 December 2022, there are seven (7) members of the Board, of whom two (2) are Non-Independent Non-Executive Directors, including an Alternate Director and the remaining five (5) are Independent Non-Executive Directors, details as follows: <table border="1" data-bbox="558 772 1412 996"><tr><th>Designation</th><th>No. of Directors</th><th>%</th></tr><tr><td>Executive Director</td><td>Nil</td><td>Nil</td></tr><tr><td>Independent Non-Executive Director</td><td>5</td><td>70</td></tr><tr><td>Non-Independent Non-Executive Director</td><td>2</td><td>30</td></tr><tr><td><b>Total</b></td><td><b>7</b></td><td><b>100</b></td></tr></table> |  |  | Designation | No. of Directors | % | Executive Director | Nil | Nil | Independent Non-Executive Director | 5 | 70 | Non-Independent Non-Executive Director | 2 | 30 | <b>Total</b> | <b>7</b> | <b>100</b> |
| Designation  | No. of Directors | %  |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |
| Executive Director   | Nil              | Nil  |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |
| Independent Non-Executive Director   | 5                | 70   |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |
| Non-Independent Non-Executive Director   | 2                | 30   |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |
| <b>Total</b>   | <b>7</b>         | <b>100</b>   |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |
| <b>Explanation for departure</b>   | :                |  |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |
|  |                  |  |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |                  |  |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |
| <b>Measure</b>   | :                |  |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |
| <b>Timeframe</b>   | :                |  |  |  |             |                  |   |                    |     |     |                                    |   |    |  |   |    |              |          |            |



**Intended Outcome**

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

**Practice 5.3**

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

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

|  |   |                                      |  |
|--|---|--------------------------------------|--|
| <b>Application</b>   | : | Not applicable - Step Up 5.4 adopted |  |
| <b>Explanation on application of the practice</b>  | : |                                      |  |
| <b>Explanation for departure</b>   | : |                                      |  |
|  |   |                                      |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |                                      |  |
| <b>Measure</b>   | : |                                      |  |
| <b>Timeframe</b>   | : |                                      |  |

### Intended Outcome

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

### Practice 5.4 - Step Up

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

|  |   |
|--|---|
| <i>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.</i> |   |
| <b>Application</b>   | : Adopted   |
| <b>Explanation on adoption of the practice</b>   | :<br>The tenure of the Independent Directors of THP is nine (9) years as set out in its Board Charter, which can be accessed on THP's website at <a href="http://www.thplantations.my">www.thplantations.my</a> .<br><br>As of 31 December 2022, THP has five (5) Independent Non-Executive Directors and none of them have exceeded the maximum nine (9) year. |

### 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><b><u>Appointment of Director</u></b></p> <p>The Board remains focused on enhancing the diversity of Directors' perspectives. Directors are chosen for their corporate leadership skills, experience and expertise. Diversity of experience in business as well as academic backgrounds are also considered. The right blend of skills and experience is crucial in ensuring the attainment of long-term value for THP's Shareholders.</p> <p>The NRC adopted a thorough appointment process for a director, including the assessment of the candidate's ability to provide undivided commitment to the Company. The current directorship of the candidate on the board of other public listed companies in compliance with Paragraph 15.06 of MMLR, is a part of the selection criteria for appointing a director on the Board. In addition, the candidate must disclose directorships in non-listed companies, including the non-profitable organization, which will also indicate the candidate's ability to provide commitment.</p> <p>Thereafter, upon satisfactory assessment results, the NRC will recommend the successful candidate for approval by the Board.</p> <p>During the financial year 2022, the Board has appointed new members of the Board as follows:</p> <table><tr><th>Name</th><th>Date Appointed</th></tr><tr><td>Bakri bin Jamaluddin</td><td>2 January 2022</td></tr><tr><td>Datuk Dr. Ahmad Kushairi bin Din</td><td>18 March 2022</td></tr><tr><td>Muhammad Ramizu bin Mustaffa</td><td>5 April 2022</td></tr><tr><td>Ir. Mohamed Ajmel Hafiz bin Jamaludin</td><td>27 June 2022</td></tr><tr><td>Datuk Dr. Kamilia binti Ibrahim</td><td>28 June 2022</td></tr></table> | Name | Date Appointed | Bakri bin Jamaluddin | 2 January 2022 | Datuk Dr. Ahmad Kushairi bin Din | 18 March 2022 | Muhammad Ramizu bin Mustaffa | 5 April 2022 | Ir. Mohamed Ajmel Hafiz bin Jamaludin | 27 June 2022 | Datuk Dr. Kamilia binti Ibrahim | 28 June 2022 |
| Name                                       | Date Appointed |   |      |                |                      |                |                                  |               |                              |              |                                       |              |                                 |              |
| Bakri bin Jamaluddin                       | 2 January 2022 |   |      |                |                      |                |                                  |               |                              |              |                                       |              |                                 |              |
| Datuk Dr. Ahmad Kushairi bin Din           | 18 March 2022  |   |      |                |                      |                |                                  |               |                              |              |                                       |              |                                 |              |
| Muhammad Ramizu bin Mustaffa               | 5 April 2022   |   |      |                |                      |                |                                  |               |                              |              |                                       |              |                                 |              |
| Ir. Mohamed Ajmel Hafiz bin Jamaludin      | 27 June 2022   |   |      |                |                      |                |                                  |               |                              |              |                                       |              |                                 |              |
| Datuk Dr. Kamilia binti Ibrahim            | 28 June 2022   |   |      |                |                      |                |                                  |               |                              |              |                                       |              |                                 |              |

|  |  |  |
|--|--|--|
|  | <p>As required by Paragraph 15.02(1)(b), the Company has appointed one (1) woman director, namely Datuk Dr. Kamilia binti Ibrahim. However, the Board shall endeavor to increase the number of women directors on the Board to be at least 30%.</p> <p><b><u>Appointment of Senior Management</u></b></p> <p>In respect of the appointment of Senior Management, the same process will take place, i.e. the NRC shall conduct thorough assessment of the eligibility of the candidate prior being table to the Board for approval.</p> <p>Following the expiration of the contract of service of Tuan Haji Mat Saad bin Ramli as the Plantation Director of THP with effect from 31 March 2022, the Company has appointed Encik Mohd Jafri bin Arshad as the Head of Plantation Controllers with effect from 4 April 2022. With effect from 1 March 2023, Encik Mohd Jafri bin Arshad has been re-designated to the Head of Operations of THP. The NRC has conducted thorough process in determining the eligibility of the candidate and upon a satisfactory result, the NRC had recommended the same to the Board for approval.</p> <p>On 14 November 2022, Encik Shahrizal bin Suhainy had resigned as the Chief Financial Officer of THP. Following thereto, the NRC had undertaken a rigorous recruitment process in determining a suitable candidate for the post, both internally and externally. A reliable recruitment agency was also appointed in assisting the Company in sourcing qualified candidates.</p> |  |
| <b>Explanation for departure</b>   | :  |  |
|  |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |  |
| <b>Measure</b>   | :  |  |
| <b>Timeframe</b>   | :  |  |
|  |  |  |

### Intended Outcome

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

### Practice 5.6

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

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Departure   |
| <b>Explanation on application of the practice</b>  | : |   |
| <b>Explanation for departure</b>   | : | <p>Although the Group does not utilise independent sources to identify suitably qualified candidates to the Board, it considers that its various networks within Lembaga Tabung Haji, existing Directors and Management of all related companies, provide a healthy pipeline of independently sourced candidates for consideration.</p> <p>Once sourced, each candidate is thoroughly assessed for their independence and nominations are only made once the NRC is comfortable with its selection, ensuring at all times that all criteria set are fulfilled and that the nominated Director is able to bring the right balance of experience, knowledge and value to the Board.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice.  |
| <b>Timeframe</b>   | : | 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 5.7

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

|   |   |   |
|---|---|---|
| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>The profiles of each Director of THP, including new Directors are set out on pages 45 to 52 of the Annual Report 2022. Their profiles consist of their age, gender, directorships in other companies, qualification, working experience, shareholdings in THP and any conflict of interest with THP, if any.</p> <p>During the year 2022, based on the recommendation from NRC, the Board has approved the appointment of the following new Directors on the Board of THP as follows:</p> <ul style="list-style-type: none"><li>i. Haji Bakri bin Jamaluddin was appointed to the Board with effect from 2 January 2022 as an Independent Non-Executive Director of THP. He was appointed to the Board due to his vast experience in plantation. He also contributes to the Board Committees, namely, the ARMC, NRC, Tender Committees A &amp; B and Task Force Committee.</li><li>ii. Datuk Dr. Ahmad Kushairi bin Din was appointed to the Board with effect from 18 March 2022 as an Independent Non-Executive Director of THP. He was appointed by virtue of his vast experience, knowledge and reputation in the plantation industry. On 28 June 2022, he was appointed as Chairman of THP following the resignation of Tan Sri Abu Talib bin Othman on 30 May 2022.</li><li>iii. Muhammad Ramizu bin Mustaffa was appointed to the Board with effect from 5 April 2022 as an Independent Non-Executive Director of THP. He had vast experience in corporate finance and accounting. He also contributes to the Board Committees, namely the ARMC, Investment Committee, Tender Committee A and Task Force Committee.</li></ul> |

|  |   |  |
|--|---|--|
|  | <p>iv. Ir. Mohamed Ajmel Hafiz bin Jamaludin was appointed to the Board with effect from 27 June 2022 as an Independent Non-Executive Director of THP. He had vast experience in engineering industry. He also contributes to the Board Committees, namely, the ARMC, NRC, Investment Committees and Tender Committees A &amp; B.</p> <p>v. Datuk Dr. Kamilia binti Ibrahim was appointed to the Board with effect from 28 June 2022 as an Independent Non-Executive Director of THP. She had vast experience in legal matters. She also contributes to the Board Committees, namely, the NRC, Investment Committees and Task Force Committees.</p> |  |
| <b>Explanation for departure</b>   |   |  |
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   |   |  |
| <b>Timeframe</b>   |   |  |

### Intended Outcome

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

### Practice 5.8

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

| Application   | :  | Applied   |         |      |         |             |  |               |  |
|---|--|---|---------|------|---------|-------------|--|---------------|--|
| Explanation on application of the practice  | :  | The Chairman of NRC must be an Independent Non-Executive Director as required by the Terms of Reference (“TOR”) of the NRC and the TOR of NRC is made available on THP’s website at <a href="http://www.thplantations.my">www.thplantations.my</a> .  |         |      |         |             |  |               |  |
|   |  | During the year 2022, the post of Chairman of NRC has undergone several changes, detailed as follows:   |         |      |         |             |  |               |  |
|   |  | <table><tr><th>Date</th><th>Changes</th></tr><tr><td>30 May 2022</td><td>Appointment of Haji Bakri bin Jamaluddin as Chairman in place of Dato’ Shari bin Haji Osman, who had resigned on the same day.</td></tr><tr><td>9 August 2022</td><td>Re-designation of Datuk Dr. Kamilia binti Ibrahim as Chairman in place of Haji Bakri bin Jamaluddin, who had been re-designated as an ordinary member.</td></tr></table> |         | Date | Changes | 30 May 2022 | Appointment of Haji Bakri bin Jamaluddin as Chairman in place of Dato’ Shari bin Haji Osman, who had resigned on the same day. | 9 August 2022 | Re-designation of Datuk Dr. Kamilia binti Ibrahim as Chairman in place of Haji Bakri bin Jamaluddin, who had been re-designated as an ordinary member. |
|   |  | Date  | Changes |      |         |             |  |               |  |
| 30 May 2022   | Appointment of Haji Bakri bin Jamaluddin as Chairman in place of Dato’ Shari bin Haji Osman, who had resigned on the same day.                         |   |         |      |         |             |  |               |  |
| 9 August 2022   | Re-designation of Datuk Dr. Kamilia binti Ibrahim as Chairman in place of Haji Bakri bin Jamaluddin, who had been re-designated as an ordinary member. |   |         |      |         |             |  |               |  |
|   |  |   |         |      |         |             |  |               |  |
| 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 5.9**

The board comprises at least 30% women directors.

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Departure  |
| <b>Explanation on application of the practice</b>  | : |  |
| <b>Explanation for departure</b>   | : | <p>As of 31 December 2022, there was one (1) woman Director on the Board in compliance with Paragraph 15.02(1)(b) of the MMLR.</p> <p>Although THP currently complied with the requirement under the MMLR, the Board is committed to increase the number of women directors on the Board to achieve at least 30% of total Board's composition.</p> <p>An additional woman representation on the Board shall be appointed, when a suitable and qualified candidate is identified in future.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice.   |
| <b>Timeframe</b>   | : | 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 5.10

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Departure  |
| <b>Explanation on application of the practice</b>  | : |  |
| <b>Explanation for departure</b>   | : | <p>As of 31 December 2022, THP has yet to formalize a policy on Gender Diversity. However, as a kick-off, THP had shown its support to adopt gender diversity with the appointment of Datuk Dr. Kamilia binti Ibrahim as an Independent Non-Executive Director of THP with effect from 28 June 2022.</p> <p>In addition, THP has always acknowledged the contribution of female employees in the organisation and had increased gender diversity within its Senior Management Team.</p> <p>As at 31 December 2022, THP had three (3) out of eighteen (18) departments/units or representing 17% of the Senior Management Team.</p> |
|  |   | One woman from the Senior Management sits on the Board of several THP subsidiaries.  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice.   |
| <b>Timeframe</b>   | : | Choose an item.  |

### Intended Outcome

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

### Practice 6.1

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

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

|  |   |  |
|--|---|--|
| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> |   |  |
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>During the year 2022, all directors had completed their BEA 2022. The BEA 2022 was conducted internally through questionnaires. The questionnaires were based on the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad.</p> <p>The NRC, upon the satisfactory result of the assessment, concluded that the current size and background of the members of the Board are sufficient and reasonable to contribute the effective decision making process.</p> <p>Details of the appraisal process and actions are set out on page 69 of the Annual Report 2022.</p> |
| <b>Explanation for departure</b>   | : |  |
|  | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>   |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### Intended Outcome

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

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

### Practice 7.1

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board is mindful of the need to ensure the remuneration package for Directors is reasonable and competitive to attract and retain Directors and Senior Management of good calibre and integrity with the appropriate qualifications, skills and experience needed to run the Group's operations effectively.</p> <p>The Remuneration Policy &amp; Procedures For the Directors and Senior Management of THP is made available on THP's website at <a href="http://www.thplantations.my">www.thplantations.my</a>.</p> |
| <b>Explanation for departure</b>   | : |  |
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### Intended Outcome

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

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

### Practice 7.2

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

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The NRC on annual basis shall review the existing remuneration package of the Company prior to making recommendations for the approval of Board.</p> <p>For this purpose, the NRC had thoroughly reviewed the remuneration package of the directors, which takes into account the demands, complexities and performance of the Company as well as appropriately reflects the future needs of the Company.</p> <p>In compliance with Section 230 of the Companies Act, 2016 and Clause 97 of the Company's Constitution, the Company had at the last 48<sup>th</sup> AGM obtained shareholders' approval on the directors' fees and benefits payable of up to RM906,000.00 for the period from 24 June 2022 until the next 49<sup>th</sup> AGM of the Company.</p> <p>Up to 49<sup>th</sup> AGM to be held on 27 June 2023, the expected amount to be utilized is approximately RM760,000 or equivalent to 84% from the approved amount.</p> <p>The TOR of the NRC are available on THP's website at <a href="http://www.thplantations.my">www.thplantations.my</a></p> <p>Please refer to pages 66 to 72 of the Annual Report 2022 for details on the NRC Report for the year under review.</p> |
| <b>Explanation for departure</b>   | : |  |
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |

|                  |   |  |  |
|------------------|---|--|--|
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b> | : |  |  |

**Intended Outcome**

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

**Practice 8.1**

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

|   |   |  |
|---|---|--|
| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>THP has been disclosing in detail, on a named basis, the remuneration of THP's individual directors which includes fees at the Company and Group level, meeting allowances, salary, bonus, other emoluments and benefits-in-kind such as medical and insurance coverage.</p> <p>Details of the remuneration (including benefits-in-kind) for each Director are disclosed on pages 71 to 72 of the Annual Report 2022.</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  | Datuk Dr. Ahmad Kushairi bin Din                  | Independent Director                   | 89,958          | 9,000           | -               | -               | 10,610           | -                | 109,568         | 40,065          | 1,000           | -               | -               | -                | -                | 41,065          |
| 2  | Dato' Sri Amrin bin Awaluddin                     | Non-Executive Non-Independent Director | -               | 8,000           | -               | -               | 1,050            | -                | 9,050           | -               | -               | -               | -               | -                | -                | -               |
| 3  | YM Tengku Dato' Seri Hasmuiddin bin Tengku Othman | Non-Executive Non-Independent Director | 72,000          | 27,000          | -               | -               | 4,602            | -                | 103,602         | 106,942         | 8,500           | -               | -               | -                | -                | 115,442         |
| 4  | Alternate Director: Dzul Effendy bin Ahmad Hayan  | Non-Executive Non-Independent Director | -               | -               | -               | -               | 1,050            | -                | 1,050           | -               | -               | -               | -               | -                | -                | -               |
| 5  | Haji Bakri bin Jamaluddin                         | Independent Director                   | 70,054          | 18,000          | -               | -               | 4,587            | -                | 92,641          | 72,647          | 10,000          | -               | -               | -                | -                | 82,647          |
| 6  | Muhammad Ramizu bin Mustafa                       | Independent Director                   | 58,849          | 15,000          | -               | -               | 3,576            | -                | 77,425          | 43,490          | 3,500           | -               | -               | -                | -                | 46,990          |
| 7  | Ir. Mohamed Ajmel Hafiz bin Jamaludin             | Independent Director                   | 35,409          | 11,000          | -               | -               | 4,522            | -                | 50,931          | 38,013          | 3,500           | -               | -               | -                | -                | 41,513          |
| 8  | Datuk Dr. Kamilia binti Ibrahim                   | Independent Director                   | 30,500          | 7,000           | -               | -               | 1,050            | -                | 38,550          | 76,352          | 9,000           | -               | -               | -                | -                | 85,352          |
| 9  | Tan Sri Abu Talib bin Othman                      | Non-Executive Non-Independent Director | 59,613          | 1,000           | -               | -               | 1,323            | -                | 61,936          | 74,516          | 2,000           | -               | -               | -                | -                | 76,516          |
| 10 | Mohd Adzahar bin Abdul Wahid                      | Independent Director                   | 30,484          | 7,000           | -               | -               | 4,602            | -                | 42,086          | 39,194          | 3,000           | -               | -               | -                | -                | 42,194          |
| 11 | Dato' Shari bin Haji Osman                        | Independent Director                   | 29,807          | 10,000          | -               | -               | 5,748            | -                | 45,555          | 27,000          | 4,000           | -               | -               | -                | -                | 31,000          |
| 12 | Input info here                                   | Choose an item.                        | Input info here | Input info here | Input info here | Input info here | Input info here  | Input info here  | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here  | Input info here  | Input info here |



|    |                 |                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
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| 13 | Input info here | Choose an item. | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here |
| 14 | Input info here | Choose an item. | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here |
| 15 | Input info here | Choose an item. | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>info here | Input<br>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.

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Departure  |
| <b>Explanation on application of the practice</b>  | : |  |
| <b>Explanation for departure</b>   | : | <p>The Board is of the view that such disclosure would detriment to the Group given the highly competitive nature of the industry. Disclosure could result in poaching of performing management staff and unnecessary increases in the remuneration costs for under-performing staff.</p> <p>As an alternative to the recommended practice, the Board has opted to disclose the Remuneration Policy &amp; Procedures for the Directors and Senior Management which is made available on THP's website at <a href="http://www.thplantations.my">www.thplantations.my</a>.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice.   |
| <b>Timeframe</b>   | : | 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.

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

| 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.

|  |   |  |  |
|--|---|--|--|
| <b>Application</b>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | <p>The Chairman of the Audit &amp; Risk Management Committee ("ARMC") is En. Muhammad Ramizu bin Mustaffa and he is also an Independent Non-Executive Director.</p> <p>En. Muhammad Ramizu is a Chartered Accountant by profession. He is also a Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW"), a member of the Malaysian Institute of Accountants ("MIA"). He holds the International Baccalaureate Diploma from Mara College, Banting and a Bachelor of Science in Finance and Accounting from the University of Salford, Manchester, United Kingdom. He has a vast experience in the field of accounting, auditing, finance, and corporate services.</p> <p>The Chairman of the ARMC is not the Chairman of the Board, so as not to impair the objectivity of the Board's views on the ARMC's findings and recommendations.</p> <p>The composition and activities of the ARMC are outlined in the ARMC Report as disclosed on pages 73 to 76 of the Annual Report 2022.</p> |  |
| <b>Explanation for departure</b>   | : |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b>   | : |  |  |

**Intended Outcome**

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 TOR of the ARMC have stated a provision that any former audit partner of the Company’s external auditors is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.</p> <p>Currently, none of the members of the ARMC is a former audit partner of the Company’s external auditors.</p> <p>Profiles of the members of the ARMC are disclosed on pages 47, 48, 49 and 50 of the Annual Report 2022.</p> |  |
| Explanation for departure   | : |  |  |
|   |   |  |  |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. |   |  |  |
| Measure   | : |  |  |
| Timeframe   | : |  |  |

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The ARMC conducts assessment on the suitability, objectivity and independence of the Company's external auditors. The assessment is based on the ARMC's TOR under its functions and responsibilities, among others:-</p> <ul style="list-style-type: none"><li>i. To review and consider the appointment, resignation and dismissal of external auditor(s) and make appropriate recommendations to the Board including the audit fees;</li><li>ii. To review audit scope, plan, reports and management letters presented by the external auditors;</li><li>iii. To discuss issues arising from the interim and final audit and any other matters that external auditor may wish to discuss, in the absence of management, if necessary.</li></ul> <p>During the financial year 2022:-</p> <ul style="list-style-type: none"><li>i. The ARMC had reviewed the adequacy, competency and experience of external auditors assigned to the audit engagement, audit quality and effectiveness and also audit fees and re-appointment to be recommended to the Board;</li><li>ii. The ARMC had reviewed the scope of audit work and plan, results of the audit reports and management letters presented by the external auditors.</li></ul> <p>Significant issues from the external auditor's reports and management letter are presented and deliberated by the ARMC in its meeting with the presence of the Senior Management.</p> |
| <b>Explanation for departure</b>   | : |  |
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |



|                  |   |  |  |
|------------------|---|--|--|
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b> | : |  |  |

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

|   |  |
|---|--|
| <b>Application</b> :                              | Applied  |
| <b>Explanation on application of the practice</b> | <p>The ARMC members collectively possess a wide range of necessary skills to discharge their duties and are financially literate, competent and able to understand matters under the purview of the ARMC.</p> <p>The Chairman of the ARMC is a Chartered Accountant by profession. He is also a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), a member of the Malaysian Institute of Accountants, He holds the International Baccalaureate Diploma and a BSc (Hons) degree in Finance and Accounting from the University of Salford, Manchester, United Kingdom. He has a vast experience in the field of accounting, auditing, finance and corporate services.</p> <p>The other three members of the ARMC, have experience and knowledge in the plantation industry, corporate legal and engineering.</p> <p>The relevant qualifications and experience of each member of the ARMC are disclosed on pages 48, 49, 50 and 51 of the Annual Report 2022.</p> <p>The members of the ARMC have undertaken continuous professional development and during the financial year 2022, the members had attended trainings relevant to their roles as listed below:-</p> |

|  | <table><tr><th>Training/Seminar</th><th>Organiser</th></tr><tr><td colspan="2"><b>Tengku Dato’ Seri Hasmuddin bin Tengku Othman</b></td></tr><tr><td>Board Risk Intelligence Executive Masterclass Asia (Malaysia Series) 2022</td><td>Asian World Centre</td></tr><tr><td>The Malaysian Code of Corporate Governance 2021 - In-house Programme</td><td>THP</td></tr><tr><td colspan="2"><b>Haji Bakri bin Jamaluddin</b></td></tr><tr><td>Induction Programme - In-house Programme</td><td>THP</td></tr><tr><td>Mandatory Accreditation Programme</td><td>ICDM</td></tr><tr><td>The Malaysian Code of Corporate Governance 2021 - In-house Programme</td><td>THP</td></tr><tr><td>Anti-Bribery &amp; Corruption</td><td>Puncak Niaga Berhad</td></tr><tr><td colspan="2"><b>Muhammad Ramizu bin Mustaffa</b></td></tr><tr><td>Induction Programme - In-house Programme</td><td>THP</td></tr><tr><td>World Congress of Accountant</td><td>The Institute of Chartered Accountants and International Federation of Accountants</td></tr><tr><td>Terengganu Inc Group Corporate Directors’ Programme 2022: Enhancing Governance &amp; Leadership and Post Pandemic Environment</td><td>Terengganu Incorporated</td></tr><tr><td colspan="2"><b>Ir. Mohamed Ajmel Hafiz bin Jamaludin</b></td></tr><tr><td>Induction Programme - In-house Programme</td><td>THP</td></tr><tr><td>Mandatory Accreditation Programme</td><td>ICDM</td></tr></table> | Training/Seminar   | Organiser | <b>Tengku Dato’ Seri Hasmuddin bin Tengku Othman</b> |  | Board Risk Intelligence Executive Masterclass Asia (Malaysia Series) 2022 | Asian World Centre | The Malaysian Code of Corporate Governance 2021 - In-house Programme | THP | <b>Haji Bakri bin Jamaluddin</b> |  | 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 | <b>Muhammad Ramizu bin Mustaffa</b> |  | 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 | <b>Ir. Mohamed Ajmel Hafiz bin Jamaludin</b> |  | Induction Programme - In-house Programme | THP | Mandatory Accreditation Programme | ICDM |
|--|---|--|-----------|--|--|---|--------------------|--|-----|----------------------------------|--|--|-----|-----------------------------------|------|--|-----|---------------------------|---------------------|-------------------------------------|--|--|-----|------------------------------|--|---|-------------------------|--|--|--|-----|-----------------------------------|------|
|  | Training/Seminar  | Organiser  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | <b>Tengku Dato’ Seri Hasmuddin bin Tengku Othman</b>  |  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | Board Risk Intelligence Executive Masterclass Asia (Malaysia Series) 2022   | Asian World Centre   |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | The Malaysian Code of Corporate Governance 2021 - In-house Programme  | THP  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | <b>Haji Bakri bin Jamaluddin</b>  |  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | 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  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | <b>Muhammad Ramizu bin Mustaffa</b>   |  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | 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  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | <b>Ir. Mohamed Ajmel Hafiz bin Jamaludin</b>  |  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | Induction Programme - In-house Programme  | THP  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | Mandatory Accreditation Programme   | ICDM   |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  | <b>Explanation :<br/>for<br/>departure</b>  |  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |
|  |   |  |           |  |  |   |                    |  |     |                                  |  |  |     |                                   |      |  |     |                           |                     |                                     |  |  |     |                              |  |   |                         |  |  |  |     |                                   |      |

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

|                    |  |  |
|--------------------|--|--|
| <b>Measure</b> :   |  |  |
| <b>Timeframe</b> : |  |  |

### Intended Outcome

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

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

### Practice 10.1

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

|   |   |   |
|---|---|---|
| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>The Board affirms its overall responsibility in maintaining a sound system of risk management and internal control of the Group to safeguard the interest of its shareholders and assets. The Board's focus on effective risk oversight by setting the tone and culture towards effective risk management and internal control system.</p> <p>The primary responsibilities of the Board for the governance of risks and controls include:-</p> <ul style="list-style-type: none"><li>i. Embedding risk management process and capability in all aspects of the Group's activities;</li><li>ii. Identify and manage risks within the acceptable level of risk appetite;</li><li>iii. Reviewing the effectiveness and adequacy of the risk management and internal control system; and</li><li>iv. Establishing reporting and monitoring mechanism.</li></ul> <p>The Board's committee that is assigned to perform the responsibility and oversight function of the Board in evaluating the performance of the Group's risk management and internal control effectiveness is the ARMC. The broader roles of the ARMC are clearly guided by its TOR and supported by the Risk Management Committee ("RMC").</p> <p>In view of the inherent limitations in risk management and internal control system, the Board recognizes that such system is designed to manage, rather than eliminate, the risks identified to an acceptable level of risk appetite set and approved by the Board. As a result, the system by its nature, can only provide reasonable but not an absolute assurance against material misstatements, financial losses, operational failures, fraud, and breaches of laws or regulations.</p> |
| <b>Explanation for departure</b>                  | : |   |
|   |   |   |

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

|                  |   |  |  |
|------------------|---|--|--|
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b> | : |  |  |

### Intended Outcome

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

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

### Practice 10.2

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

|   |   |  |
|---|---|--|
| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>The review, monitoring and reporting process in the Group's Risk Management Framework ("RMF") involves the following key processes:</p> <ul style="list-style-type: none"><li>-</li><li>1. Risk assessment process;</li><li>2. Risk communication;</li><li>3. Risk action plan and monitoring.</li></ul> <p>These processes allow the Group to identify, evaluate and track the status of the risk profile and changes in the risk context and ensure that the risk treatment and control measures are adequate in design and operations and effective in its implementation.</p> <p>The internal control system is designed to protect integrity of assets, promote accountability and increase efficiency of operations within the Group's risk management framework. The system has been developed and maintained based on the industry's best practices and guidelines and relevant laws, rules, and regulations to control and mitigate risks according to risks appetite set and approved by the Board. The RMC and Risk &amp; Compliance Department ("RCD") would continuously review, monitor and update the existing risks, including identifying new emerging risks faced by the Group and report them to ARMC accordingly.</p> <p>Thus, the Group has designed and implemented a sound system of internal control that enables the business to be operated in an effectively and efficiently to achieve the Group's business objectives and to safeguard its interests.</p> <p>The key elements of the Group's internal control system are as follows:-</p> <ul style="list-style-type: none"><li>1. Board oversight function;</li><li>2. Policies and procedures;</li><li>3. Organisational structure and authority;</li><li>4. Human capital management;</li><li>5. Performance review and monitoring;</li><li>6. Tender and procurement management.</li></ul> |



|  |   |  |
|--|---|--|
|  | More comprehensive features of the Group's risk management and internal controls, and its adequacy and effectiveness are elaborated further in the Statement on Risk Management and Internal Control on pages 79 to 85 of the Annual Report 2022. |  |
| <b>Explanation for departure</b>   | :   |  |
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | :   |  |
| <b>Timeframe</b>   | :   |  |

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

|  |   |   |
|--|---|---|
| <b>Application</b>                             | : | Adopted   |
| <b>Explanation on adoption of the practice</b> | : | <p>Since November 2017, the responsibility to oversee the Group's risk management and internal control framework and policies was placed under the purview of the Audit Committee.</p> <p>In December 2021, the Board renamed the Audit Committee as the Audit &amp; Risk Management Committee to recognize the importance of the risk management framework and policies. The TOR of ARMC is also revised and expanded to include additional responsibilities. Its main roles and functions are to oversee the Group's financial reporting and performance oversight, internal and external audit functions and risk management and internal control oversight.</p> <p>Currently, the ARMC has four (4) members and majority of them are Independent Non-Executive Directors.</p> |

### Intended Outcome

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

### Practice 11.1

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

|  |   |  |  |
|--|---|--|--|
| <b>Application</b>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | <p>The existence of the internal audit function is to provide the Board, through the ARMC, with independent and objective assurance with regard to the performance and effectiveness of risk management, internal control and governance of the Group. Its primary function is to support and assist in discharging the duties and responsibilities of the ARMC. The internal audit function is independent from the operational and financial activities of the Group.</p> <p>The ARMC has the authority to review and approve the internal audit's scope of work, plan, reports and budgets. The committee also has the authority in evaluating the performance of the internal audit function, appointment and removal of the internal audit personnel.</p> <p>The internal audit function is governed by the Group's internal audit charter enables them to have sufficient authority and access to the information and is guided by the internal audit standards set out by the Institute of Internal Auditors to ensure the quality of their works.</p> <p>The ARMC is satisfied with the overall performance of the Group's internal audit function and its resources to perform their functions effectively and independently.</p> |  |
| <b>Explanation for departure</b>   | : |  |  |
|  |   |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b>   | : |  |  |

## Intended Outcome

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

## Practice 11.2

The board should disclose—

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

|   |   |   |
|---|---|---|
| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>The Internal Audit Department's functions is independent from the operational and financial activities of the Group and shall remain free from interference by any elements within Group. It has no direct or indirect operational responsibility or authority over any of the activities operated by the Group.</p> <p>All internal audit personnel are free from any relationships or conflicts of interest, except one (1) personnel that have family ties with the Group's Head of Mill &amp; Engineering Department. In maintaining the independence and objectivity of the internal audit function, that personnel will not be included in any audit engagement with the Mill &amp; Engineering Department including its palm oil mills.</p> <p>Internal Audit Department is led by En. Hadzormi bin Ismail. He holds a Diploma in Accounting from the MARA University of Technology (UiTM). He is a member of the Institute of Internal Auditors Malaysia.</p> <p>There are eight (8) internal audit executives and one (1) clerical staff, all of whom are qualified and possess the required skills, competencies, knowledge and experience to perform internal audit functions. In addition, the internal audit personnel had also participated in several trainings and webinars to enhance their knowledge and competencies during the year 2022. All executives are members of the Institute of Internal Auditors Malaysia.</p> <p>The Internal Audit Department's activities are carried out according to the Group's internal audit charter, internal audit standards and annual internal audit planning that was approved by the ARMC.</p> |
| <b>Explanation for departure</b>                  | : |   |
|   |   |   |

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

|                  |   |  |  |
|------------------|---|--|--|
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b> | : |  |  |

### Intended Outcome

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

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

### Practice 12.1

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board acknowledges the importance of an effective communication channel between itself, stakeholders, institutional investors and the investing public at large to provide a clear picture of the Group's performance and position. THP is committed to maintaining high standards in the dissemination of relevant and material information on the Group in order to maintain an effective, comprehensive, timely and continuing disclosure of information.</p> <p>The timely release of financial results on a quarterly basis provides the investors with an up-to-date view of the Group's performance and operations. The release of the quarterly financial results to Bursa Securities is accompanied by a press release.</p> <p>Shareholders are welcomed to raise queries by contacting the Company at any time throughout the year and need not wait for the AGM for such an opportunity.</p> <p>The contact information is available on THP's website at <a href="http://www.thplantations.my">www.thplantations.my</a>.</p> |
| <b>Explanation for departure</b>   | : |  |
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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>Notice of the 48<sup>th</sup> AGM of THP was issued more than 28 days prior to the meeting, i.e. notice of the 48<sup>th</sup> AGM was issued on 29 April 2022 and the 48<sup>th</sup> AGM was held on 23 June 2022.</p> <p>In view of the COVID-19 pandemic and as part of safety measures, the 48<sup>th</sup> AGM was held on a virtual basis via live streaming from the Broadcast Venue at Dewan Perkasa, Level 34, MoF Inc. Tower, No. 9 Persiaran KLCC, 500 Kuala Lumpur and through the Remote Participation and Electronic Voting (“RPEV”) facilities.</p> <p>Together with the Notice of 48<sup>th</sup> AGM of THP, the Company had dispatched the Administrative Guide to assist the shareholders to make necessary arrangements to attend, speak (in the form of real-time submission of typed texts) and vote (collectively, “participate”) at the 48<sup>th</sup> AGM through RPEV facilities.</p> |  |
| Explanation for departure   | : |  |  |
|   |   |  |  |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. |   |  |  |
| Measure   | : |  |  |
| Timeframe   | : |  |  |



### Intended Outcome

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

### Practice 13.2

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>At the 48<sup>th</sup> AGM, all Directors of THP, members of the Board Committees, CEO, Company Secretary, external auditors, independent valuers and the Management of THP were present remotely via RPEV at the said 48<sup>th</sup> AGM.</p> <p>Shareholders of THP were allowed to submit question(s) to the Company via email to <a href="mailto:info@thplantations.com">info@thplantations.com</a> prior to the 48<sup>th</sup> AGM. During the 48<sup>th</sup> AGM, shareholders of THP may submit question(s) (typed texts) to the messaging window via RPEV facilities during the live streaming.</p> <p>The Chairman and the CEO responded to all the relevant questions submitted by the shareholders of THP on every resolution tabled at the AGM before putting them for voting.</p> <p>The minutes of 48<sup>th</sup> AGM was published on THP's website at <a href="http://www.thplantations.my">www.thplantations.my</a></p> |
| <b>Explanation for departure</b>   | : |   |
|  |   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

**Intended Outcome**

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

**Practice 13.3**

Listed companies should leverage technology to facilitate—

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

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

|  |   |   |  |
|--|---|---|--|
| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | <p>The 48<sup>th</sup> AGM was held on a virtual basis via a live streaming from the broadcast venue at Dewan Perkasa, Level 34, MoF Inc. Tower, No. 9 Persiaran KLCC, 50088, Kuala Lumpur and through the RPEV facilities.</p> <p>The RPV facilities allowed the shareholders of THP to attend, speak (in the form of real time submission of typed texts) and vote at the 48<sup>th</sup> AGM remotely from the comfort of their homes.</p> |  |
| <b>Explanation for departure</b>   | : |   |  |
|  |   |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

### Intended Outcome

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.

*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.*

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Chairman of the Board chaired the 48<sup>th</sup> AGM. All Directors and Senior Management were present at the 48<sup>th</sup> AGM to respond to the questions raised by the shareholders or proxies.</p> <p>During the 48<sup>th</sup> AGM, the CEO presented the Company's operational and financial performance for the financial under review as well as the Company's strategic recovery plan.</p> <p>The presentation is supported by visual and graphical presentation of key financial figures and key operational highlights to facilitate the shareholders' understanding and analyses of the Company's performance.</p> <p>The Chairman had given the shareholders/proxies the opportunity to pose questions at the end of each Agenda items of the 48<sup>th</sup> AGM.</p> <p>THP had responded to 8 questions out of 21 questions received during the 48<sup>th</sup> AGM from 10.00 a.m. to 11.20 a.m. on 23 June 2022. Whereas the answers for the balance of 13 questions were uploaded on THP's corporate website after the 48<sup>th</sup> AGM.</p> |
| <b>Explanation for departure</b>   | : |   |
|  |   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |

|                  |   |  |  |
|------------------|---|--|--|
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b> | : |  |  |

## Intended Outcome

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

## Practice 13.5

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

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>For the 48<sup>th</sup> AGM, THP had engaged the Company's Share Registrars i.e. the Boardroom Share Registrars Sdn. Bhd. ("Boardroom") to provide the services to broadcast the proceedings of the 48<sup>th</sup> AGM virtually. It was live streamed via RPEV facilities.</p> <p>The Boardroom also had been appointed as the Poll Administrator and Mega Corporate Services Sdn. Bhd. as the Independent Scrutineers to verify the results of the e-Polling.</p> <p>Questions posed by the shareholders during the 48<sup>th</sup> AGM were displayed on the screen as and when the Chairman and the CEO provided their responses to the respective questions.</p> |
| <b>Explanation for departure</b>   | : |   |
|  |   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### Intended Outcome

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

### Practice 13.6

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

|  |   |   |
|--|---|---|
| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>         |   |   |
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | The Minutes of 48 <sup>th</sup> AGM duly confirmed and signed by the Chairman together with the slides presentation of CEO were uploaded on THP's corporate website on 5 August 2022. |
| <b>Explanation for departure</b>   | : |   |
|  |   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

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

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

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