

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is committed to fostering effective corporate governance across THP Group, with the view that robust governance practices play a vital role in safeguarding shareholder value and strengthening investor confidence.

These principles guide the Board's oversight of operational performance and strategic initiatives, placing ethical conduct and sustainable development at the core of the Group's objectives.

To discharge its responsibilities effectively, the Board operates within a comprehensive Governance and Integrity Framework, carefully structured to address the evolving needs of THP Group while aligning with leading industry standards. This

framework supports full compliance with the Malaysian Code on Corporate Governance 2021, the Main Market Listing Requirements of Bursa Malaysia, the Corporate Governance Guide issued by Bursa Malaysia, as well as the Companies Act 2016.

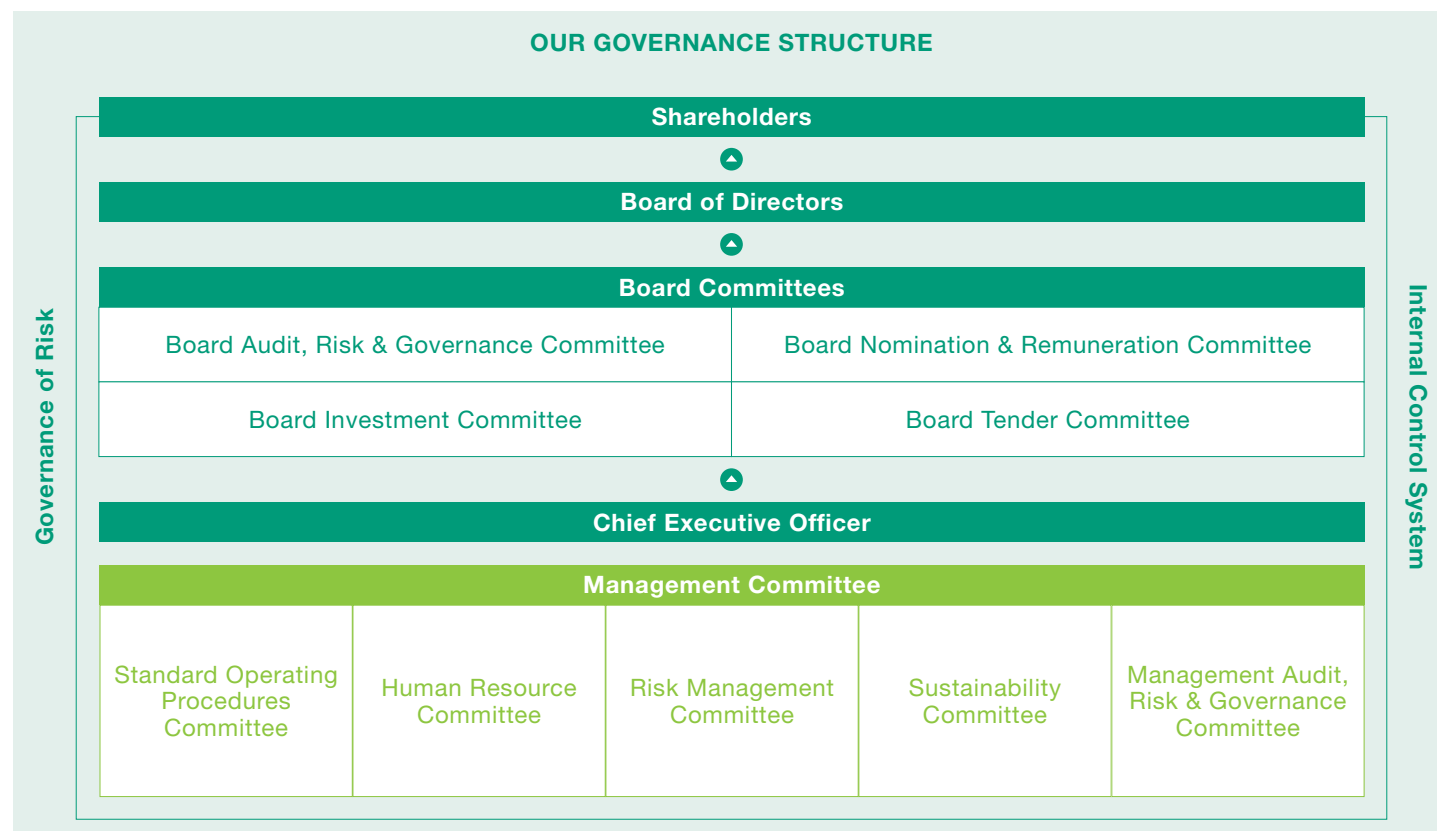
In line with the Guidelines on Adequate Procedures for Corporate Liability, THP's governance practices place strong emphasis on transparency, ethical decision making and accountability at every level of the organisation. These practices are subject to periodic review and enhancement to stay aligned with market expectations and responsive to stakeholder needs, reflecting the Group's focus on operational excellence and long-term sustainability.

This statement provides an overview of THP's corporate governance practices and highlights the key initiatives undertaken during FY2025.



This Corporate Governance Overview Statement is to be read together with the Corporate Governance Report which is available online at <https://thplantations.my>

OUR GOVERNANCE STRUCTURE



Corporate Governance Overview Statement

SUSTAINABILITY GOVERNANCE

Sustainability forms a core priority for THP, supported by the strong commitment of the Board as custodians of the Group's long-term vision and value creation. The Board provides overall leadership and oversight on sustainability matters, ensuring that environmental, social and governance (ESG) considerations are embedded into the Group's strategy, risk management and decision-making processes.

To support the Board in the execution, oversight, evaluation and continuous refinement of the Group's sustainability policies and initiatives, specific responsibilities have been delegated to the Board Audit, Risk & Governance Committee ("BARGC"). The Terms of Reference of the BARGC explicitly incorporate sustainability governance within its scope of

functions and responsibilities, enabling structured oversight and accountability.

The Chief Executive Officer ("CEO"), through the Sustainability Committee, is responsible for implementing the strategic sustainability direction set by the Board and BARGC, as well as providing regular updates on sustainability performance. These updates include comprehensive reports from the Sustainability Committee, which detail sustainability management efforts and contribute to the preparation of the Sustainability Statement.



The Sustainability Statement is outlined on pages 26 to 97 of this Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD CHARTER

The Group's governance framework is guided by its Board Charter, which incorporates key principles and recommendations from the Malaysian Code on Corporate Governance 2021. The Board Charter defines the Board's responsibilities, powers and duties, establishing a structured framework for oversight, leadership and decision-making.

As a key reference document, the Board Charter sets out the roles and procedures of the Board and its Committees, enabling them to perform their functions with due care, efficiency and accountability. This provides clear delegation of authority, functions and responsibilities from the Board to the respective Board Committees.

To maintain relevance and alignment with best practices, the Board Charter is subject to periodic review and updates, taking into account changes in applicable laws, regulations and governance developments. The last review was undertaken in December 2025.



The Board Charter is available on the Company's website at <https://thplantations.my>

BOARD LEADERSHIP, ROLES AND RESPONSIBILITIES

The Board comprises highly experienced professionals who bring a broad range of expertise and diverse perspectives from their respective fields. Their collective knowledge, professional backgrounds and sound judgment play an important role in guiding the THP Group towards high standards of performance, accountability and ethical conduct, in line with stakeholder expectations.

The Board holds ultimate responsibility for overseeing the Group's business operations, with its powers and duties set out in the Board Charter. These responsibilities include, but are not limited to, the following:

- 1 Reviewing and adopting strategic plans for the THP Group, primarily the five-year rolling strategic plan.
- 2 Overseeing the conduct of the Company's business to support proper management. Key operational matters are deliberated during Board meetings, with expert or independent advice sought where appropriate.
- 3 Identifying principal risks and overseeing the implementation of suitable risk management systems.
- 4 Implementing succession planning, including the appointment and recruitment of Senior Management team members.
- 5 Developing and implementing an investor relations or shareholders' communication policy.
- 6 Reviewing the adequacy and integrity of internal control and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines.
- 7 Developing and implementing a Sustainability Framework for the THP Group.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

To discharge its responsibilities effectively, the Board is supported by several committees established at both Board and management levels, as outlined in the governance structure on page 110 of this Report.

The Board is dedicated to cultivating a dynamic corporate culture guided by strong ethical values. This is demonstrated through the encouragement of active participation and structured dialogue across all levels of the organisation, promoting open communication and collaboration. Transparency in decision making and access to information are consistently upheld to support trust and accountability.

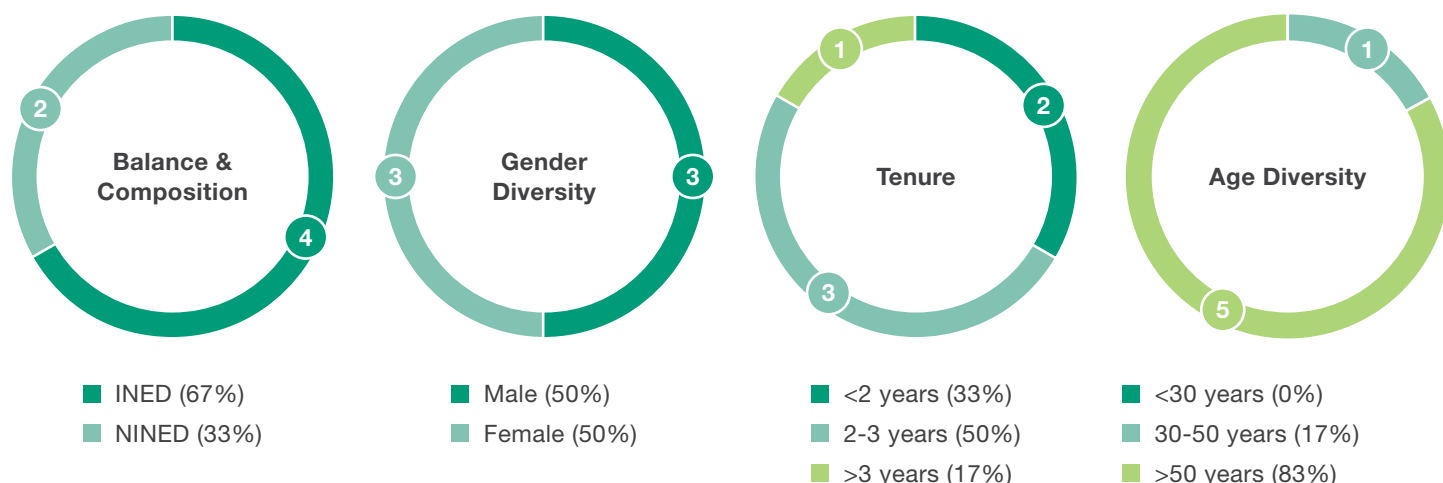
The corporate environment is further strengthened through value driven programmes that promote team cohesion and reinforce adherence to the Company’s core values. These initiatives reflect the Board’s focus on embedding a culture of integrity, accountability and excellence throughout the THP Group.

BOARD COMPOSITION, INDEPENDENCE AND DIVERSITY

As at 31 December 2025, the Board comprised six (6) members, including four (4) Independent Non-Executive Directors (“INEDs”) and two (2) Non-Independent Non-Executive Directors (“NINEDs”). Taking into account the Company’s current scope of operations, the Board is of the view that its structure and composition provide an appropriate balance to support effective governance and sound decision making. In its deliberations, the Board places strong emphasis on safeguarding the interests of the THP Group’s customers, investors and other key stakeholders.



The profiles of each member of the Board are outlined on pages 99 to 104 of this Report.



The Board values independence and diversity as essential elements of effective governance. The presence of a majority of Independent Directors promotes objective judgement, constructive challenge and balanced deliberations during Board discussions. Diversity in skills, experience and professional backgrounds further strengthens the Board’s ability to assess issues from multiple perspectives and make well considered decisions.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

SEPARATION OF POSITIONS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Leadership at the Board level is characterised by a clear division of responsibilities between the Chairman and the CEO. The Chairman leads the Board, sets meeting agendas, facilitates open and constructive discussions and oversees the overall effectiveness of the Board. In contrast, the CEO, supported by senior management, focuses on proposing strategic initiatives, managing day to day operations in line with the approved strategy and implementing decisions approved by the Board.

This clear separation of roles supports a balanced distribution of authority and reduces the risk of concentrated decision making. The distinction between the responsibilities of the Chairman and the CEO reflects a governance structure designed to promote accountability, transparency and operational effectiveness.

BOARD MEETINGS

The annual schedule of Board meetings is determined in advance, before the close of each financial year, to enable Directors to plan their participation effectively. Additional meetings are convened when urgent matters or time sensitive proposals require prompt deliberation and decision making.

To support informed discussions, the Directors receive complete and timely information, with Board papers circulated at least five (5) days prior to each meeting. These papers provide detailed updates on the Group's financial performance, operational developments and material corporate matters, allowing Directors to review key issues in advance.

The key action points for the Management are prepared and communicated to the relevant person in charge within two (2) business days after the meeting concludes.

Proceedings and decisions from each meeting are formally documented in the minutes, which are circulated to all Directors for review before confirmation at the subsequent meeting. This process allows Directors to seek clarification or propose amendments where necessary. Once confirmed, the minutes are properly maintained by the Company Secretary as part of the Company's official records.

Senior Management is regularly invited to attend Board meetings to provide insights and explanations on specific agenda items. Where relevant, external advisors engaged by the Company are also invited to share their professional views on specialised matters. In addition, the Chairman of the BARGC provides updates to the Board on significant findings and recommendations arising from audit reviews that may require further attention or action.

In addition to its formal responsibilities, the Board deliberates on a broad range of strategic and operational matters, including financial performance, corporate planning, budget approvals, investments, acquisitions or disposals, as well as governance related updates such as revisions to policies and procedures.

During FY2025, the Board convened a total of fourteen (14) meetings. All Directors met the attendance requirements stipulated under Paragraph 15.05(3)(c) of the Main Market Listing Requirements. The detailed attendance record for each Director is set out below.

1	Datuk Dr. Ahmad Kushairi bin Din Chairman, Independent Non-Executive Director	13/14	6	Kasmuri bin Sukardi Independent Non-Executive Director	14/14
2	Nor Adila binti Ismail¹ Non-Independent Non-Executive Director	10/11	7	Datuk Syed Hamadah bin Syed Othman³ Non-Independent Non-Executive Director	2/2
3	Roslin Azmy bin Hassan² Non-Independent Non-Executive Director	7/8	8	YM Tengku Dato' Seri Hasmuddin bin Tengku Othman⁴ Non-Independent Non-Executive Director	3/3
4	Dr. Nurmazilah binti Dato' Mahzan Independent Non-Executive Director	14/14	9	Dr. Shahril bin Simon⁵ Non-Independent Non-Executive Director	6/6
5	Fahda Nur binti Ahmad Kamar Independent Non-Executive Director	14/14	Notes: ¹ Appointed as Director on 7 May 2025 ² Appointed as Director on 23 July 2025 ³ Resigned as Director on 5 May 2025 ⁴ Retired as Director on 6 May 2025 ⁵ Resigned as Director on 23 July 2025		

Corporate Governance Overview Statement

KEY BOARD DISCUSSION AND ACTIVITIES

The Board's activities focus on shaping the strategic direction of the THP Group while providing effective guidance and oversight to Management in executing the Group's objectives within a transparent governance framework.

During FY2025, the Board convened two (2) annual Board Retreats, which served as dedicated platforms for in depth strategic discussions and constructive engagement with Management. These retreats enabled the Board and senior management to assess business performance, evaluate strategic priorities and consider emerging risks and opportunities within the operating environment. They also provided a forum to review progress against the Group's long-term plans and to refine strategies in response to market developments.

Through these focused sessions, the Board was able to engage in forward looking discussions on key growth initiatives, capital allocation, sustainability priorities and organisational capabilities. The retreats further strengthened alignment between the Board and Management, supporting informed decision making and effective execution of the Group's strategic agenda.

Details of the Board Retreats held during the year are set out below:

Month	Topics
July 2025	<ol style="list-style-type: none"> 1. Megatrends & Strategic Pathways for THP 2. THP Performance Reporting
October 2025	2026 Budget

Key matters considered by the Board in FY2025 were as follows:

Financial

- THP's Statutory Financial Statements for the financial year ended 31 December 2024
- Final Dividend for the financial year ended 31 December 2024
- Quarterly Report on Consolidated Results for 2025
- Re-appointment of External Auditors for the financial year ending 31 December 2025
- Audit fee for THP and Group for the financial year ended 2024
- Changes in accounting standards and/or policies
- THP Group's Annual Budget, including cashflow projections

Governance, Integrity and Policies

- Corporate Governance Report 2024
- 51st Annual General Meeting
- Revised THP Procurement Policy
- Integrity Pact
- Supplier Code of Ethics
- Organizational Anti-Corruption Plan 2025-2029
- Gift, Entertainment & Hospitality Policy
- Establishment of temporary board committees
- Terms of reference of the Board Committees
- Material litigation cases within the THP Group
- Material integrity cases within the THP Group
- Enhancement of Internal Control
- Review of Management Agreement

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Operation, Risk, Strategy, Sustainability

- Achievement of AL-Falah 22/22 for FY2025
- THP Group's operational performance
- Updates on land issues in Sarawak
- Updates on Risk Assessment
- Updates on the THP's Strategy Recovery Plan to stabilize and strengthen the THP Group's operations and finances
- Updates on sustainability matters
- Issues on labour shortage
- Updates on the construction of workers' quarters

Appointment and Resignation

- Change of composition of the Board, including re-election of directors
- Change of composition of the Board Committees
- Change of composition of the Nominee Directors on the Boards of THP's subsidiaries
- Board Evaluation Assessment (assessment of the effectiveness of the Board, Board Committees, Individual Directors and Independent Directors of THP Board)
- Change in Key Senior Management

Remuneration

- Annual fees for the Board and Board Committees
- Remuneration package of new directors
- Salary Package for newly appointed Senior Management
- Performance bonus for employees of the THP Group for FY2024

Investment and Divestment

- Plantation performance validation reports by external consultant for the selected assets
- Valuation exercises by external valuers for the proposed disposal of assets
- Proposed investments in new business ventures in Renewable Energy
- Turnaround plan for Non-Performing Assets

Others

- Reports for inclusion in the Annual Report 2024
- Circular to Shareholders in relation to the Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
- Issuance of show cause letter and garden leave
- Termination of contract and service of the Key Senior Management

BOARD COMMITTEES

To support effective governance and focused oversight, specific responsibilities are delegated by the Board to its Board Committees, while key matters continue to be reserved for the Board's approval. This approach strengthens decision making processes and enables more detailed review of critical areas, without diminishing the Board's overall accountability.

Each Board Committee operates under clearly defined Terms of Reference, which outline their respective roles, authority and responsibilities in assisting the Board. Through in-depth scrutiny and deliberation, the Board Committees provide valuable insights across governance, risk management, investments and remuneration matters. Notwithstanding this delegation, accountability for all major decisions continues to rest with the Board.

Corporate Governance Overview Statement

The Board is supported by four (4) main Board Committees, namely:

- 1 Board Nomination & Remuneration Committee (“BNRC”)
- 2 Board Audit, Risk & Governance Committee (“BARGC”)
- 3 Board Investment Committee (“BIC”)
- 4 Board Tender Committee (“BTC”)



The Reports of BNRC, BARCG and BIC are outlined on pages 124 to 133 of this Report.

Key decisions and recommendations from each Board Committee are formally documented and presented to the Board as part of the Board Papers for consideration and decision during Board meetings.

Each Board Committee is supported by the Company Secretary, who facilitates meetings and ensures proceedings are properly recorded and conducted in accordance with the principles and practices set out in the Malaysian Code on Corporate Governance 2021. Attendance at the Board Committee meetings is restricted to the Board Committee members, although other Directors may attend at their discretion. External advisers and senior management are invited to participate when their expertise or input is required.

During FY2025, a Board Executive Committee (“Board EXCO”) was established on 18 July 2025 following the garden leave of the former CEO of THP. The Board EXCO was dissolved upon the appointment of the new CEO, Datuk Ts. Borhan bin Bachi, on 17 November 2025. Details on the composition of the Board EXCO and the attendance records of its members are set out below.

Name	Number of Meetings Attended
Datuk Dr. Ahmad Kushairi bin Din Chairman	15/15
Kasmuri bin Sukardi Member	15/15
Nor Adila binti Ismail Member	9/15
Alikamal bin Abu Hassan¹ Member	12/15

Notes:

¹ Chief Operating Officer of THP.

The key activities of the Board EXCO were as follows:

- 1 Reviewing and recommending to the Board the Terms of Reference of the Board EXCO
- 2 Assessing and approving the proposals within the authority limit of the Chief Executive Officer
- 3 Monitoring the sales of crude palm oil, palm kernel, palm kernel shell and sludge oil
- 4 Human Resource matters
- 5 Reviewing the Terms of Reference of the Management Committees

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

ACCESS TO MANAGEMENT AND COMPANY SECRETARY

Open lines of communication are maintained between the Board and Management to support effective oversight and informed decision making. Directors are provided with unrestricted access to the Group's information and may engage directly with Senior Management whenever further clarification or insight is required. Where appropriate, guidance may also be sought from the Company Secretary, and independent professional advice may be obtained at the Group's expense when necessary.

Ahead of each meeting, the Board receives a balanced mix of quantitative and qualitative information to facilitate meaningful deliberations. This includes performance updates as well as analyses of external developments that could affect the Group's operations. Such comprehensive briefings equip Directors to address matters tabled at meetings with clarity and confidence.

An essential governance support function is performed by the Company Secretary, who coordinates and attends all Board meetings. Beyond advisory responsibilities, the Company Secretary ensures that Directors are furnished with clear, timely and concise materials well in advance, enabling structured discussions and effective decision making.

DIRECTORS' REMUNERATION

A structured remuneration framework has been established to attract, motivate and retain Directors of high calibre with the experience and expertise required to guide the Company's performance.

Designed to support the Group's long-term objectives, the remuneration policy aims to:

- 1 Align with THP's strategic thrust and value drivers
- 2 Secure Directors with the appropriate skills and experience to meet governance responsibilities
- 3 Reinforce a value-based management philosophy

Periodic reviews of the remuneration framework are undertaken by the BNRC to maintain alignment with market practices and stakeholder expectations. Recommendations arising from these reviews are presented to the Board for approval.

Reflecting the scope of responsibilities and time commitment, the remuneration structure for Non-Executive Directors comprises monthly Directors' fees and meeting allowances for attendance at Board and Board Committee meetings. In addition, they receive benefits in kind, including medical and insurance coverage within Malaysia.

Corporate Governance Overview Statement

The remuneration structure are outlined below:

At the Company Level

Director's Fees

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

Director's Benefits

Meeting Allowance



Board and Board Committee meetings of RM1,000 per meeting

Other Benefits



Medical and insurance coverage in Malaysia as well as monthly car allowance and telephone bill for Chairman

At the Subsidiary Level

Director's Fees



The monthly fee of THP's subsidiaries ranges between RM300 to RM5,000 per month

Meeting Allowance



The meeting allowance of THP's subsidiaries ranges between RM250 to RM500 per seating

The remuneration of the CEO includes salary and emoluments, bonus and benefits-in-kind.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Details of remuneration (including benefits-in-kind) of each Director and CEO for the year ended 31 December 2025 are as follows:

	RM								Total
	Annual Director's Fee			Salary	Bonus	Others Emoluments	Meeting Allowances (including subsidiaries) ^c	Benefits-in-kind ^d	
	Board Board ^a	Committees ^a	Subsidiaries ^b						
Chairman, Independent Non-Executive Director									
Datuk Dr. Ahmad Kushairi bin Din	144,000	-	108,000	-	-	-	31,500	60,551	344,051
Independent Non-Executive Directors									
Dr. Nurmazilah binti Dato' Mahzan	60,000	24,000	162,000	-	-	-	65,500	6,551	318,051
Kasmuri bin Sukardi	60,000	12,000	212,968	-	-	-	77,750	39,619	402,337
Fahda Nur binti Ahmad Kamar	60,000	-	129,903	-	-	-	52,000	6,551	248,454
Non-Independent Non-Executive Directors									
Nor Adila binti Ismail ¹	39,032	7,806	105,065	-	-	-	48,250	4,755	204,908
Roslin Azmy bin Hassan ²	26,452	-	-	-	-	-	8,000	3,829	38,281
Datuk Syed Hamadah bin Syed Othman ³	-	-	-	-	-	-	2,000	1,350	3,350
YM Tengku Dato' Seri Hasmuddin bin Tengku Othman ⁴	20,968	4,194	67,097	-	-	-	17,250	6,551	116,060
Dr. Shahril bin Simon ⁵	-	-	-	-	-	-	8,000	1,350	9,350
TOTAL	410,452	48,000	785,033	-	-	-	310,250	131,107	1,684,842

Notes:

^a Paid by THP.

^b Paid by the respective THP's subsidiaries.

^c Paid by THP and the respective THP's subsidiaries.

^d Benefits in-kind of the Directors includes medical outpatient and premium insurance coverages and a monthly car allowance of RM4,500 per month for the Chairman.

¹ Appointed as Director on 7 May 2025.

² Appointed as Director on 23 July 2025.

³ Resigned as Director on 5 May 2025 and being a management of TH, his monthly fee as Director is paid directly to TH.

⁴ Retired as Director on 6 May 2025.

⁵ Resigned as Director on 23 July 2025 and being a management of TH, his monthly fee as Director is paid directly to TH.

	RM								Total
	Annual Director's Fee			Salary	Bonus	Others Emoluments ^b	Meeting Allowances (including subsidiaries) ^a	Benefits-in-kind ^c	
	Board	Committees	Subsidiaries ^a						
Chief Executive Officer									
Datuk Ts. Borhan bin Bachi ²	-	-	-	95,333	-	11,672	-	2,338	109,343
Mohamed Zainurin bin Mohamed Zain ¹	-	-	-	520,000	260,062	93,278	-	10,031	883,371
TOTAL				615,333	260,062	104,950		12,369	992,714

Notes:

^a CEO, being the Management of THP, is not entitled to receive Monthly Director's Fees and meeting allowance from the respective THP's subsidiaries.

^b Other emoluments include Employer's contributions for EPF and SOCSO.

^c Benefits in-kind includes medical outpatient and premium insurance coverages.

¹ Terminated as CEO on 26 August 2025.

² Appointed as CEO on 17 November 2025.

Corporate Governance Overview Statement

Number of Directors whose remuneration falls within the following bands:

Ranges of Remuneration	Number of Directors
Less than RM50,000	3
RM50,001 to RM100,000	0
RM100,001 to RM150,000	1
RM150,001 to RM200,000	0
More than RM200,001	5

BOARD PERFORMANCE

A formal Board Effectiveness Evaluation is conducted annually to assess the performance of the Board, its Committees and individual Directors. This evaluation provides an opportunity to review how effectively responsibilities are carried out in line with the roles and expectations set out within the governance framework.

The assessment process supports continuous improvement by identifying strengths, areas for enhancement and opportunities to strengthen Board dynamics and decision making. It also promotes accountability and encourages constructive feedback among Directors.

The evaluation is typically undertaken internally and guided by a structured methodology, which covers key aspects such as Board composition, meeting effectiveness, quality of information received, Committee performance and individual contributions. Details of the evaluation process are outlined below:

▶ Stage 1

Completion of questionnaire

A comprehensive questionnaire was sent to each Board member and the duly completed questionnaires were returned to the Company Secretary.

▶ Stage 2

Evaluation of responses/reporting

The Company Secretary compiled a report to the Chairman of BNRC based on the feedback provided by Board members, addressing the performance of the Board Committees and individual Directors.

▶ Stage 3

Outcome

The Chairman of BNRC concluded the assessments and/or feedback and shared the pertinent findings and/or outcome with Chairman of the Board.

Following completion of the evaluation, the findings were reviewed and deliberated by the Board. These discussions affirmed the strength of the existing governance structure while identifying areas where further enhancements could be introduced. Consideration was also given to the mix of skills, attributes and diversity needed to support the Group's strategic direction.

For FY2025, the Board recorded its satisfaction with the overall effectiveness of Directors in carrying out their respective roles and responsibilities. Both the Board and its Committees were assessed to have functioned efficiently and in accordance with the provisions set out in the Board Charter and the respective Terms of Reference.

The Board also concluded that external directorships held by its members did not give rise to conflicts of interest or affect their ability to discharge their duties. Each Director demonstrated a high level of commitment and devoted sufficient time to fulfil responsibilities throughout FY2025.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

INDEPENDENT DIRECTORS

Strong governance is supported by the presence of four (4) INED who are not involved in the day-to-day management of the business. They do not engage in any commercial dealings with the Company and maintain no relationships that could compromise their independence. Their status is assessed in accordance with the criteria set out under the Main Market Listing Requirements, providing assurance that they are free from conflicts of interest and able to exercise objective judgement.

While collective responsibility for oversight rests with the entire Board, the contribution of the Independent Directors is particularly important. Their independent perspective enables robust challenge and constructive debate on strategies proposed by Management, with due consideration given to the Group's long-term interests. This approach helps safeguard the interests of shareholders as well as employees, customers, suppliers and other stakeholders connected to THP Group.

Ongoing assessments of independence are conducted by both the Board and the BNRC, based on the standards prescribed under the Main Market Listing Requirements. This process supports continued objectivity in decision making and reinforces confidence in the governance structure.

TENURE OF INDEPENDENT DIRECTORS

In line with the Board Charter, the tenure of an INED is capped at a maximum of nine (9) years.

BOARD INDUCTION AND TRAINING

A structured induction programme is provided to newly appointed Directors to familiarise them with the THP Group's business and governance environment. These briefings cover the Company's vision, mission, operational landscape, key challenges and long-term objectives, enabling new Directors to contribute effectively from the outset.

In accordance with the Main Market Listing Requirements, regular assessments are carried out to identify Directors' training needs. This supports continuous enhancement of knowledge and skills relevant to Board responsibilities and governance oversight.

Directors are also encouraged to participate in relevant conferences, seminars and training programmes to stay informed of industry developments, regulatory updates and evolving governance practices. This ongoing professional development strengthens the Board's overall effectiveness.

During FY2025, Directors attended various conferences, seminars and training programmes, including the following:

1 DATUK DR. AHMAD KUSHAIRI BIN DIN

- **29 APRIL 2025**

Knowledge Sharing Sessions on Climate Change: Board's Oversight Role in Climate Risk Management (I) - Requirements & Fiduciary Duty

Organised by Agrobank & EY

- **29 APRIL 2025**

Knowledge Sharing Sessions on Climate Change: Board's Oversight Role in Climate Risk Management (II) - Monitoring & Disclosure

Organised by Agrobank & EY

- **27 MAY 2025**

Knowledge Sharing Sessions on Climate Change: GHG Target Setting

Organised by Agrobank & EY

- **17-18 JUNE 2025**

BNM Sasana Symposium

Organised by BNM Sasana Symposium 2025 Secretariat

- **3 JULY 2025**

Corporate Liability: The Role of the Board in Combating Corruption

Organised by Agrobank

- **18 JULY 2025**

Basic International Financial Reporting Standard ("IFRS") 17 on Takaful Accounting on Financial Statements.

Organised by EY

- **18 AUGUST 2025**

Integrity Awareness Programme

Organised by TH Plantations Berhad

- **30 SEPTEMBER 2025**

Crisis Management Plan and Cyber Drill Awareness For Board of Directors

Organised by Agrobank & EC-Council Global Services

Corporate Governance Overview Statement

2 DR. NURMAZILAH BINTI DATO' MAHZAN

- **13 JANUARY 2025**
Basel III Workshop for Board of Directors
Organised by CIMB
- **15 - 16 JANUARY 2025**
AI training for Board of Directors
Organised by CIMB
- **7 FEBRUARY 2025**
Global Internal Audit Standards Update and Workshop
Organised by UM UAD
- **17 FEBRUARY 2025**
Compliance to Section 17A Towards Good Governance Practices
Organised by MACC/TH
- **20 FEBRUARY 2025**
Boardroom Dynamics
Organised by Good Governance Institute
- **24 FEBRUARY 2025**
Audit insights
Organised by TH Audit Committee and Internal Audit
- **3 APRIL 2025**
IFRS Foundation Integrated Thinking and Reporting Conference
Organised by IFRS Foundation
- **21 APRIL 2025**
Engagement Session on Bank Negara Malaysia's 2024 Annual Report
Organised by FIDE FORUM
- **30 APRIL 2025**
Applying the Sustainability Standards
Organised by Sustainable Stock Exchange and IFC World Bank
- **13 MAY 2025**
PwC AI Leadership Conference 2025
Organised by PWC
- **26 -27 MAY 2025**
MIA International Conference
Organised by MIA
- **28 MAY 2025**
ASEAN Auditing Conference
Organised by Auditor General Malaysia
- **11 JUNE 2025**
e-Invoicing for BOD
Organised by Asia School of Business
- **12 JUNE 2025**
Cloud Security Management & Regulatory
Organised by CIMB
- **30 JUNE – 3 JULY 2025**
The Financial Institutions Directors' Education (FIDE) Core Programme Module A: Bank
Organised by Asia School of Business
- **14 - 17 JULY 2025**
The Financial Institutions Directors' Education (FIDE) Core Programme Module B: Bank
Organised by Asia School of Business
- **7 AUGUST 2025**
CAE Roundtable
Organised by The Institute of Internal Auditors, Malaysia
- **18 AUGUST 2025**
Integrity Awareness Programme
Organised by TH Plantations Berhad
- **8 SEPTEMBER 2025**
ACIIA CAE Roundtable 2025
Organised by The Institute of Internal Auditors, Malaysia
- **29 SEPTEMBER 2025**
Audit Committee Conference
Organised by The Institute of Internal Auditors, Malaysia and The Malaysian Institute of Accountants
- **9 OCTOBER 2025**
Integrity Insights for Directors: Tackling CBT, Conflict of Interest, RPT & Corruption
Organised by Institute of Corporate Directors Malaysia
- **15 - 17 OCTOBER 2025**
CIIF Chartered Fast-Track Masterclass
Organised by Chartered Institute of Islamic Finance Professionals
- **30 OCTOBER 2025**
Future Ready Shariah Committee
Organised by Institute of Corporate Directors Malaysia and Association of Shariah Advisers in Islamic Finance
- **4 NOVEMBER 2025**
Sustainability Reporting
Organised by United Nations Development Programme

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

3 FAHDA NUR BINTI AHMAD KAMAR

- 29 – 30 APRIL 2025**
 Mandatory Accreditation Programme Part II: Leading for Impact
 Organised by Institute for Corporate Directors Malaysia
- 7 MAY 2025**
 E-Invoicing for Law Firms
 Organised by Selangor Bar
- 19 – 20 JULY 2025**
 Advocacy Training
 Organised by Malaysian Bar
- 18 AUGUST 2025**
 Integrity Awareness Programme
 Organised by TH Plantations Berhad
- 13 NOVEMBER 2025**
 Leading for Impact – Alumni Sharing
 Organised by Institute for Corporate Directors Malaysia
- 20 – 21 NOVEMBER 2025**
 Legal Writing Conference
 Organised by Malaysian Bar
- 4 DECEMBER 2025**
 Undang-undang & Pentadbiran
 Organised by Wanita Berdaya Selangor

4 KASMURI BIN SUKARDI

- 10 – 12 JULY 2025**
 High Impact Performance Enhancement Training and Workshop Series 2 for Estate & Mill Management
 Organised by TH Plantations Berhad
- 18 AUGUST 2025**
 Integrity Awareness Programme
 Organised by TH Plantations Berhad
- 9 OCTOBER 2025**
 Integrity Insights for Directors: Tackling CBT, Conflict of Interest, RPT & Corruption
 Organised by Institute of Corporate Directors Malaysia
- 4 – 8 NOVEMBER 2025**
 High Impact Performance Enhancement Training and Workshop Series 3 for Estate & Mill Management
 Organised by TH Plantations Berhad

5 NOR ADILA BINTI ISMAIL

- 22 – 23 JULY 2025**
 Mandatory Accreditation Programme Part I
 Organised by Institute of Corporate Directors Malaysia
- 18 AUGUST 2025**
 Integrity Awareness Programme
 Organised by TH Plantations Berhad
- 26 - 27 NOV 2025**
 Mandatory Accreditation Programme Part II: Leading for Impact
 Organised by Institute of Corporate Directors Malaysia

6 ROSLIN AZMY BIN HASSAN

- 10 – 11 SEPTEMBER 2025**
 Mandatory Accreditation Programme Part I
 Organised by Institute of Corporate Directors Malaysia
- 18 AUGUST 2025**
 Integrity Awareness Programme
 Organised by TH Plantations Berhad
- 14-15 OCTOBER 2025**
 Stewarding Governance Excellence: Balancing Judgement, Integrity and Foresight
 Organised by Institute of Corporate Directors Malaysia
- 4 - 8 NOVEMBER 2025**
 High Impact Performance Enhancement Training and Workshop Series 3 for Estate & Mill Management
 Organised by TH Plantations Berhad

All Directors have successfully completed the MAP Part I and majority Directors have successfully completed MAP Part II as prescribed by Bursa Malaysia Securities Berhad.

Corporate Governance Overview Statement

Board Nomination & Remuneration Committee Report

Oversight of Board composition and leadership succession is entrusted to the BNRC, which supports the Board in maintaining an effective balance of skills, experience and expertise among its members. In addition, the BNRC oversees succession planning, human capital development initiatives and the design of the remuneration framework for the Directors, Senior Management and employees across the THP Group.

While the BNRC undertakes detailed assessments and makes recommendations, final decisions on appointments to the Board, Board Committees and the boards of THP subsidiaries rest with the Board. To uphold objectivity, the CEO does not participate in discussions relating to his own remuneration. Similarly, Non-Executive Directors abstain from deliberations concerning their individual remuneration. Any revision to Directors' fees, allowances or benefits, including those payable to the Non-Executive Chairman, is subject to approval by shareholders at a general meeting.



The Terms of Reference of the BNRC are available on the Company's website at <https://thplantations.my>

COMPOSITION

The BNRC comprises solely Non-Executive Directors, with a majority being Independent Non-Executive Directors, in line with the requirements of the Main Market Listing Requirements and the Malaysian Code on Corporate Governance 2021. During FY2025, the BNRC held a total of thirteen (13) meetings. Details of its composition and attendance records are set out below.

Name of Members	Number of Meetings Attended
Fahda Nur binti Ahmad Kamar Chairman	13/13
Dr. Nurmazilah binti Dato' Mahzan Member	13/13
Kasmuri bin Sukardi Member	13/13
Nor Adila binti Ismail¹ Member	7/9
YM Tengku Dato' Seri Hasmuddin bin Tengku Othman² Member	4/4

Notes:

¹ Appointed as Member on 7 May 2025.

² Retired as Member on 6 May 2025.

BNRC meetings are attended by the CEO, while other members of Senior Management are invited to attend to facilitate in-depth discussions on a specific agenda.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The key activities of the BNRC are as follows:

Nomination Matters

- a) Assessing and recommending to the Board the continuation of service of the Directors seeking re-election at the AGM.
- b) Reviewing and assessing the annual performance and effectiveness of the Board.
- c) Assessing and recommending to the Board the appointment of new members on the Board Committees.
- d) Reviewing and recommending to the Board on the composition of the Board of Directors of THP Group's subsidiaries.
- e) Assessing and recommending to the Board on the appointment of new Key Senior Management.
- f) Reviewing and recommending to the Board the changes, movements, promotions and extension of the contract of Senior Management in the Head Office.
- g) Reviewing and recommending to the Board any matters relating to the continuation in office, including suspension and termination of service of Senior Management.
- h) Reviewing and recommending to the Board on the changes to the organisation structure.

Remuneration Matters

- a) Reviewing and recommending to the Board the annual directors' remuneration.
- b) Reviewing and recommending to the Board the employees' salary increments, bonuses, allowances, appointments and promotions.

Other Matters

- a) Reviewing the disclosure in the Annual Report on the BNRC Report.

APPOINTMENT AND RESIGNATION

Oversight of Board appointments forms a key part of the BNRC's mandate, with a structured process in place to support effective succession planning. Clear selection criteria guide the identification of potential Directors, taking into account the skills, expertise, experience and industry knowledge required to support the Group's strategic direction. In addition, candidates are assessed on their character, integrity, competence, time commitment and availability, in accordance with the Board Fit and Proper Policy.

All Directors are expected to uphold high standards of professionalism, integrity and credibility in carrying out their duties. INED are also required to demonstrate objective judgement, free from any business or personal relationships that could interfere with their independence, reinforcing sound governance practices.

As part of its succession planning role, the BNRC conducts periodic reviews of the Board's composition, including its size, mix of skills, experience, gender diversity and overall balance.

Corporate Governance Overview Statement

During FY2025, several changes took place within the composition of the Board, as follows:

- 1 Resignation of Datuk Syed Hamadah bin Syed Othman
- 2 Retirement of YM Tengku Dato' Seri Hasmuiddin bin Tengku Othman
- 3 Appointment of Nor Adila binti Ismail
- 4 Resignation of Dr. Shahril bin Simon
- 5 Appointment of Roslin Azmy bin Hassan

As at 31 December 2025, female representation on the Board reached 50 per cent, exceeding the minimum target of 30 per cent set under the Malaysian Code on Corporate Governance 2021.

Findings from the Board Effectiveness Evaluation for FY2025 affirmed the effective performance of individual Directors, the Board collectively and its Committees. The evaluation also confirmed that the Board possesses an appropriate mix of skills, knowledge and experience to steer the Group's strategic direction.

The Company Secretary supports the appointment process by securing all required documentation and ensuring compliance with governance and regulatory requirements, including statutory and Main Market Listing Requirements obligations. Internal records are maintained in a timely and accurate manner.

RE-ELECTION OF DIRECTORS

The re-election process provides shareholders with the opportunity to assess the performance and composition of the Board. In accordance with the Company's Constitution, at least one third (1/3) of the Directors retire annually, with each Director subject to re-election at least once every three (3) years. Retiring Directors are eligible to offer themselves for re-election at the Annual General Meeting ("AGM").

At the forthcoming 52nd Annual General Meeting, Dr Nurmazilah binti Dato' Mahzan is due for the retirement by rotation pursuant to Clause 89 of the Company's Constitution. However, she has expressed her intention not to seek for re-election. Accordingly, Dr. Nurmazilah binti Dato' Mahzan shall retire as INED of THP at the conclusion of the 52nd AGM of the Company.

In addition, the Company's Constitution provides that the Board shall, at anytime appoint Directors to fill the casual vacancy or as an addition to the existing Board and Directors appointed under Clause 94 shall hold office only until the next AGM of the Company and shall then be eligible for re-election. Accordingly, the following Directors appointed since the 51st AGM will retire by casual vacancy pursuant to Clause 94 and, being eligible, have offered themselves for re-election at the 52nd AGM:

- 1 Nor Adila binti Ismail
- 2 Roslin Azmy bin Hassan

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

BOARD AUDIT, RISK & GOVERNANCE COMMITTEE

Oversight of audit, risk and governance matters is undertaken by the BARGC. As at 31 December 2025, the BARGC comprised two (2) INED and one (1) NINED.

During FY2025, the BARGC convened ten (10) meetings, providing a structured forum for detailed deliberations on key areas such as financial reporting, internal and external audit findings and enterprise risk management matters. A comprehensive disclosure of the BARGC's roles, responsibilities and activities is set out in the BARGC Report on pages 128 to 131 of this Report.

FINANCIAL REPORTING

The Board places strong emphasis on transparent, balanced and comprehensive financial disclosures to shareholders, investors and regulatory authorities. This is achieved through the timely publication of quarterly financial results, audited financial statements, annual reports and material announcements, in line with the Main Market Listing Requirements.

Supporting this process, the BARGC undertakes detailed reviews of financial disclosures to confirm accuracy, clarity and compliance with applicable accounting standards. This oversight supports the presentation of a true and fair view of the Group's financial position and performance.

RELATIONSHIP WITH THE EXTERNAL AUDITORS

A professional and transparent working relationship is maintained with the External Auditors, with management and the BARGC seeking their expert guidance to support compliance with Malaysian accounting standards.

For preparation of Audited Financial Statements for FY2025, BARCC convened several discussion with the External Auditors, without the Management present, to address matters arising from the audit process and any additional issues the auditors wished to raise.

Regular assessments are conducted by the BARGC to evaluate the auditors' independence, performance, quality of work and timeliness of service delivery. Reviews also cover non audit services provided, where applicable, to confirm that auditor objectivity and independence are not compromised in any manner.

INTERNAL CONTROLS

Oversight of business performance and internal control effectiveness sits with the Board, with specific responsibilities delegated to the BARGC. This includes monitoring the adequacy of the Group's risk management and internal control systems.

The BARGC is supported in this role by the Internal Audit Department ("IAD"), which provides independent assurance on the effectiveness of internal controls and governance processes.



Further details on the Group's Risk Management Framework and Internal Control system are presented in the Statement on Risk Management and Internal Control on pages 134 to 141 of this Report.

INTERNAL AUDIT FUNCTION

The internal audit function is carried out by the IAD, led by the Head of Internal Audit for the Group. Its primary role is to provide independent assurance to the Board, through the Committee, on the adequacy and effectiveness of risk management, internal control and governance frameworks.



A summary of internal audit activities is set out in the BARGC Report on page 127 to 131 of this Report.

WHISTLEBLOWING POLICY

The Company's Whistleblowing Policy provides a structured channel for employees, agents, vendors, contractors, suppliers, consultants, customers, and the public to report any improper conduct within the THP Group. The policy ensures the anonymity and confidentiality of whistleblowers' identities and outlines protections against retaliation or reprisal, including immunity from disciplinary action.

Under the policy, employees of the THP Group are encouraged to raise concerns regarding issues such as financial irregularities, regulatory non-compliance, breaches of internal policies, or any other form of misconduct. This framework formalises the process for addressing and investigating reported issues in a transparent and secure manner.

Corporate Governance Overview Statement

Reports received are assessed and investigated in accordance with established procedures, with appropriate escalation to Management, the BARGC and the Board, where required. This oversight ensures that reported concerns are addressed independently, objectively and in a timely manner.

GOVERNANCE ENHANCEMENTS ARISING FROM INTEGRITY MATTERS

The Board recognises the importance of continuously strengthening corporate governance to uphold integrity and ethical conduct across the THP Group. During the financial year, and arising from integrity-related matters, the Board undertook initiatives to further enhance the Group's governance framework in line with regulatory expectations and best practices.

These enhancements focused on the establishment and strengthening of integrity and anti-corruption frameworks, policies and standard operating procedures to institutionalise ethical standards, reinforce accountability and ensure consistent application across the Group. The initiatives were designed to embed integrity within the Group's governance structure and support ethical decision-making at all levels of the organisation.

SUSTAINABILITY

Sustainability strengthens audit and risk management by expanding the risk coverage to include material ESG risks, enabling early identification and mitigation of operational issues and supporting long-term value creation and resilience.



The Sustainability Statement is outlined on pages 26 to 97 of this Report.

RISK MANAGEMENT

Through the BARGC, oversight is exercised over the Group's risk management framework to ensure that principal and emerging risks are systematically identified, assessed, monitored and managed within acceptable risk levels, with regular reviews and timely escalation to support effective oversight and decision-making.

Board Audit, Risk & Governance Committee Report

The BARGC plays a central role in overseeing the integrity of the Group's financial reporting and overall performance. Its responsibilities include reviewing the effectiveness of both external and internal audit functions, as well as monitoring the adequacy of the internal control environment. In addition, the BARGC provides oversight on the Group's risk management approach, integrity standards and governance practices.



The Terms of Reference of the BARGC are available on the Company's website at <https://thplantations.my>

COMPOSITION

The BARGC comprises solely Non-Executive Directors, with a majority being Independent Directors, in line with regulatory and governance best practices. During FY2025, the BARGC convened ten (10) meetings to discharge its responsibilities effectively. Details on the BARGC's composition and the attendance records of its members are set out below.

Name of Members	Number of Meetings Attended
Dr. Nurmazilah binti Dato' Mahzan Chairman	10/10
Kasmuri bin Sukardi Member	10/10
Nor Adila binti Ismail¹ Member	7/7
YM Tengku Dato' Seri Hasmuiddin bin Tengku Othman² Member	3/3

Notes:

¹ Appointed as Member on 7 May 2025.

² Retired as Member on 6 May 2025.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The composition of the BARGC is in line with Paragraphs 15.09 and 15.10 of the MMLR and Practice 9.1 and 9.2 of the MCCG 2021, as follows:

MMLR

- i. All three (3) members are Non-Executive Directors and the majority of them are Independent Directors
- ii. The Chairman is a member of the Malaysian Institute of Accountants (MIA)
- iii. No alternate director is appointed as a member of the BARGC
- iv. The Chairman of the BARGC is an Independent Director

MCCG 2021

- i. The Chairman of the BARGC is not the Chairman of the Board
- ii. None of the BARGC members is a former audit partner of the Group's external auditor

SUMMARY OF ACTIVITIES OF THE BARGC

The key activities undertaken by the BARGC during FY2025 were as follows:

FINANCIAL REPORTING

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

QUARTERLY RESULT/FINANCIAL STATEMENT REVIEWED:

24 February 2025

- Unaudited fourth quarter results for the year ended 31 December 2024
- Audited Financial Statement for the financial year ended 31 December 2024

22 May 2025

Unaudited first quarter results for the period ended 31 March 2025

21 August 2025

Unaudited second quarter results for the period ended 30 June 2025

13 November 2025

Unaudited third quarter results for the period ended 30 September 2025

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

INTERNAL AUDIT

- a) Reviewed and approved the annual internal audit plan, budget, and resource requirements to ensure comprehensive coverage of the Group's operations and risk exposures.
- b) Reviewed significant observations reported by the IAD, evaluated management's corrective action plans and consequence management, and monitored the status and performance of internal audit activities.
- c) Assessed the adequacy and effectiveness of management's responses, controls, and measures in addressing identified issues, ensuring that all significant audit matters were resolved promptly and effectively.
- d) Reviewed the sufficiency of internal audit resources and the competency of personnel to ensure that audit engagements were conducted efficiently and in accordance with professional standards.

From time to time, the BARGC assessed the performance, independence and objectivity of the IAD, including any potential impairment that could arise from conflicts of interest.

The BARGC concluded that the Group's internal audit function remained effective and operated with full independence throughout the year.

Corporate Governance Overview Statement

RISK MANAGEMENT & INTERNAL CONTROL

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

EXTERNAL AUDITORS

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

- g) Held independent meetings with the internal auditors, without the presence of management to discuss significant findings identified during the course of their audit.

The external auditors provided assurance to the BARGC that they had maintained independence throughout the audit engagement for 2025, in full compliance with all relevant professional and regulatory requirements.

The BARGC expressed its satisfaction with the external auditors' performance, citing the quality of their work, adequacy of resources, adherence to agreed timelines set by Management, and their demonstration of independence, professionalism, and expertise.

INTEGRITY & GOVERNANCE

- a) Reviewed and endorsed THP's Organisational Anti-Corruption Plan 2025–2029, which sets out the Group's strategic direction and initiatives to prevent corruption, strengthen governance practices, and reinforce a culture of integrity across THP's operations.
- b) Reviewed and endorsed the SOPs for the Integrity and Governance Unit, as well as THP's anti-bribery and anti-corruption policies, to ensure continued alignment with regulatory requirements, prevailing laws, and industry best practices.
- c) Reviewed the progress of THP's compliance with the Adequate Procedures as mandated under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, including updates on implementation status and areas for enhancement.
- d) Conducted a review of the Corruption Risk Assessment and deliberated on the identified corruption risks, together with the adequacy of existing and proposed controls, to ensure effective mitigation measures are in place.
- e) Reviewed the "*Laporan Fungsi Teras Unit Integriti dan Governans*" prior to its submission to the Malaysian Anti-Corruption Commission, ensuring the report accurately reflects THP's integrity initiatives and compliance status.
- f) Reviewed internal investigation reports and provided guidance to Management on appropriate actions to address reported concerns, misconduct, or wrongdoing, in line with THP's policies and governance framework.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

g) Promoted integrity and anti-corruption awareness across the Group, including oversight of awareness programmes, communications, and initiatives aimed at strengthening ethical conduct, reinforcing zero tolerance towards bribery and corruption, and fostering a culture of integrity at all levels of the organisation.

OTHER DUTIES

As part of its oversight responsibilities, the BARGC undertook reviews of related party transactions and potential conflict of interest situations during the year. These assessments were conducted to confirm compliance with the Main Market Listing Requirements, MFRS, the Companies Act 2016 and the Group's internal policies. The reviews verified that transactions were executed on normal commercial terms, providing assurance that the interests of minority shareholders were protected and that internal control procedures governing such transactions were adequate and effective.

In addition, the BARGC plays an active role in overseeing the Group's sustainability agenda. This includes monitoring compliance with stakeholder driven ESG standards, reviewing sustainability related matters across operations and providing strategic guidance on emerging regulatory and market expectations. The BARGC also evaluates the quality and completeness of sustainability disclosures in line with Bursa Malaysia's reporting requirements.

INTERNAL AUDIT FUNCTION AND ACTIVITIES

The IAD serves as an independent assurance function for THP Group of Companies, reports directly to and supports the BARGC in upholding its fiduciary responsibilities.

Through objective evaluations, IAD provides assurance on the adequacy and effectiveness of governance, risk management, and control processes, including the Group's compliance with applicable laws, regulations, policies, and standards.

IAD follows the guiding principles and best practices (the Standards) promulgated by the Global Institute of Internal Auditors ("Global IIA"). THP's Internal Audit Charter, approved by BARGC in 2023, clearly defines IAD's role, authority, responsibilities, and independence, consistent with the Standards.

The audit coverage included estate and mill activities, as well as business enabler functions such as procurement, contracting, finance and accounting, human resources, and administration. Beyond the assurance role, IAD collaborated with the Integrity & Governance Unit to investigate allegations of financial irregularities and suspicious activities.

During the FY2025, the IAD played a pivotal role in the following key activities:

- 1 Developed and presented the Annual Audit Plan and Budget for the review and approval by BARGC in line with the Group's strategic objectives and risk priorities.
- 2 Conducted operational and compliance audits across 18 estates and 4 mills to assess conformance to established regulatory requirement, policies and procedures.
- 3 Performed corporate and/or thematic audits targeting high-risk areas such as procurement, contracting, disbursement, inventory and financial controls to safeguard integrity and accountability.
- 4 Coordinated IT audits and validate Sustainability Report, reinforcing objectivity and compliance with best practices through co/outsourcing arrangement with external service providers.
- 5 Reported significant audit observations, including associated risks and potential consequences, and presented agreed management action plans during BARGC meetings. Monitored and followed up on management's action plans, providing regular updates to BARGC until full resolution to ensure timely oversight and accountability.
- 6 Undertook ad-hoc and special assignments at the request of BARGC and/or Management, with findings communicated transparently to BARGC to support informed decision-making.

Corporate Governance Overview Statement

The IAD is headed by a Certified Internal Auditor and Certified Fraud Examiner, with all auditors being members of the Institute of Internal Auditors Malaysia. Demonstrating its commitment to continuous professional development, THP provides financial supports for internal auditors to pursue the Certified Internal Auditor (“CIA”) programme, ESG Certificate for Internal Auditing and participation in public conferences and external training programmes to enhance proficiency and maintain alignment with global best practices.

For FY2025, THP incurred a total cost of RM1.54 million to support the IAD function.

This BARGC Report was reviewed and approved by the THP Board on 27 January 2026.

Board Investment Committee Report

Oversight of the Group’s investment and divestment activities sits with the BIC, which supports the Board by reviewing and recommending the Investment Policy, strategic direction and plans relating to asset acquisitions and disposals. The BIC also monitors key matters that may affect the Group’s business continuity.

A core focus of the BIC is the assessment of proposals for new investments and major disposals. Each proposal is evaluated to confirm alignment with the Group’s Strategic Plan and its potential to generate returns above the established risk adjusted hurdle rate and performance premium. In addition, the BIC provides guidance on transactions exceeding thresholds set by the Board, including significant investments, divestments, capital expenditure commitments and related project financing arrangements.



The Terms of Reference of the BIC are available on the Company’s website at <https://thplantations.my>

COMPOSITION

In line with its Terms of Reference, membership of the BIC comprises at least three (3) Non-Executive Directors. During FY2025, the BIC convened four (4) meetings to discharge its responsibilities. Details of its composition and attendance records are set out below:

Name of Members	Number of Meetings Attended
Nor Adila binti Ismail¹ Chairman	2/2
Dr. Nurmazilah binti Dato’ Mahzan² Member	4/4
Fahda Nur binti Ahmad Kamar Member	4/4
Dr. Shahril bin Simon³ Member	2/2

Notes:

- ¹ Appointed as Chairman on 7 May 2025.
² Redesignated as Member on 7 May 2025.
³ Resigned as Member on 23 July 2025.

The BIC meetings are attended by the CEO, while other members of Senior Management are invited to attend to facilitate in-depth discussions on a specific agenda.

The key activities of the BIC amongst others are summarised below:

- 1 Reviewing the Valuation Reports prepared by external valuers on THP’s assets proposed for disposal.
- 2 Reviewing the plantation performance validation reports by external valuers on selected THP’s assets.
- 3 Reviewing the proposed investments in new business ventures in Renewable Energy.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

COMMUNICATION WITH STAKEHOLDERS

A transparent and timely communication approach guides the Company's engagement with shareholders and the broader investment community. Disclosure practices follow the Corporate Disclosure Guide issued by Bursa Securities and fully comply with the Main Market Listing Requirements. Material information is released promptly to support fair and equitable access for all stakeholders.

Regular engagements are held with stakeholders, research analysts and bankers to share updates on the Group's performance, business developments and strategic priorities. Throughout these interactions, strict safeguards are maintained to protect price sensitive information, ensuring compliance with regulatory requirements and market integrity.

LEVERAGING TECHNOLOGY FOR INFORMATION DISSEMINATION

The Company's corporate website serves as a central platform for public access to corporate and financial information. Quarterly financial results, regulatory announcements, disclosures required under the Main Market Listing Requirements and other corporate updates are made readily available online. Shareholders and members of the public are encouraged to submit enquiries through the contact channels provided on the website.

CONDUCT OF GENERAL MEETINGS

The AGM provides an important forum for direct engagement between shareholders and the Board. Notification of the AGM and publication of the Annual Report are communicated in writing, either electronically or in hardcopy form, at least 28 days prior to the meeting. Shareholders are provided with a dedicated link to download the relevant documents and may request a printed copy through the prescribed channel.

The 51st AGM, held on 6 May 2025, marked the Company's return to a physical meeting format following a five-year hiatus due to the COVID 19 pandemic. This in person session enabled direct interaction between shareholders and the Board. The Chairman chaired the meeting, with full attendance from Directors and Senior Management to address shareholder questions.

During the AGM, the CEO presented a comprehensive overview of the Company's operational and financial performance, together with an outline of the strategic recovery plan. Visual and graphical presentations were used to enhance understanding of key performance highlights.

An extensive question and answer session followed, allowing shareholders to engage directly with the Board. All questions raised were documented and published on the Company's website. To promote voting transparency and efficiency, electronic polling was implemented during the meeting. The minutes of the AGM proceedings were subsequently published on the corporate website for shareholders' reference.

DIRECTORS' RESPONSIBILITY STATEMENT IN THE PREPARATION OF AUDITED FINANCIAL STATEMENTS

Under the Main Market Listing Requirements, the Board of Directors is obligated to issue a statement outlining its responsibilities in preparing the audited financial statements. Pursuant to the Companies Act 2016, the Directors are also required to ensure that audited financial statements are prepared annually, providing a true and fair view of the financial position of the THP Group as at the financial year-end, as well as the financial performance of the Company and the Group for the year under review.

In preparing these audited financial statements, the Directors have:

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

The Directors are responsible for maintaining accurate and proper accounting records that provide a clear and timely representation of the THP Group's financial position. These records are essential to ensure compliance with the Companies Act 2016 and the approved accounting standards applicable in Malaysia. Furthermore, the Directors are tasked with implementing necessary measures to protect the Group's assets and to mitigate the risk of fraud or other irregularities.

This statement was approved by the THP Board on 27 January 2026.