

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5297
COMPANY NAME : TUJU SETIA BERHAD
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Tuju Setia Berhad ("Company") and its subsidiary ("Group") is headed by an experienced and effective Board of Directors ("Board"). The Board assumes overall responsibility in leading the strategic direction, future expansion, Corporate Governance, risk management, human resource planning and development, investments made by the Group and overseeing the proper conduct of business of the Group.</p> <p>The Board discharges its responsibilities in the best interest of the Group and assumes the following key responsibilities in discharging its fiduciary duties:-</p> <ul style="list-style-type: none">(a) reviews, adopts and monitors the implementation of Management's strategic plans(b) ensures implementation of appropriate internal controls and mitigating measures to address the risks identified;(c) carries out periodic reviews of the Group's financial performance and operating results and major capital commitments;(d) reviews the adequacy and integrity of the Group's internal control system;(e) committed to acting professionally, fairly and with integrity in all the business dealings and relationships; and(f) oversees and evaluates the conduct and sustainability of the Group which includes strategies on economic, environmental and social considerations. <p>In order to ensure effective discharge of its stewardship role, the Board delegates some of its responsibilities to the Board Committees, namely Audit and Risk Management Committee ("ARMC"), Nomination and Remuneration Committee ("NRC") which operate within defined Terms of Reference. The Chairman of the respective Board Committees report to the Board on key matters deliberated at the respective Board Committee meetings and make recommendations to the Board for final decisions, where necessary.</p>

	In discharging its duties and roles effectively, the Board is also guided by the Board Charter, which sets out the principles and guidelines that are to be applied by the Board, whilst the Board committees are guided by its respective Terms of Reference (“TOR”). The Board Charter and the TOR for each Board Committee are available on the Company’s website at https://tujusetia.my/ .	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Board is headed by YAM Tengku Datuk Seri Ahmad Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj who is an Independent Non-Executive Chairman and is responsible for the leadership, integrity and effectiveness of the governance of the Board.</p> <p>The role and responsibilities of the Chairman are set out in the Board Charter which is also available on the Company’s website at https://tujusetia.my/.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman and the Managing Director are held by two different individuals. The Chairman, YAM Tengku Datuk Seri Ahmad Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj and the Managing Director, Mr. Wee Eng Kong, have their respective roles and responsibilities which are governed by the Board Charter.</p> <p>There is a clear division of roles and responsibilities between the Chairman and Managing Director in ensuring balance of power and authority in the Company. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role whilst, the Managing Director is the conduit between the Board and Management in ensuring the success of the governance and management functions of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board, YAM Tengku Datuk Seri Ahmad Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj is not a member of the Audit and Risk Management Committee, and Nomination and Remuneration Committee of the Company and does not participate in any of the committees' meetings.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) qualified and competent Company Secretaries, namely Ms. Tai Yit Chan and Ms. Tia Hwei Ping. Both are the members of the Malaysian Institute of Chartered Secretaries and Administrators.</p> <p>The Company Secretaries provide the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislation.</p> <p>All Directors also have full and unrestricted access to the advice and services of the Company Secretaries. The Board is regularly updated on new guidelines, directives and new regulatory issues affecting the Group by the Company Secretaries as well as external consultants. The Company Secretaries together with the Executive Directors and Chief Financial Officer assist the Chairman of the Board and Chairman of the respective Board Committees to deal with the Board agenda and to provide the relevant information and documents to all Directors on a timely basis. The Board is satisfied with the support and performance rendered by its Company Secretaries in assisting the Board to discharge its duties.</p> <p>The Board is of the view that the Company Secretaries have been competent and kept themselves abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meets at least quarterly with additional meetings convened as and when necessary. The Board, Board Committees and General meetings for the year under review were scheduled in advance to facilitate the Directors in planning ahead and incorporating the said meetings into their respective schedules.</p> <p>Except in the case of an emergency, the notices of Board meeting and the board papers are circulated at least five (5) business days prior to the dates of meetings.</p> <p>The board papers are issued in advance thus given sufficient time for the Board members to peruse the matters that will be tabled at the Board meeting and this enhances the overall decision-making process. The Chief Financial Officer and the Company Secretaries would lead the presentation of board papers and provide comprehensive explanations of business plans, business performance, corporate proposals (if any), and other pertinent issues.</p> <p>The Board has full access to both internal and external auditors and received reports on audit findings via the Audit and Risk Management Committee. All matters raised, discussions, deliberations, decisions and conclusions including dissenting views made at the meeting are recorded in the minutes of meeting and circulated in a timely manner. The Company Secretaries will inform the relevant management of decisions/recommendations made by the Board or Board Committees for appropriate actions to be taken.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is guided by its Charter which sets out the purpose, composition, key roles and principal responsibilities of the Board and the Directors including Independent Directors and the Chairman, as well as the internal procedural matters for the Board. The Board Charter also outlines the key matters reserved for the Board deliberation and decision.</p> <p>The Board Charter serves as a source of reference for Board members to assist them in discharging their fiduciary duties as Directors. The Board Charter is reviewed from time to time to ensure that it continues to remain relevant and appropriate. The present Board Charter was adopted by the Board on 12 August 2020 and is in line with the principles set out in the Malaysian Code on Corporate Governance.</p> <p>The Board Charter is available on the Company's website at https://tujusetia.my/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to create a corporate culture that adhere to the best practices of corporate governance and to uphold high standard of corporate conduct. The Code of Ethics and Conduct (the "Code") which set out the ethical standards and appropriate conduct at work adopted by the Group and is applicable to all employees and Directors of the Group.</p> <p>The Code covers the following key areas: -</p> <ol style="list-style-type: none">Conflicts of InterestCorruption, Acceptance and Provision of GiftsConfidential InformationInside Information and Securities TradingProtection of Group's Assets and FundsBusiness Records and ControlCompliance to the Laws, Rules and RegulationsHealth and SafetySexual Harassment and ViolenceOutside InterestFair and Courteous BehaviourMisconduct <p>The Board is committed to conducting the business ethically, as well as complying with all applicable laws and thus the Group has established Anti-Bribery and Anti-Corruption Policy, which sets out its expectations for internal and external parties working for and on behalf of the Group in preventing bribery or corrupt practises in relation to the Group's businesses.</p> <p>The details of the Code and Anti Bribery and Anti-Corruption Policy are available for reference on the Company's website at https://tujusetia.my/.</p>

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

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has also adopted a Whistle-Blowing Policy which sets out an avenue where legitimate concerns on malpractice, unethical behaviour, misconduct, wrongdoings, corruption, bribery, fraud, misuse of the Group's property, abuse of power, conflict of interest, non-compliance to various policies and procedures and violation of laws and regulations, can be objectively investigated and addressed. Individuals should be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.</p> <p>The Board of Directors reviews the Whistleblowing Policy on a periodic basis to ensure that it is relevant, effective, and consistent with the Company's objectives, policies, and applicable laws. The present Whistleblowing Policy was adopted by the Board on 16 December 2021 and is published on the Company's website at https://tujusetia.my/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company recognises the importance of sustainability as a critical driver for long-term business sustainable growth of the Group. As such, the Board of Directors and management are committed to continuously reinforcing the importance of sustainability in the business strategies and operations in order to achieve the Group's objectives.</p> <p>All Heads of Department across the Group are accountable for the Group's sustainability plan. They are responsible for identifying and implementing the Group's sustainability activities, which are reviewed by the Board of Directors, which is responsible for advancing its sustainability agenda and defining strategic direction.</p> <p>The Board of Directors meets at least yearly to discuss sustainability issues, including evaluating the material matters to ensure they remain current and relevant.</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

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

Practice 4.2

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

Application	:	Applied																			
Explanation on application of the practice	:	<p>The Group value stakeholders’ needs and expectations in relation to the Group’s sustainability performance. Their perspectives help the Group prioritise the most critical sustainability issues, allowing the Group to focus its resources on the most material sustainability risks and possibilities.</p> <p>The following table summarises the stakeholder group, the areas of concern, the type and frequency of engagement.</p> <table><tr><th>Stakeholder group</th><th>Areas of concern</th><th>Type of Engagement</th><th>Frequency</th></tr><tr><td>Employees</td><td><ul style="list-style-type: none">• Occupational health and safety• Training and development• Welfare and Well-being• Rewards and recognition for performance</td><td><ul style="list-style-type: none">• Continuous open communication• Meetings• Feedback sessions and annual performance appraisal• Trainings, talks and campaigns</td><td><ul style="list-style-type: none">• On-going/ Annually/As needed</td></tr><tr><td>Project Clients</td><td><ul style="list-style-type: none">• Project quality• Timely project delivery• Health, Safety and Environment• Business continuity</td><td><ul style="list-style-type: none">• Meetings• Progress Reports Meeting• Company Website</td><td><ul style="list-style-type: none">• On-going/ As needed</td></tr><tr><td>Subcontractors and Suppliers</td><td><ul style="list-style-type: none">• Reliability• Ethical practices• Fair and transparent procurement procedure</td><td><ul style="list-style-type: none">• Meetings• Progress Reports Meeting• Performance feedback & reviews</td><td><ul style="list-style-type: none">• On-going/ As needed</td></tr></table>				Stakeholder group	Areas of concern	Type of Engagement	Frequency	Employees	<ul style="list-style-type: none">• Occupational health and safety• Training and development• Welfare and Well-being• Rewards and recognition for performance	<ul style="list-style-type: none">• Continuous open communication• Meetings• Feedback sessions and annual performance appraisal• Trainings, talks and campaigns	<ul style="list-style-type: none">• On-going/ Annually/As needed	Project Clients	<ul style="list-style-type: none">• Project quality• Timely project delivery• Health, Safety and Environment• Business continuity	<ul style="list-style-type: none">• Meetings• Progress Reports Meeting• Company Website	<ul style="list-style-type: none">• On-going/ As needed	Subcontractors and Suppliers	<ul style="list-style-type: none">• Reliability• Ethical practices• Fair and transparent procurement procedure	<ul style="list-style-type: none">• Meetings• Progress Reports Meeting• Performance feedback & reviews	<ul style="list-style-type: none">• On-going/ As needed
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		<ul style="list-style-type: none"> • Payment schedule • Business continuity 		
	Shareholders and Investors	<ul style="list-style-type: none"> • Sustainable growth • Financial Performance • Shareholder value (Dividend and Capital gain) 	<ul style="list-style-type: none"> • Annual Reports • Annual / Extraordinary General meetings • Public announcements • Company Website • Quarterly Financial Reports • Media Announcements 	<ul style="list-style-type: none"> • Quarterly/ Annually/As needed
	Regulatory Authorities	<ul style="list-style-type: none"> • Compliance with relevant rules and regulations. 	<ul style="list-style-type: none"> • Statutory reporting • Audits and Site inspections 	<ul style="list-style-type: none"> • On-going/ Quarterly/ Annually/As needed
	Local Communities	<ul style="list-style-type: none"> • Health and Safety • Sustainability and Corporate Social Responsibility ("CSR") programmes • Job opportunities 	<ul style="list-style-type: none"> • Donation and Sponsorship • Participate in CSR programmes • Internships 	<ul style="list-style-type: none"> • On-going/ As needed
Explanation for departure :				
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure :				
Timeframe :				

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The management team assesses the material matters annually to ensures that the Group prioritises the issues that have the greatest impact on the economy, environment and the society and their continuing relevance in the sustainability from time to time. The key sustainability matters of the Group are set out on page 22 to 31 of Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The performance evaluation of the Board in addressing the Group’s material sustainability was evaluated through the annual Board’s effectiveness assessment.</p> <p>Whereas the management team's performance in addressing material sustainability risks and opportunities is evaluated on an annual basis since it is part of their key performance indicators.</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

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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 terms of reference ("TOR") of the Nomination and Remuneration Committee ("NRC") has stipulated that the NRC will review the tenure and performance of each director, where annual re-election of a director would be contingent on satisfactory evaluation of the director's performance and contribution to the Board.</p> <p>The TOR of NRC is available on the Company's website at https://tujusetia.my/.</p> <p>During the financial year ended 31 December 2022, the following Directors are subject to retirement pursuant to the Constitution of the Company at the 3rd Annual General Meeting ("AGM") of the Company to be held on 8 June 2023.</p> <p>1. Mr. Wee Eng Kong 2. Dato' Wee Beng Aun</p> <p>The NRC is of the view that the Directors had discharged their duties effectively and had provided valuable contribution to the leadership of the Group. With that, upon the recommendation of the NRC, the Board resolved to recommend the re-election of abovementioned Directors at the 3rd AGM of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>At present, the Board has seven (7) members, comprising four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director, one (1) Managing Director and one (1) Executive Director. This complies with Paragraph 15.02 of the Main Market Listing Requirements which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors. The composition of the Board is also in line with Practice 5.2 of MCGG 2021, by virtue of the fact that 57% of its composition are Independent Directors.</p> <p>The Board is satisfied with the composition and good mix of Executive Directors, Independent Non-Executive Directors and Non-Independent Non-Executive Directors to carry out the Board's priorities objectively and impartially and to grow the Group effectively.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

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

Intended Outcome

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>	
Application	: Adopted
Explanation on adoption of the practice	: The Board Charter stipulates that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledged the importance of boardroom diversity and recognises the importance of providing fair and equal opportunities and fostering diversity within the Group. The Company endeavours to have a balanced representation in terms of mixture of skills, knowledge and experience, background, expertise, age, gender and ethnicity. The Board acknowledges the diverse Board as an essential element in maintaining competitive advantage in leveraging different perspective to various issues raised and quality decision making, which in return contribute to the development and sustainability of the Company.</p> <p>At present, the Board has one (1) female Director which is less than 30% of the Board. The Board, through Nomination and Remuneration Committee will continue to consider gender diversity as part of its future selection of Board representation. The Board recognises that a diverse Board in the Group can offer greater depth and breadth of perspectives, and diversity in management team will lead to better collective decisions.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee (“NRC”) is entrusted to develop the policies and procedures in formalising the approach in the recruitment process and annual assessment of Directors, which serve as guides for the NRC in discharging its duties in the aspects of nomination, evaluation, selection and appointment process of new Directors.</p> <p>All Board appointments are subject to the new Directors’ Fit and Proper Policy as approved by the Board in June 2022, and re-election is also conditional upon the satisfactory performance and contribution based on the Directors’ and Board’s annual effectiveness evaluation. The NRC leads the process for Board appointments and re-election, and makes recommendations to the Board.</p> <p>As part of the Fit and Proper Policy adopted in June 2022, the appointment of any additional Director is made as and when it is deemed necessary by the existing Board upon recommendation from the NRC. All nominees and candidates to the Board are first considered by the NRC taking into consideration, inter-alia, the competency, knowledge, expertise and experience, professionalism, integrity, time commitment of the candidates, including, where appropriate, the criteria on assessing the independence of candidates’ appointment as Independent Non-Executive Directors.</p> <p>In identifying candidates for appointment as Directors, the NRC would use a variety of approaches and sources to ensure that it identifies the most suitable candidates and will not limit themselves by solely relying on the recommendations from existing Board members, management or major shareholders.</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

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The profile of directors who are standing for re-election is set out on pages 14 and 15 and statement accompanying notices of annual general meeting on page 120 and 121 of Annual Report 2022.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination and Remuneration Committee is chaired by Mr. Loo Ming Chee who is an Independent Non-Executive Director of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	At present, the Board has one (1) female Director which is less than 30% of the Board.
	:	The Board, through Nomination and Remuneration Committee will continue to consider gender diversity as part of its future selection of Board representation. The Board recognises that a diverse Board in the Group can offer greater depth and breadth of perspectives, and diversity in Management Team will lead to better collective decisions.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledged the importance of boardroom diversity and recognises the importance of providing fair and equal opportunities and fostering diversity within the Group.</p> <p>The Group endeavours to have a balanced representation in terms of mixture of skills, knowledge and experience, background, expertise, age, gender and ethnicity. The Board acknowledges the diverse Board as an essential element in maintaining competitive advantage in leveraging different perspective to various issues raised and quality decision making, which in return contribute to the development and sustainability of the Group.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>The Nomination and Remuneration Committee ("NRC") has put in place a formal evaluation process to assess the effectiveness of the Board as a whole, the effectiveness of the Board Committees, contribution and performance of each director and performance of audit committee members on an annual basis.</p> <p>The evaluation process is led by the NRC Chairman who is an Independent Non-Executive Director and supported by the Company Secretaries. The evaluation process is conducted via questionnaires to review the effectiveness of the Board and its Committees and based on self-review and peer assessment. The NRC reviews the outcome of the assessment and reports to the Board, in particular, areas for improvement, and is also used as the basis of recommending relevant Director(s) for re-election at the Annual General Meeting.</p> <p>The NRC reviews the effectiveness of the Board by taking into account the composition of the Board, time commitment, boardroom activities and the overall performance of the Board.</p> <p>The NRC undertakes annual assessment on the independence of directors. When assessing independence, the NRC focuses on whether the Independent Directors are able to bring independent and objective judgement and act in the best interest of the Group.</p> <p>Upon its annual assessment conducted on effectiveness of the Board and Board Committees; character, experience, integrity, competence and time commitment of each Director and Chief Financial Officer; mix of skills and experience of the Board; level of independence of the Directors; and term of office and performance of the Audit and Risk Management Committee and each of its members, the NRC had concluded that the Directors have discharged their duties more than satisfactory.</p>

	The NRC was also satisfied with the performance of the Board and Board Committees. As for the balance and composition of the Board, the NRC concluded that the Directors have the appropriate mix of skills, experience, knowledge and professional qualifications which will contribute positively to the Board Committees and the Board as a whole.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee ("NRC") has established a Remuneration Policy for Directors and Key Senior Management which is linked to the strategic performance or long-term objectives of the Group to ensure that the Group is able to attract and retain capable Directors and Key Senior Management to run the Group successfully.</p> <p>The Executive Directors' remuneration is structured to link rewards to corporate and individual performances. In the case of Non-Executive directors, the level of remuneration reflects the experience and level of responsibilities undertaken.</p> <p>In determining the remuneration of the Directors and Key Senior Management, the Company's objective is to provide fair and competitive remuneration to its Board and/or Key Senior Management in order for the Group to benefit by attracting and retaining a high quality team. The NRC is authorised by the Board to seek appropriate professional advice within and outside the Group as and when it considers necessary.</p> <p>The annual salaries, incentive arrangements, service arrangements and other employment conditions for the Executive Directors and/or Key Senior Management are reviewed by the NRC and recommend to the Board for approval and where necessary, will be subject to shareholders' approval. Key Senior Management(s) who report directly to the Executive Directors are evaluated annually premised on annual measurements and targets set. Thereafter, the Executive Directors approve the remuneration of the Key Senior Management(s) based on their performance.</p> <p>The Directors concerned abstain from deliberation and voting on their own remuneration at the Board meetings.</p>

	The Remuneration Policy is available on the Company website at https://tujusetia.my/ .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee ("NRC") assists the Board in developing and administering a fair and transparent procedure for setting policy on remuneration of Directors and Key Senior Management. The NRC reviews the Directors' and Key Senior Management's remuneration, ensuring that the Group continues to attract, retain and motivate high calibre individuals who have the skills, experience and knowledge to drive its long-term objectives.</p> <p>Their responsibilities and duties are clearly defined in the Terms of Reference of the NRC, which is accessible on the Company's website at https://tujusetia.my/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on named basis for the remuneration of individual Directors are set out in the Corporate Governance Overview Statement on page 40 and 41 of the Annual Report 2022.

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	YAM Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	Independent Director	100	6	0	0	0	0	106	100	6	0	0	0	0	106
2	Wee Eng Kong	Executive Director	0	0	0	0	0	0	0	0	0	804	0	33	97	934
3	Dato' Wee Beng Aun	Non-Executive Non-Independent Director	50	5	0	0	0	0	55	50	5	0	0	0	0	55
4	Wee Beng Chuan	Executive Director	0	0	0	0	0	0	0	0	0	432	0	24	40	496
5	Datin Seri Raihanah Begum binti Abdul Rahman	Independent Director	50	5	0	0	0	0	55	50	5	0	0	0	0	55
6	Loo Ming Chee	Independent Director	50	5	0	0	0	0	55	50	5	0	0	0	0	55
7	Nor Adha bin Yahya	Independent Director	50	6	0	0	0	0	56	50	6	0	0	0	0	56
8	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
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	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
11	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
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

13	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
14	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
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is aware of the need for transparency in the disclosure of its Key Senior Management remuneration. Nonetheless, it is of the view that such disclosure could be detrimental to its business interests given the highly competitive human resource environment in which the Group operates where intense headhunting for personnel with the right expertise, knowledge and relevant working experience is the norm. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.</p> <p>The Board also took into consideration of sensitivity and security of the remuneration package of Key Senior Management, hence, opts not to disclose on named basis the remuneration or in bands of RM50,000 for the Key Senior Management.</p> <p>Alternatively, the Board is of the view that the disclosure of the Key Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 on the page 42 of Annual Report 2022 is adequate.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit and Risk Management Committee is chaired by Encik Nor Adha bin Yahya, who is a Chartered Accountant of the Malaysian Institute of Accountants and he is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The independence, objectivity and integrity of the members of the Audit and Risk Management Committee (“ARMC”) are the key requirements which the Board of the Company recognises as essential for an effective and independent ARMC. None of the members of the ARMC is a former key audit partner.</p> <p>The Board would adopt the best practise of requiring a cooling-off period at least three (3) years before a former key audit partner being appointed as a member of the ARMC when to Board reviews the terms of reference of the ARMC in due course. Nevertheless, this instance has not arisen to-date.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board maintains a good professional relationship with the external auditors through the Audit and Risk Management Committee ("ARMC") in discussing with them their audit plans, audit findings and financial statements. The ARMC invites the external auditors at least twice a year to discuss their findings and audited financial statements of the Group. In addition, the ARMC also met with the external auditors during the financial year ended 31 December 2022 without the presence of the Executive Director, Managing Director and Key Senior Management of the Group.</p> <p>The ARMC is responsible for the recommendation on the appointment and re-appointment of the Company and its subsidiary external auditors and the audit fees. The ARMC carried out an assessment of the performance and suitability of the external auditors based on the quality of services, sufficiency of resources, communication and interaction and independence and objectivity.</p> <p>Messrs KPMG PLT, the External Auditors of the Company and its subsidiary have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.</p> <p>The ARMC is satisfied with the suitability and independence of Messrs KPMG PLT based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed for the financial year ended 31 December 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit and Risk Management Committee ("ARMC") comprises three (3) members, Encik Nor Adha Bin Yahya as the Chairman, Datin Seri Raihanah Begum Binti Abdul Rahman and Mr. Loo Ming Chee, all of whom are Independent Non-Executive Directors. The ARMC Chairman is not the Chairman of the Board.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee ("ARMC") consists solely of Independent Non-Executive Directors, who are qualified individuals with required skills and expertise to discharge the ARMC's functions and duties.</p> <p>The Chairman of the ARMC, Encik Nor Adha bin Yahya is a Chartered Accountant of the Malaysian Institute of Accountants.</p> <p>In order to equip themselves and effectively discharge their duties as ARMC members, all of them have participated in relevant continuous professional development programmes as detailed in the Corporate Governance Overview Statement on page 38 of the Annual Report 2022.</p> <p>In addition, during the ARMC meetings, the members were also briefed by the External Auditors on the development or changes in the applicable Malaysian Financial Reporting Standards, International Financing Reporting Standards and the relevant accounting treatments under the Companies Act 2016.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of sound internal controls which encompass risk management practices as well as financial, operational and compliance controls. In this respect, the Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems.</p> <p>As part of the Group's Risk Management process, a Risk Management Handbook and Registry of Risk were adopted. The Registry of Risk is maintained to identify principal business risks and key risk areas, their impact, likelihood of occurrence, risk owner and risk control actions and is updated to address changes in risk profiles. The Risk Management Handbook summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts. The level of risk tolerance is established and monitored through the use of a risk impact and likelihood matrix where the ratings are assessed in response to changes in the business environment.</p> <p>The respective risk owners are assigned and responsible for identifying risks as well as ensuring that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing risks is embedded in the various work processes and procedures of the respective operational functions.</p> <p>The internal audit function of the Group is currently outsourced to a professional services firm and reports directly to the Audit and Risk Management Committee. The primary objective of the internal audit function is to undertake independent, regular and systematic review of the risk management and internal control systems of the Group so as to provide reasonable assurance that such systems are adequate and continue to operate satisfactorily and effectively in the Group.</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

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board discloses the features of the Group’s risk management and internal control framework in the Statement on Risk Management and Internal Control set out from pages 52 to 54 of the Annual Report 2022.	
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

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>Risk management is under the purview of the Audit and Risk Management Committee ("ARMC") which comprises solely of Independent Non-Executive Directors.</p> <p>The responsibilities and duties of the ARMC in relation to risk management are set out in its Terms of Reference which is available on the Company's website at https://tujusetia.my.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Group is outsourced to Sterling Business Alignment Sdn Bhd (“Sterling” or “Internal Auditors”), an independent professional service company. Sterling reports directly to the Audit and Risk Management Committee (“ARMC”) and are authorised with full and unrestricted access to all of the Group’s records, physical properties and personnel pertinent to carrying out any engagement.</p> <p>Sterling and ARMC meets regularly to review the risks identified, discuss on mitigation actions in place and report to the Board on a quarterly basis. The Board affirms its overall responsibility with established and clear functional responsibilities and accountabilities which are carried out and monitored by the ARMC. The adequacy and effectiveness of the internal controls and risk management framework were reviewed by the ARMC.</p> <p>The resources and scope of work covered by the internal audit function during the financial year under review, including its observation and recommendations, is provided in the Audit and Risk Management Committee Report on pages 48 and 49 of the Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied						
Explanation on application of the practice	:	<p>As stated in Practice 11.1, the internal audit function of the Group is outsourced to an independent professional service company, Sterling Business Alignment Sdn Bhd (“Sterling” or “Internal Auditors”). The Internal Auditors is free from any relationships with the Board and Management or conflict of interest in the operations and activities of the Group, which could impair their objectivity and independence of the internal audit function.</p> <p>The Internal Auditors uses the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control-Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. The internal audit reviews are conducted in accordance with the risk-based internal audit plan approved by the Audit and Risk Management Committee. The Internal Auditor reviewed the internal control and business processes of key functions or activities of the Group, identified internal control gaps, effectiveness and adequacy of the existing state of internal control and recommended possible improvements to the internal control process.</p> <p>Details on the person responsible for the internal audit are set out below:</p> <table><tr><td>Name</td><td>:</td><td>So Hsien Ying</td></tr><tr><td>Qualification</td><td>:</td><td>Certified Internal Control Professional (“CICP”) with Internal Control Institute, USA; Master of Business Administration (“MBA”) Degree specializing in Finance with University of Hull, UK; Honorable Bachelor Degree in Economics as well as Diploma in Economics with University of London; Permanent Member of the Internal Control Institute US; Member of the Malaysian Alliance of Corporate Directors; and Associate Member of the Institute of Internal Auditors Malaysia.</td></tr></table>	Name	:	So Hsien Ying	Qualification	:	Certified Internal Control Professional (“CICP”) with Internal Control Institute, USA; Master of Business Administration (“MBA”) Degree specializing in Finance with University of Hull, UK; Honorable Bachelor Degree in Economics as well as Diploma in Economics with University of London; Permanent Member of the Internal Control Institute US; Member of the Malaysian Alliance of Corporate Directors; and Associate Member of the Institute of Internal Auditors Malaysia.
Name	:	So Hsien Ying						
Qualification	:	Certified Internal Control Professional (“CICP”) with Internal Control Institute, USA; Master of Business Administration (“MBA”) Degree specializing in Finance with University of Hull, UK; Honorable Bachelor Degree in Economics as well as Diploma in Economics with University of London; Permanent Member of the Internal Control Institute US; Member of the Malaysian Alliance of Corporate Directors; and Associate Member of the Institute of Internal Auditors Malaysia.						

	Independence	:	Does not have any family relationship with any director and/or major shareholder of the Company
	Public Sanction or penalty	:	Has no convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations.</p> <p>The Board has established a dedicated section for corporate information on the Company's website at https://tujusetia.my/, where information on the Company's announcements, financial information and the Company's annual report may be accessed. It also contains all announcements made to Bursa Securities as well as the contact details of a designated person to address any queries.</p> <p>It has always been the Group's practice to maintain good relationship with its shareholders. Major corporate developments and happenings in the Group have always been duly and promptly announced to all shareholders, in line with Bursa Securities' objectives of ensuring transparency and good corporate governance practices.</p> <p>The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. Further updates of the Group's activities and operations are also disseminated to shareholders and investors through dialogue with analysts, fund managers, investor relations roadshows and the media.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to dispatching the Annual General Meeting ("AGM") Notice to shareholders at least twenty-eight (28) days before the AGM, in advance of the minimum mandated period of twenty-one (21) days as stated in the Companies Act 2016 and the Main Market Listing Requirement.</p> <p>The Company will hold its 2nd AGM since being listed on the Main Market of Bursa Malaysia Securities Berhad (3rd AGM since incorporation) on 8 June 2023. The AGM Notice with accompany notes were disseminated to shareholders on 28 April 2023, effectively serving forty-one (41) days of notice.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Company was listed on 19 May 2021 and its Second Annual General Meeting after its listing will be held on 8 June 2023. The Board believes that participation of shareholders in the Company’s General Meeting is the more appropriate platform where shareholders’ queries and concerns may be conveyed to the Board for clarification. The Company will ensure that all Board members, management team, External Auditors and Company Secretary are present to respond to shareholders queries during the Annual General Meeting and any other general meetings.	
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 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied	
Explanation on application of the practice	:	Shareholder’s participation in Annual General Meeting (“AGM”) is encouraged. Shareholders are allowed to appoint representatives or proxies to vote on their behalf in their absence. The AGM will be held at a venue which is easily accessible. The Company upcoming AGM will be held at Kuala Lumpur Golf & Country Club, Banquet Hall, No. 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur.	
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 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Annual General Meeting ("AGM") is the primary open platform for shareholders to raise questions on the Group's performance. The Managing Director will also present to the shareholders a review of the operations and the financial performance of the Group for the year.</p> <p>As active participation from the shareholders is greatly encouraged, the Board strives to answer as many questions as possible with concise answers during the AGM. Questions that were raised prior to the meeting as well as the responses will be shared with all shareholders during the AGM.</p> <p>If there are any questions which cannot be answered due to time constraint in the AGM, the Chairman will undertake to provide a response that is subsequently uploaded onto the Company's website at https://tujusetia.my.</p>
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	
	:	

Intended Outcome

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

Practice 13.5

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

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	Minutes of the Annual General Meeting ("AGM") as well as all questions and answers posed by the shareholders will made available on the Company's website at https://tujusetia.my within 30 business days of the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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