

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 8338  
**COMPANY NAME** : DATAPREP HOLDINGS BHD  
**FINANCIAL YEAR** : 31 December 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 PERSUANT 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is aware of their fiduciary duties and responsibilities as members of the Board and the various legislations and regulations affecting their conduct, the need to safeguard the interests of the shareholders, customers and all other stakeholders and that the highest standards of Corporate Governance are applied in all their dealings on behalf of the Company.</p> <p>The Independent Directors have a particular responsibility for challenging the Group's strategy and monitoring the performance of Executive Directors against goals and objectives.</p> <p>A summary of the Board's key responsibilities is set out below:</p> <ul style="list-style-type: none"><li>a) Promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour.</li><li>b) Review, challenge and decide on Management's proposals for the Company, and monitor its implementation by Management.</li><li>c) Review and approve corporate plan for the Group which includes the corporate strategy and strategic plan for the Group.</li><li>d) Ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social consideration underpinning sustainability.</li><li>e) Review and approve strategic initiatives including corporate business restructuring.</li><li>f) Supervise and assess Management's performance to determine whether the business is being properly managed.</li><li>g) Ensure that there is a sound framework for internal controls and risk management.</li><li>h) Understand principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks.</li><li>i) Ensure that Senior Management has the necessary skills and</li></ul>

	<p>experience, and there are measures in place to provide for the orderly succession planning of the Board and Senior Management.</p> <p>j) Ensure that the Company has in place procedures to enable effective communication with stakeholders.</p> <p>k) Ensure the integrity of the Company's financial and non-financial reporting.</p> <p>l) Review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.</p> <p>m) Review and approve the financial statements which include the Audited Financial Statements and quarterly reports, dividend policy, credit facilities from financial institutions and guarantees.</p> <p>The full roles and responsibilities of the Board are mentioned in the Board Charter which is made available for reference on the Group's website at <a href="http://www.dp.com.my">www.dp.com.my</a></p>	
<p><b>Explanation for departure</b></p>	<p>: N/A</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>: N/A</p>	
<p><b>Timeframe</b></p>	<p>: N/A</p>	<p>N/A</p>

## Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is led by an experienced Non-Independent Non-Executive Director/Chairman who is responsible in instilling good corporate governance practices, leadership and effectiveness of the Board . The Non-Independent Non-Executive Director/Chairman, <b>Dato' Mohd Rizal bin Mohd Jaafar</b> was appointed to the Board on 15 November 2017.</p> <p>Some of the specific responsibilities of the Chairman include:</p> <ul style="list-style-type: none"><li>a) Provides leadership for the Board so that the Board can perform its responsibilities effectively;</li><li>b) Sets the agenda for the Board meetings and ensures that Board members receive complete and accurate information in a timely manner;</li><li>c) Leads Board meetings and discussions;</li><li>d) Encourages active participation and allows dissenting views to be freely expressed;</li><li>e) Manages the interface between Board and Management;</li><li>f) Oversees the Board in the effective discharge of its fiduciary duties;</li><li>g) Presides at Board and general meetings of the Company and ensures that all relevant issues are on the agenda with the assistance of the Senior Management and Company secretaries;</li><li>h) Manages Board communications and Board effectiveness and effective supervision over the Group Managing Director;</li><li>i) Facilitates good decision-making during Board and shareholders' meetings;</li><li>j) Provides reasonable time for discussion of complex and contentions issues, and ensures all discussions include the collective views of all Board members;</li><li>k) Ensures Board proceedings are in compliance with good conduct and best practices; and</li><li>l) As Group's official spokesperson.</li></ul>
<b>Explanation for departure</b>	:	N/A

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

<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

## 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The position of the Chairman and the Managing Director is separated and there is a clear division of responsibility between the Chairman who is Non-Independent Non-Executive Director and the Group Managing Director who is Non-Independent Executive Director.</p> <ul style="list-style-type: none"><li>• <b>Chairman of the Board: Dato' Mohd Rizal bin Mohd Jaafar</b></li></ul> <p>The Chairman heads the Board and is responsible for the leadership, effectiveness, conduct and governance of the Board.</p> <p>The Chairman ensures the integrity and effectiveness of the governance processes of the Board and shall consult with the Board promptly over any matter that gives him cause for major concern.</p> <p>The Chairman shall act as a facilitator at meetings of the Board and ensure that no Board member, whether executive or non-executive, dominates the discussion, and that appropriate discussion takes place and opinions among Board members are forthcoming.</p> <ul style="list-style-type: none"><li>• <b>Group Managing Director: Encik Mohamad Sabir bin Mohamad Sabri</b></li></ul> <p>Group Managing Director ("<b>GMD</b>") oversees and manages the day-to-day operations of the operations of the Group and undertakes executive decision-making and implementation of policies and decisions.</p> <p>The GMD shall be the head of the Management of the Company and the Group and in that capacity is answerable to the Board.</p> <p>The key role of the GMD, amongst others, includes:</p> <ol style="list-style-type: none"><li>a) developing the strategic direction of the Group;</li><li>b) ensuring that the Group's strategies and corporate policies are effectively implemented;</li><li>c) ensuring that Board decisions are implemented and Board directions are adhered to;</li><li>d) providing directions in the implementation of short and long term business plans; and</li></ol>

	<p>e) providing strong leadership i.e. effectively communicating a vision, management philosophy and business strategy to the employees.</p> <p>The full roles and responsibilities of the Chairman and GMD are mentioned in the Board Charter which is made available for reference on the Group's website at <a href="http://www.dp.com.my">www.dp.com.my</a>.</p>	
<b>Explanation for departure</b>	: N/A	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	: N/A	
<b>Timeframe</b>	: N/A	

### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chairman of the Board, <b>Dato' Mohd Rizal bin Mohd Jaafar</b> is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.  This complies with the requirement of MCCG 2021.
<b>Explanation for departure</b>	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: N/A
<b>Timeframe</b>	: N/A



## 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has full and unrestricted access to the advice and services of the Company Secretaries for discharging its duty effectively. The Board is supported by two (2) in-house Company Secretaries who are qualified under Section 235 of the Companies Act 2016. They are member of the Malaysian Institute of Chartered Secretaries and Administrators and member of the Malaysian Institute of Accountants respectively.</p> <p>The primary responsibilities of the Company Secretaries include:</p> <ol style="list-style-type: none"> <li>a) Advising the Board on its roles and responsibilities;</li> <li>b) Facilitating the orientation of new Directors and assist in Directors training and development;</li> <li>c) Advising the Directors on corporate disclosures and compliance with Company and securities regulations and listing requirements including: <ul style="list-style-type: none"> <li>• disclosure of interests in securities;</li> <li>• disclosure of any conflict of interest in a transaction involving the Group;</li> <li>• prohibition of dealing in securities; and</li> <li>• restrictions on disclosure of price-sensitive information.</li> </ul> </li> <li>e) Managing processes pertaining to the annual shareholders' meeting;</li> <li>f) Monitoring corporate governance development and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and</li> <li>g) Serving as a focal point for stakeholders' communication and engagement on corporate governance issues.</li> </ol>	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	N/A

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Prior to each Board meeting, all Board members are furnished with agenda and Board papers for meetings, at least five (5) business days before the meetings. This enables the Directors to have sufficient time to review the Board papers and to obtain further explanation or clarification to facilitate decision making process and meaningful discharge of their duties.</p> <p>The Board has full and unrestricted access to all information pertaining to the Company in a timely manner for the discharge of its duties effectively.</p> <p>A record of the Board's deliberation of issues discussed and conclusion reached are recorded in the minutes of the meeting by the Company secretary. After the meeting, the minutes are circulated to the Board and Board Committee members in a timely manner.</p>	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	N/A

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalized and uploaded its Board Charter on the Group's website at <a href="http://www.dp.com.my">www.dp.com.my</a>. The Board Charter serves as the primary guiding which provides reference for Directors in relation to the Board's roles and responsibilities. The Board Charter also serves as a reference point for the Board's activities where the Board has established clear functions reserved for the Board and those delegated to Board Committee.</p> <p>The Board Charter is subject to review and update from time to time to ensure that they remain consistent with the Board's objectives, current law and practices. The Board Charter was last reviewed and revised on 23 May 2014.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted the Code of Conduct and Ethics ("Code") for Directors in 23 May 2014.</p> <p>The Code sets out the value uphold by the Company to maintain highest standards of integrity, transparency and accountability in the conduct of the Group's business and operations to ensure business sustainability and to conduct business in an ethical, responsible and transparent manner.</p> <p>The Code of Conduct and Ethics is available on the Group's website at <a href="http://www.dp.com.my">www.dp.com.my</a>.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Whistleblower Policy has been in place since 23 May 2014 as an avenue for all stakeholders (such as employees, shareholders, customers and suppliers) of the Group to report in good faith, any breach or suspected breach business conduct, non-compliance with legal and regulatory requirements as well as other malpractices, in a safe and confidential manner without any fear.</p> <p>The Whistleblowing Policy is available for reference on the Group's website at <a href="http://www.dp.com.my">www.dp.com.my</a>.</p> <p>The oversight of the Whistleblowing function is under the purview of the Chairman who shall ensure that all reported violations are properly investigated. The Chairman is also responsible for reviewing the effectiveness of the actions taken in response to all concerns that are raised.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board and Senior Management are committed to ensure corporate decisions and operations in line with the sustainability and responsible business ecosystem.  Outcome of sustainability practices are monitored in ensuring progressive business operations and managing of the sustainability risks and opportunities within the group.
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Sustainability strategies, priorities and targets as well as performance against these targets are communicated through engagement with its internal and external stakeholders.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### 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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	The board takes appropriate action with consent through official meetings and resolutions. This ensures sustainability issues relevant to the company and its business, including climate-related risks and opportunities are being discussed for adoption.	
<b>Explanation for departure</b>	:	N/A	
		N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Performance evaluations of the Board and Senior Management are conducted periodically within the year to manage the sustainability and opportunities. This enables the adoption of the optimum operation activities within the company.	
<b>Explanation for departure</b>	:	N/A	
		N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

**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.*

<b>Application</b>	:	Applied
<b>Explanation on adoption of the practice</b>	:	The Senior Management collectively manage the integration of sustainability into the operation of the company. This enables the achievement of optimum operation activities.

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

Measure	N/A
Timeframe	N/A

**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	The Remuneration, Quality & Nominating Committee (RQN) reviews the tenure of each director. The director's performance and contribution to the board are elements of the evaluation. This complies with the requirement of Principle A – "Board Leadership and Effectiveness" of MCCG.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Currently, the Board consisted of five (5) members, comprising one (1) Executive Director (GMD), one Non-Independent Non-Executive Director (Chairman), and three (3) Independent Non-Executive Directors. The profile of each Director is presented separately in the Annual Report.</p> <p>The Company is in compliance with Paragraph 15.02 of Main Market Listing Requirements of Bursa Malaysia whereby at least two (2) Directors or 1/3 of the Board of Directors of a listed issuer, whichever is the higher, are Independent Directors.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	None of the independent directors exceed cumulative term limit of nine (9) years.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

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

### Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>		
<b>Application</b>	:	Applied
<b>Explanation on adoption of the practice</b>	:	The Board Charter has clearly prescribed on the maximum cumulative tenure of the independent directors of nine (9) years.
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The appointment of Directors is under the purview of RQN Committee. Mix skills and experiences and competencies are required. Recommendations for the Board to approve the appointments include abilities to act objectively and constructively, demonstration of professional ethical standards and integrity and analytical skills and judgements.  The existing other board positions held by the directors are also taken into consideration for the appointment.
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Remuneration, Quality and Nominating Committee (“RQN”).</p> <p>The screening and evaluation process for potential new Directors and Directors to be nominated for re-election are delegated to the RQN. In making the selection, the Board as assisted by the RQN, also considers the following aspects:</p> <ul style="list-style-type: none"> <li>a) Probity, personal integrity and reputation – the person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.</li> <li>b) Competence and capability – the person must have the necessary skills, ability and commitment to carry out the role.</li> <li>c) Financial integrity – the person must manage his/her debts or financial affairs prudently.</li> <li>d) In the case of candidates for the position of Independent Non-Executive Directors, the candidates’ ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors shall be evaluated.</li> </ul>
<b>Explanation for departure</b>	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A



### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Shareholders have been provided with the information that they require to make an informed decision on the appointment and reappointment of a director through voting in Annual General Meeting (AGM).	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Remuneration, Quality and Nominating Committee (“RQN”) consists entirely of Non-Executive Directors, with majority of whom are independent.  The RQN is chaired by <b>Encik Nor Adha bin Yahya</b> , an Independent Non-Executive Director.  The Board acknowledges that the RQN is a key gatekeeper in the process of recruiting Directors, evaluating their performance and driving the continuous performance of the whole Board.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the recommendations of the Malaysian Code on Corporate Governance (“MCCG”) on the establishment of a gender diversity policy. The Board has formalize a policy on gender diversity and accessible for reference on the Group’s website at <a href="http://www.dp.com.my">www.dp.com.my</a>.</p> <p>The Board, through the Remuneration, Quality and Nominating Committee will consider the female representation when a vacancy arises. However, the appointment of a new Board member will not be guided solely by gender but will take into account the skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company.</p>
<b>Explanation for departure</b>	:	<p>MCCG 2021 has specified that the requirement of 30% women Directors is for Large Companies (Financial Times Stock Exchange Bursa Top 100 Index or Market capitalisation of RM2 billion and above).</p> <p>The Board will take steps towards the appointment of the female director to reflect the Company’s commitment towards gender diversity in future.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### Intended Outcome

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

### Practice 5.10

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has a formalize policy : Code on Gender Diversity Policy on gender diversity and accessible for reference on the Group's website at <a href="http://www.dp.com.my">www.dp.com.my</a> .  Refer to Corporate Governance Overview Statement section in the Annual Report of FYE2022.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Remuneration, Quality and Nominating Committee (“RQN”) conducted annual review on the Board, Board Committees and individual Directors.</p> <p>The evaluation was conducted internally, facilitated by the Company Secretaries. The evaluation was conducted using questionnaires that were administered by the Company Secretaries which employ a self and peer rating assessment model. The results of the evaluation and recommendations were tabled to the Board for deliberation.</p> <p>In respect of the assessment for the financial year ended 31 December 2022 (“FYE2022”), the RQN and the Board were satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director are satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills was adequate.</p> <p>The results of the assessment would form the basis of the RQN’s recommendation to the Board for the re-election of Directors at the forthcoming Annual General Meeting.</p>
<b>Explanation for departure</b>	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: N/A
<b>Timeframe</b>	: N/A

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	<p>The Board is mindful that fair remuneration is important to attract, retain and motivate knowledgeable and experienced Directors and Senior Management of the calibre to manage the business of the Company.</p> <p>The Remuneration Committee is responsible for recommending to the Board for approval the remuneration packages of the Executive Directors and Senior Management, taking into consideration the Group’s and individual’s performance, experience, level of responsibilities, as well as the market conditions.</p> <p>As for Non-Executive Directors, the level of fee should reflect the experience and level of responsibilities undertaken by the said Non-Executive Directors. With the recommendation from the Nominating Committee, the Board as a whole determines the fee for the Non-Executive Directors and seek approval from the Shareholders at the Annual General Meeting.</p>	
<b>Explanation for departure</b>	:	<p>The Board will work towards establishing the remuneration policies and procedures to determine the remuneration of Directors and Senior Management.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

## Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Remuneration, Quality and Nominating Committee ("<b>RQN</b>") which comprised majority of Independent Non-Executive Directors.</p> <p>The RQN responsibilities include reviewing the remuneration packages, reward structure and fringe benefits applicable to Board and Senior Management and making the appropriate recommendations to the Board.</p> <p>The terms of reference of RQN can be found on the Group's website at <a href="http://www.dp.com.my">www.dp.com.my</a>.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The detailed disclosures on Directors' remuneration for the financial year ended December 2022 are disclosed in the Corporate Governance Overview Statement of the Annual Report of FYE2022.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	



No	Name	Directorate	Company (RM'000)							Group (RM'000)						
			Fee	Allowance	Salary & Allowance	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary & Allowance	Bonus	Benefits-in-kind	Other emoluments	Total
1	Mohamad Sabir Bin Mohamad Sabri	Executive Director	-	-	568	-	34	69	671	-	-	568	-	34	69	671
2	Dato' Mohd Rizal Bin Mohd Jaafar	Non-Executive Director	36	5	-	-	-	-	41	36	5	-	-	-	-	41
3	Dato' Abdul Aziz Bin Ishak	Non-Executive Director	29	8	-	-	-	-	37	47	8	-	-	-	--	55
4	Nor Adha Bin Yahya	Non-Executive Director	32	8	-	-	-	-	40	50	8	-	-	-	-	58
5	Ong Kuan Wah	Non-Executive Director	47	8	-	-	-	-	55	65	8	-	-	-	-	73

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	N/A	
<b>Explanation for departure</b>	:	The Board was of the opinion that the disclosure of the Senior Management's remuneration on personnel's name and the various remuneration components (salary, bonus, benefits in-kind, other emoluments) or in bands of RM100,000 would not be in the best interest of the Company due to market competition.	
		The Board ensures that the remuneration of Senior Management is commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Senior Management to lead and run the Company successfully.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

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

### Intended Outcome

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

### Practice 8.3 - Step Up

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

<b>Application</b>	:	Departure	
<b>Explanation on adoption of the practice</b>	:	N/A	
<b>Explanation for departure</b>	:	As per explanation in Practice 8.2	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of Audit Committee is Mr. Ong Kuan Wah.</p> <p>The Chairman of the Audit Committee is not the Chairman of the Board, so as not to impair the objectivity of the Board's view of the Audit Committees' findings and recommendations.</p> <p>Details composition and activities of the Audit Committees are set out in the Audit Committee Report in the Annual Report of FYE2022.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	None of the members of the Audit Committee were former key audit partners of the Company's external auditors.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee ("AC") has put in place relevant policies and procedures to oversee the financial reporting process of the Company and assess the suitability, objectivity and independence of the external auditor. These policies and procedures are stated in the AC's Terms of Reference.</p> <p>In determining the suitability, objectivity and independence of the external auditors, the Audit Committee considered the following:</p> <ul style="list-style-type: none"><li>a) the adequacy of the experience and resources of the external auditors;</li><li>b) the external auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;</li><li>c) the nature of the non-audit services provided by the external auditor and fees paid for such services relative to the audit fee; and</li><li>d) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditor.</li></ul> <p>For the FYE2022, the AC had assessed and was satisfied with the competence, audit quality, resource capacity of <b>Messrs Folks DFK &amp; Co</b> in relation to the audit services provided. From the assessment, the AC is also satisfied that there was no threat to the objectivity and independence of the audit arising from the provision of non-audit services of the external auditors and the total fee incurred for non-audit services is not significant.</p> <p>Based on the outcome of its assessment, the AC has recommended to the Board for the shareholders' approval to be sought on the reappointment of the external auditors at the forthcoming 34<sup>th</sup> Annual General Meeting ("AGM").</p>



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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Applied	
<b>Explanation on adoption of the practice</b>	:	The Audit Committee comprises three (3) members, all are Independent Directors.	
<b>Explanation for departure</b>		N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All members of the Audit Committee are financially literate which allows them to have sound understanding of accounting and finance in order to perform the duties that have been entrusted to it by the Board.</p> <p>In order to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules, the Audit Committee members have attended pertinent programme during the financial year.</p> <p>During the Board meetings, the members were briefed by the External Auditors and Company Secretaries on the following updates:</p> <ul style="list-style-type: none"><li>a) Financial Reporting developments;</li><li>b) Adoption of Malaysian Financial Reporting Standards;</li><li>c) Malaysian Code on Corporate Governance; and</li><li>d) Companies Act 2016 and the Main Market Listing Requirement.</li></ul>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had established an effective risk management and internal control framework as set out in the Statement on Risk Management and Internal Control (SORMIC).</p> <p>The Board recognises the importance of a sound system of risk management and internal control and it is paramount that principal businesses and operations risk are continuously dealt with to safeguard shareholders' interest and the Group's assets.</p> <p>Attention therefore was placed on effectively identifying principal risks; ensuring the implementation of appropriate systems to manage key business risks; reviewing the adequacy and integrity of internal control and management information systems; and complying with the applicable rules, directives and guidelines.</p> <p>The SORMIC has been reviewed by the External Auditors and is disclosed in the Annual Report of FYE2022.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Details of the features of risk management and internal control framework, and the adequacy and effectiveness of this framework are contained in the Statement of Risk Management and Internal Control of the Company's 2022 Annual Report.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

<b>Application</b>	:	Departure
<b>Explanation on adoption of the practice</b>	:	N/A
Explanation for departure		The Board oversees the company’s risk management framework and policies.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
N/A		
N/A		

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has an in-house Internal Audit function which reports directly to the Audit Committee. The internal audit function provides the Audit Committee with an independent assessment on the adequacy and effectiveness of the Group's system of internal control.</p> <p>To ensure that the internal audit function is effective and is able to function independently, the Audit Committee has reviewed the following and report the same to the Board:</p> <ul style="list-style-type: none"> <li>a) Adequacy of the scope, competency and resources of the internal audit function and that it has necessary authority to carry out its work; and</li> <li>b) The internal audit plan, processes, the results of internal audit assessments and investigations and those actions are taken on the recommendation.</li> </ul> <p>The core areas reviewed by the internal auditors during the FYE2022 are disclosed in the Statement on Risk Management &amp; Internal Control.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is managed by the in-house Internal Audit personnel. The Internal Auditor reports functionally to the Audit Committee of the Company. This reporting relationship promotes independence and objectivity, which assures adequate consideration of audit recommendations and planned suggestive corrective actions.</p> <p>The activities of the Internal Auditor are guided by annual Internal Audit Plan that are presented to and approved by the AC.</p> <p>One (1) internal auditor conducted the internal audit work for the Group.</p> <p>The internal audit function is carried out in accordance with Internal Audit Framework, which is closely consistent with the International Professional Practices Framework of the Institute of Internal Auditors.</p> <p>The Head of Internal Audit is Mr. Leong Chee Kheong. He is a professional member of IIA Malaysia and a Fellow Member of the Association of Chartered Certified Accountants.</p>
<b>Explanation for departure</b>	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A



### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of accurate and timely dissemination of information to the shareholders and potential investors.</p> <p>The Board have maintained an ongoing communication process to ensure that the shareholders are kept appropriately informed of major developments within the Group on a timely basis.</p> <p>The communication channels used by the Company to disseminate information on a timely basis to the shareholders are:</p> <ul style="list-style-type: none"><li>a) Company's announcements to Bursa Malaysia;</li><li>b) Annual Report;</li><li>c) General Meetings;</li><li>d) Company's website; and</li><li>e) Press releases.</li></ul>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

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

**Practice 12.2**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	N/A	
<b>Explanation for departure</b>	:	Currently, the Company has not adopted the integrated reporting based on globally recognised framework as it is not required for non-large companies.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	In this regard, the notice for the upcoming 34 <sup>th</sup> AGM was provided to shareholders on Friday, 28 April 2023, which more than 28 days before the meeting. This goes above and beyond Section 316(2) of Companies Act 2016 and paragraph 7.15 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad which call for a 21-days' notice period for public companies or listed issuers respectively.  The notice for AGM outlines the resolutions to be tabled during the said meeting and is accompanied with explanatory notes and background information where applicable, to shed clarity on the matters that will be decided at the AGM.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>At the Company's previous AGM, all Directors were present in person to engage directly with the shareholders for their stewardship of the Company. The Directors, the Chair of all the respective Board Committees, Senior Management and External Auditors were in attendance to respond to the shareholders' queries.</p> <p>During the proceedings the AGM, the Chairman invited the shareholders to raise any questions pertaining to the Company's audited financial statements and other agenda items tabled for approval at the meeting, before putting the resolutions to vote. The Company will allocate sufficient time to shareholders and their proxies for questions.</p> <p>All the Directors of the Company will always endeavour to attend all general meetings and the Chairman of the Board committees will provide meaningful response to questions addressed to them.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The upcoming 34<sup>th</sup> Annual General Meeting of Dataprep Holdings Bhd will be held at Broadcast Venue at Widad Semantan ("WiSe"), No. 3, Jalan Semantan, 50490 Damansara Heights, Kuala Lumpur on Monday, 12 June 2023. A shareholder of the Company can vote in person or appoint a proxy to attend and vote on his/her behalf. Voting at Annual General Meeting is by way of poll and the Company utilises electronic voting system to expedite the voting and facilitate the tabulation process in a seamless manner.</p> <p>The Company will continue to explore the use of technology to allow voting in absentia or remote shareholders' participation. The Company will assess the necessity and viability for such facility taking into consideration the number of participating shareholders, the reliability of the technology and cost-benefit to the Company.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### 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>		
<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	Shareholders are encouraged to engage with the Board and Senior Management during general meetings. This will provide meaningful response and understanding to the shareholders of the status of business and long term goals.
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The coming 34 <sup>th</sup> Annual General Meeting of Dataprep Holdings Bhd will be conducted on a fully virtual basis through remote participation and electronic voting from the Broadcast Venue ("Online AGM"). This is in line with the Guidance Notes on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.  The Chairman of the meeting will be present at the main venue of the meeting. However, shareholders will not be allowed to physically present at Broadcast Venue on the day of meeting. Shareholders are required to register through on-line for participation in AGM.
<b>Explanation for departure</b>	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: N/A
<b>Timeframe</b>	: N/A

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The management will circulate Minutes of the AGM to shareholders within 30 business days after the AGM.
<b>Explanation for departure</b>	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: N/A
<b>Timeframe</b>	: N/A



**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES  
PERSUANT 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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