

CORPORATE GOVERNANCE REPORT

STOCK CODE : 9431
COMPANY NAME : Seni Jaya Corporation Berhad (“Seni Jaya”)
FINANCIAL YEAR : December 31, 2021

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board takes full responsibility for the oversight and overall performance of the Company and its subsidiaries ("the Group") and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed.</p> <p>The Board also ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.</p> <p>The philosophy of the Group - "Craft of Success" on the people, the products, the quality and innovative technological aspect that make the Company a market leader in the outdoor advertising industry.</p> <p>The Board Committees comprise three (3) Governance Committees i.e. Audit Committee, Nomination Committee and Remuneration Committee. A copy each of the Terms of Reference ("TOR") of the respective committees are available on the Company's corporate website at www.senijayacorp.com/corporate-governance/.</p> <p>The Board has established a Board Charter to provide guidance and clarity for Directors and Management with regard to the roles of the Board, the Board Committees as well as those of Management.</p> <p>The formal schedule of matters reserved for the Board has been duly stipulated in the said Board Charter.</p> <p>A summary copy of the Board Charter is available for viewing on the Company's corporate website at www.senijayacorp.com/corporate-governance/.</p> <p>The normal course of events, day-to-day management of the Company will be in the hands of Management and under the stewardship of the Chairman.</p> |

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| | <p>The Board assumes responsibility for stewardship of the Group and has established its TOR in the form of a Board Charter to assist it in the discharge of this responsibility.</p> <p>The role and responsibilities of the Board broadly covers the following:-</p> <ul style="list-style-type: none"> • reviewing and adopting strategies and business plans of the Company, including establishing Company goals and ensuring that strategies are in place to achieve them; • overseeing the conduct of the Company’s business to evaluate whether the business is being properly managed and sustained; • establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital; • identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; • succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Senior Management; • reviewing the adequacy and the integrity of the Company’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; • developing and implementing an investor relations programme or shareholder communications policy for the Company; • deciding on whatever steps necessary to protect the Company’s financial position; • ensuring that the Company’s financial statements are true and fair and conform to any applicable laws and/or regulations; • determine the remuneration of Executive Directors and Non-Executive Directors of the Group, with the individuals concerned abstaining from discussions on their own remuneration; and • ensuring that the Company adheres to high standards of ethics and corporate behaviour. |
| <p>Explanation for departure</p> | <p>:</p> |
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Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The following role and responsibilities of the Chairman of the Board have been clearly specified in Paragraph 6.5 of the Board Charter which is available on the Company's corporate website at www.senijayacorp.com/corporate-governance/ :-</p> <ul style="list-style-type: none">• The Chairman provides leadership to the Board, without limiting the principle of collective responsibility for Board decisions;• The Chairman chairs meetings of the Board in a manner that will encourage constructive discussion and effective contribution from each Director;• The Chairman reviews the minutes of meetings of the Board before meetings, to ensure that such minutes accurately reflect the Board's deliberations;• The Chairman ensures the Company conducts orientation and education program for new directors;• The Chairman initiates, normally in conjunction with the Management, the formulation of a business plan at the beginning of each year to ensure that the Board establishes the goals it wishes to achieve and the means by which this will be carried out;• The Chairman initiates the establishment of Board Committees and ensuring that they achieve their objectives; and• The Chairman promotes high levels of corporate governance. <p>The Board communicates with Shareholders at Shareholders' meetings and through the distribution of its annual reports. The Chairman will chair these meetings and inform the Shareholders of the Company's affairs.</p> <p>This role calls for skills and qualities that allow and encourage Shareholders to express their opinions. The Chairman should possess the capability to summarise and unify thoughts and ideas as well as to manage the meeting effectively.</p> |

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| | The Chairman also leads the role in presenting the Company's cause, whether formally or informally, to the authorities, institutional or potential investors and those having an influence on the environment in which the Company operates. | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
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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 1.3

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Dato' Sri Anne Teo assumes the role of Executive Chairman of the Company since 15 June 2018 and subsequently re-designated as the Non-Independent Non-Executive Director on 19 July 2021.</p> <p>Tengku Amir Nasser Ibni Tengku Ibrahim was appointed as an Independent Non-Executive Director of the Company on 1 July 2021 and subsequently re-designated as the Independent Non-Executive Chairman of the Company on 19 July 2021.</p> <p>The position of the CEO was assumed by Mr Jeff Cheah with effect from 6 May 2021.</p> <p>The Board is mindful of the separation of the position of the Chairman and CEO as it would promote accountability and facilitates the division of responsibilities between them. The Independent Non-Executive Chairman is mainly responsible in leading the Board in its collective oversight management and ensuring effectiveness and proper conduct of the Board, whilst the CEO focuses on the business strategy and day-to-day management 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

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

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'.

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| Application | : | Applied |
| Explanation on application of the practice | : | Tengku Amir Nasser Ibni Tengku Ibrahim, the Independent Non-Executive Chairman of the Company is not a member of the Audit Committee, Nomination Committee and Remuneration Committee since his appointment to the Board. He also does not feature as a permanent invitee in the sittings of the board committees. |
| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company Secretary of the Company has professional qualification and is qualified to act as company secretary under Section 235(2) of the Companies Act 2016.</p> <p>The key role of the Company Secretary is to provide advice and guidance for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.</p> <p>The primary responsibilities of the Company Secretary shall include the following:-</p> <ul style="list-style-type: none">• ensuring that Board procedures and applicable rules are observed;• maintaining records of the Board and ensuring effective management of the organisation's records;• preparing minutes to document Board proceedings and ensure conclusions are accurately recorded; and• timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements. |
| 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 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The due notice of at least seven (7) days is given to the Directors which allow the Directors to plan ahead and to maximise their participation.</p> <p>Board papers are circulated at least five (5) days prior to Board meetings and the board papers provide amongst others, minutes of previous meeting, financial reports and other supporting information which require the approval of the Board. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each Board meeting.</p> <p>Minutes of a Directors' meeting would be distributed to all Directors on a timely basis for review and thereafter for confirmation at next board meeting. The signed Board minutes are entered in minutes books kept by the Company Secretary.</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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties as Directors of Seni Jaya, and the functions of the Board committees as well as those of Management.</p> <p>In accordance with Paragraph 24.2 of the Board Charter, the Board will review the Board Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices. The Board Charter is available on the Company's corporate website at www.senijayacorp.com/corporate-governance/.</p> <p>The roles and responsibilities of the Board as a whole, Chairman of the Board, MD, Executive Director, Independent Non-Executive Directors ("INED"), Senior Independent Non-Executive Director ("SINED") are clearly outlined in the Board Charter.</p> <p>On discharging their duties, each director must:-</p> <ul style="list-style-type: none">• exercise due care and diligence;• act in good faith for the best interests of the Company;• not to misuse the authorities assigned to him/her and information possessed from his/her office;• observe all statutory and compliance requirements and this Board Charter; and• observe the Code of Conduct. <p>The Board acknowledges the importance of continuous education and training to equip themselves for the effective discharge of its duties. New appointees to the Board undergo a familiarisation programme, which includes visits to the business operations of the Company and its subsidiaries ("the Group") and meetings with key management to facilitate their understanding of the Group's operations and businesses.</p> <p>Where possible, the Company Secretary will inform the Directors on any</p> |

| | <p>updates/briefings received from any authority(ies) or training providers, to enable the Directors to keep abreast on the latest development/updates on relevant topic of interest.</p> <p>All members of the Board have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”).</p> <p>In order to ensure continuing education for the Board to enhance their knowledge and skills for better board participation during meetings, the Board members had attended the following training programmes/seminars/forums during the financial year:-</p> <table border="1" data-bbox="586 596 1382 1377"> <thead> <tr> <th data-bbox="586 596 867 659">Name of Directors</th> <th data-bbox="867 596 1382 659">Trainings Programmes/Seminars/Forums Attended</th> </tr> </thead> <tbody> <tr> <td data-bbox="586 659 867 789">Tengku Amir Nasser Ibni Tengku Ibrahim (Appointed w.e.f. 1 July 2021)</td> <td data-bbox="867 659 1382 789"> <ul style="list-style-type: none"> • SC Updates the Malaysian Code on Corporate Governance to Promote Board Leadership and Oversight of Sustainability </td> </tr> <tr> <td data-bbox="586 789 867 919">Dato’ Sri Anne Teo</td> <td data-bbox="867 789 1382 919"> <ul style="list-style-type: none"> • SC Updates the Malaysian Code on Corporate Governance to Promote Board Leadership and Oversight of Sustainability </td> </tr> <tr> <td data-bbox="586 919 867 1050">Datin Lee Nai Yee</td> <td data-bbox="867 919 1382 1050"> <ul style="list-style-type: none"> • SC Updates the Malaysian Code on Corporate Governance to Promote Board Leadership and Oversight of Sustainability </td> </tr> <tr> <td data-bbox="586 1050 867 1276">Julian Koh Lu Ern (Appointed w.e.f. 6 May 2021)</td> <td data-bbox="867 1050 1382 1276"> <ul style="list-style-type: none"> • SC Updates the Malaysian Code on Corporate Governance to Promote Board Leadership and Oversight of Sustainability • Board Room Workshop for Directors Inspiring Your Board Performance </td> </tr> <tr> <td data-bbox="586 1276 867 1377">Lee Chin Cheh (Appointed w.e.f. 2 August 2021)</td> <td data-bbox="867 1276 1382 1377"> <ul style="list-style-type: none"> • Board Room Workshop for Directors Inspiring Your Board Performance </td> </tr> </tbody> </table> | Name of Directors | Trainings Programmes/Seminars/Forums Attended | Tengku Amir Nasser Ibni Tengku Ibrahim (Appointed w.e.f. 1 July 2021) | <ul style="list-style-type: none"> • SC Updates the Malaysian Code on Corporate Governance to Promote Board Leadership and Oversight of Sustainability | Dato’ Sri Anne Teo | <ul style="list-style-type: none"> • SC Updates the Malaysian Code on Corporate Governance to Promote Board Leadership and Oversight of Sustainability | Datin Lee Nai Yee | <ul style="list-style-type: none"> • SC Updates the Malaysian Code on Corporate Governance to Promote Board Leadership and Oversight of Sustainability | Julian Koh Lu Ern (Appointed w.e.f. 6 May 2021) | <ul style="list-style-type: none"> • SC Updates the Malaysian Code on Corporate Governance to Promote Board Leadership and Oversight of Sustainability • Board Room Workshop for Directors Inspiring Your Board Performance | Lee Chin Cheh (Appointed w.e.f. 2 August 2021) | <ul style="list-style-type: none"> • Board Room Workshop for Directors Inspiring Your Board Performance |
|--|--|-------------------|---|---|---|--------------------|---|-------------------|---|---|---|--|--|
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| Lee Chin Cheh (Appointed w.e.f. 2 August 2021) | <ul style="list-style-type: none"> • Board Room Workshop for Directors Inspiring Your Board Performance | | | | | | | | | | | | |
| Explanation for departure : | | | | | | | | | | | | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | | | | | | | | | | |
| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>A Code of Conduct (“Code”) has been adopted by the Board in order to achieve a high standard of ethics while dealing with the stakeholders of Company and its subsidiaries (“the Group”) namely its customers, partners, communities and shareholders. It is the framework of the Group’s underlying core ethical values and standards. The Directors and employees are expected to uphold the ethical standards and values integrated in their duties and operations of the Group. The Code is available on the Company’s corporate website at www.senijayacorp.com/corporate-governance/.</p> <p>The Board reviews the Code biennially or as and when it is required to ensure the information remains relevant and appropriate.</p> <p>The Board is mindful of its leadership in business ethics practices as one of the key elements of business sustainability.</p> <p>The Code is established to promote a corporate culture which engenders ethical conduct that permeates throughout the Company and the Group. The guiding principles of the Code are as follow:-</p> <p>(i) Show respect in the workplace:-</p> <ul style="list-style-type: none">• Equal Opportunity• Anti-Harassment• Human Rights• Ensuring Workplace Health and Safety• Protection of Privacy• Use of Company’s Assets with Due Care• Leading by Example• Continuous Training and Development <p>(ii) Integrity in the marketplace:-</p> <ul style="list-style-type: none">• Ensuring Product Safety and Quality• Responsible Sales and Marketing Practices• Seni Jaya’s Customers• Seni Jaya’s Suppliers |

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| | <ul style="list-style-type: none"> • Community Involvement <p>(iii) Ensure ethics in business relationships:-</p> <ul style="list-style-type: none"> • Conflict of Interest • Anti-Corruption • Anti-Money Laundering • Insider Trading • Protecting the Environment <p>(iv) Ensure effective communication:-</p> <ul style="list-style-type: none"> • Corporate Disclosure • Spokesman • Whistle Blowing | |
| Explanation for departure | : | |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>In line with the amendments of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board has adopted a Whistleblowing Policy and Guidelines to provide a structured mechanism for the Company's employees, directors and associates ("reporting individual") to raise or report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Company to provide reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith.</p> <p>The Whistleblowing Policy and Guidelines is available on the Company's corporate website at www.senijayacorp.com/corporate-governance/.</p> <p>As indicated in the Whistleblowing Policy and Guidelines, the Chairman of the Audit Committee has been identified as the designated contact person of the Company to whom issues or concerns which are sufficiently serious may be raised.</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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has been steadfast in upholding the responsibilities and integration of sustainability considerations in corporate strategy and direction, corporate goals and monitoring the achievement of these objectives.</p> <p>The Board is conscious on the intricacy of maintaining a sustainable business through pursuing its corporate goals whilst committing to promote best practise principles within its Group. The Board together with the management takes responsibility for the governance of sustainability including setting the Group's sustainability strategies, priorities and targets.</p> <p>The Board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the Group and its business.</p> <p>The information on the Company's material issues along with its societal and environmental impacts and key sustainability initiatives are disclosed in the Sustainability Report of the Annual Report 2021.</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 4.2

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The practices have been adopted by the Company to engage with the internal and external stakeholders are disclosed in the Sustainability Report of the Annual Report 2021. | |
| 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Board have sufficient understanding and knowledge of the sustainability issues that are relevant to the Company and its business, to discharge its role effectively. The measures that the Board has taken to attain a better and more sustainable future are disclosed in the Sustainability Report of the Annual Report 2021. | |
| 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.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | A detailed study is required for developing the criteria for the performance evaluation of the Board and the management to address the material sustainability risks and opportunities. | |
| | | Currently, the Company does not have any alternative practice. | |
| <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 4.5- Step Up

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

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

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| Application | : | Adopted |
| Explanation on adoption of the practice | : | The management team led by Mr Jeff Cheah, the Chief Executive Officer of the Company, reports to the Board and is responsible for the oversight of sustainability practice, policies and procedures in improving sustainability performance. |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Nomination Committee ("NC") is governed by its Terms of Reference and its principal objectives is to assist the Board of Directors in their responsibilities in nominating and selecting new nominees to the Board of Directors and to assess the Directors of the Company on an on-going basis. The NC also ensure that the composition of the Board is refreshed periodically and the tenure of each director would be reviewed by the NC.</p> <p>The Terms of Reference of the NC is available on the Company's corporate website at www.senijayacorp.com/corporate-governance/.</p> <p>The performance of the Director who is recommended for re-election has been assessed through the Board annual evaluation and the NC's recommendation are forwarded to the Board for decision.</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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | For the financial year ended 31 December 2021, the Board consists of five (5) members comprising of one (1) Independent Non-Executive Chairman, two (2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors. | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| 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.

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|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>As disclosed in the Board Charter, the tenure of an Independent Director ("ID") shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the ID may continue to serve on the Board subject to his re-designation as Non-Independent Director. In the event the Director was to remain designated as an ID, the Board shall firstly to provide justification, upon the recommendation of the NC and thereafter to obtain the relevant shareholders' approval.</p> <p>During the year under review, the Board does not have any independent directors whose tenure exceeds a cumulative term limit of nine (9) years.</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 5.4 - Step Up

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

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.

| | | |
|--|---|-------------|
| 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 5.5

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 Charter sets out the policies and procedures for recruitment and appointment of Directors.</p> <p>The Nomination Committee (“NC”) reviews the candidates for appointment as Directors based on the following criteria:-</p> <ul style="list-style-type: none">• Qualifications;• Mix of skills;• Background and character;• Experience;• Integrity and professionalism;• Competence;• Functional knowledge;• Time commitment;• In the case of candidates for the position of INEDs, whether the test of independence under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is satisfied. <p>To review the potential candidates, the NC also considered the following additional criteria:-</p> <ul style="list-style-type: none">• Prevailing government policies such as gender diversity;• Overall composition of the Board and its diversity;• Board dynamics;• The combination of skills possessed by existing Directors to ensure the selected candidate would help close any possible gaps in the Board; and• Financial health of the Company and its subsidiaries. |
| 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 5.6

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 proposed appointment of a new member to the Board will be deliberated by the full Board on the recommendation of the Nomination Committee.</p> <p>In identifying suitable candidates to the Board, the Nomination Committee consider other variety of approaches and independent sources to identify suitable candidates for appointment of Directors.</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 5.7

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 | : | <p>The profiles of Directors are published in the Annual Report 2021 which include their age, gender, directorship in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any.</p> <p>The justification to re-elect the retiring Directors standing for re-election has been included in the notes accompanying the Notice of 29th Annual General Meeting.</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 5.8

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | Mr Lee Chin Cheh, the Independent Non-Executive Director was appointed as the Chairman of the Nomination Committee with effect from 2 August 2021. | |
| 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 | : | Applied | |
| Explanation on application of the practice | : | <p>The Board is supportive of gender diversity in the Boardroom as advocated in the Malaysian Code on Corporate Governance (“MCCG”).</p> <p>The current Board consists of Directors from diverse background and qualifications, collectively bring with them a wide range of experience and expertise in areas such as finance and accounting, taxation, legal, engineering, public relations and advertising.</p> <p>The Board currently consists of two (2) female directors and fulfils the recommendation of at least 30% women directors participation notwithstanding the Company is not classified as “Large 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 5.10

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

| | | | |
|--|---|---|--|
| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | Currently, the Company has not set specific policies on gender diversity for the Board and management. The Company strive to work towards achieving the appropriate boardroom diversity and promote diversity, inclusivity and equality regardless of gender, race and sexual orientation to encourage different group of people to build positive relationship at the workplace. | |
| <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 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 | : The annual evaluation for the performance of Board, individual director and Board Committees has been carried out for the financial year ended 31 December 2021 through questionnaires. (i) <u>Directors' self-assessment</u> In conducting the evaluation, NC assess their roles, responsibilities and functions and based on the evaluation carried out for the financial year ended 31 December 2021, the Board was satisfied with the performance of the individual Board member. (ii) <u>Evaluation on the effectiveness of the Board as a Whole and Board Committees</u> In conducting the evaluation, the following main criteria were adopted by the NC:- <ul style="list-style-type: none">• Board mix and composition;• Quality of information and decision making;• Boardroom activities; and• Board Committee's Performance Evaluation. Based on the evaluation conducted for the financial year ended 31 December 2021, the Board was satisfied with the performance of the Board as a whole as well as the Board Committees. |
| 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 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 | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | Presently, the Company does not have a formal remuneration policies and procedures for Directors and Senior Management. The level of remuneration for the Non-Executive Directors reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned. The determination of the remuneration of the Non-Executive Director is a matter of the Board as a whole with the Director concerned abstaining from deliberation and voting in respect of his individual remuneration. | |
| | | The Directors' Fees has been reviewed by the Board, thereafter recommended to the shareholders for approval at the forthcoming AGM. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | - | |
| Timeframe | : | Choose an item. | |

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 Terms of Reference of the RC is available on the Company's corporate website at www.senijayacorp.com/corporate-governance/.</p> <p>The duties and responsibilities of the RC are as follows:-</p> <ul style="list-style-type: none">(a) To review and assess the remuneration packages of the Executive Directors and Senior Management in all forms, with or without other independent professional advice or other outside advice;(b) To ensure the levels of remuneration be sufficiently attractive and be able to retain directors needed to run the Company successfully;(c) To structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level at a particular time;(d) To recommend to the Board of Directors the remuneration packages of the Executive Directors and senior management;(e) To act in line with the directions of the Board of Directors; and(f) To consider and examine such other matters as the Remuneration Committee considers appropriate. |
| 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 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 disclosed on the remuneration of individual Director which include fees, salaries, benefits in kind and other emoluments received during the financial year ended 31 December 2021 and disclosed in the Corporate Governance Overview Statement of the Annual Report 2021. |

| 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 | Tengku Amir Nasser Ibni Tengku Ibrahim (Appointed w.e.f. 1 July 2021) | Independent Director | 120 | - | - | - | - | - | 120 | 120 | - | - | - | - | - | 120 |
| 2 | Dato' Sri Anne Teo | Non-Executive Non-Independent Director | 54.194 | - | 47.381 | - | - | 8.058 | 109.633 | 54.194 | - | 47.381 | - | - | 8.058 | 109.633 |
| 3 | Datin Lee Nai Yee | Non-Executive Non-Independent Director | 51 | - | - | - | - | - | 51 | 51 | - | - | - | - | - | 51 |
| 4 | Julian Koh Lu Ern (Appointed w.e.f. 6 May 2021) | Independent Director | 24 | - | - | - | - | - | 24 | 24 | - | - | - | - | - | 24 |
| 5 | Lee Chin Cheh (Appointed w.e.f. 2 August 2021) | Independent Director | 15 | - | - | - | - | - | 15 | 15 | - | - | - | - | - | 15 |
| 6 | Dato' Seri Dr. Liew Lee Leong (Resigned w.e.f. 3 May 2021) | Independent Director | 10.5 | - | - | - | - | - | 10.5 | 10.5 | - | - | - | - | - | 10.5 |
| 7 | Dato' Shamsul Falak Bin Abdul Kadir (Resigned w.e.f. 3 May 2021) | Independent Director | 10.5 | - | - | - | - | - | 10.5 | 10.5 | - | - | - | - | - | 10.5 |
| 8 | Lim Chee Khang (Resigned w.e.f. 3 May 2021) | Independent Director | 10.5 | - | - | - | - | - | 10.5 | 10.5 | - | - | - | - | - | 10.5 |
| 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 |

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 | : | The Board is of the view that detailed disclosure of senior management's remuneration components is not in the best interest of the Company, as it may give rise to recruitment and talents retention issues. | |
| | | Please provide an alternative practice and explain how the alternative practice meets the intended outcome. | |
| <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 Chairman of the Audit Committee is Mr Julian Koh Lu Ern and he is not the Chairman of the Board. Mr Julian Koh Lu Ern is a member of the Malaysian Institute of Accountants. | |
| 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 Company recognized the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. None of the members of the Board were former key audit partners with the cooling-off period of three (3) years.</p> <p>The Terms of Reference of the AC is available on the Company's corporate website at www.senijayacorp.com/corporate-governance/.</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 9.3

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 Audit Committee ("AC") is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on their appointment, re-appointment, resignation or dismissal of the external auditor.</p> <p>The Board had adopted the following policies with effect from 3 April 2019:-</p> <ol style="list-style-type: none">1) Policies and Procedures to assess the Suitability, Objectivity and Independence of External Auditors which set out the criteria which the AC should consider in assessing the suitability, objectivity and independence of the external auditors of the Company; and2) Policy on the provision of Non-Audit Services by the External Auditors to govern the circumstance under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the External Auditors. <p>Under the Terms of Reference, the AC also monitors the independence and qualification of the Company's external auditors.</p> <p>The AC had conducted an annual assessment of the performance, suitability and independence of the external auditors, Messrs. Mazars PLT for the financial year ended 31 December 2021. The AC was satisfied with the performance and independence of the External Auditors as well as the fulfillment of criteria based on several factors, including independence of the external auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.</p> <p>Messrs. Mazars PLT had also indicated to the AC that they had been independent throughout the audit engagement in respect of the financial year under review.</p> <p>Having considered all the above criteria, the Board had upon recommendation by the AC, approved the recommendation for the reappointment of Mazars PLT as External Auditors of the Company for</p> |

| | | |
|--|---|--|
| | the ensuing year for the shareholders' approval at the forthcoming 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 | : | |

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 | : | Not Adopted |
| Explanation on adoption of the practice | : | |

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 | : | The members of the Audit Committee (“AC”) collectively have the necessary skills and a wide range of experience and expertise. Based on the outcome of the performance assessment on the AC by the Board, the Board are satisfied with the performance of the AC. | |
| 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 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 has overall responsibility for maintaining a system of internal control and risk management that provides a reasonable assurance of effective and efficient operations and compliance with laws and regulations, as well as with internal procedures and guidelines.</p> <p>The Audit Committee also oversees the risk management and internal control framework of the Company.</p> <p>The Statement on Risk Management and Internal Control set out in the Annual Report 2021 provides an overview of the internal control within the Company and its subsidiaries for the financial year under review.</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 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 | : | <p>The Board via the Audit Committee ("AC") oversees the risk management of the Company and its subsidiaries ("the Group").</p> <p>The AC, with the assistance of the Management, reviews and recommends for the Board's approval matters related to risk management within the Group. The AC also assesses the risk tolerance of the Group in order to safeguard the interest of its shareholders.</p> <p>The Statement on Risk Management and Internal Control set out in the Annual Report 2021 provides an overview of the internal control within the Group during the financial year under review.</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 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 : | Not Adopted |
| Explanation on adoption of the practice : | |

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 Company and its subsidiaries (“the Group”) is outsourced to Tricor Axcelasia Sdn. Bhd., an external consultant to assist the Audit Committee (“AC”) and Board in providing independent assessment on the adequacy, efficiency and effectiveness of the Group’s governance, risk management and internal control processes.</p> <p>The outsourced Internal Auditors report directly to the AC, providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the Internal Audit function. The purpose of the Internal Audit function is to provide the Board, through the Committee, assurance of the effectiveness of the system of internal control in the Group.</p> <p>The Internal Audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.</p> <p>During the course of audit, the Internal Auditors have reviewed compliance with policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group’s system of internal control and recommended appropriate actions to be taken where necessary.</p> <p>The internal audits performance met the objective of highlighting to the AC the audit findings which required follow-up action by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group’s internal control system. It ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management.</p> <p>The AC had conducted an Internal Audit Assessment annually to review the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it has the necessary authority to carry out its work and to perform its function effectively in accordance with relevant professional standards.</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>The Company has outsourced its internal audit (“IA”) function to Tricor Axcelasia Sdn. Bhd.</p> <p>The engagement Executive Director of the outsourced internal audit function, Ms Melissa Koay, has diverse professional experience in internal audits, risk management and corporate governance advisory. She is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms Melissa Koay is also a Certified Internal Auditor.</p> <p>The Audit Committee (“AC”) had evaluated and reviewed the IA function and were satisfied that the IA activities/audit plan were carried out in accordance with International Professional Practices Framework issued by Institute of Internal Auditors. Final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit work.</p> <p>The AC also received assurance from the outsourced IA that all assigned IA engagement team personnel remain independent, objective and free from any relationships or conflicts of interest in carrying out their IA duties throughout the engagement.</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 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 Board has ensured a dedicated chapter governing the Board-Shareholders relationship be included in the Board Charter, thereby formalising the Board's commitment to serving the best interest of the Shareholders.</p> <p>The Company communicates regularly with shareholders and investors through annual reports, quarterly financial reports and various announcements made to Bursa Malaysia Securities Berhad as the Board acknowledges the importance of accurate and timely dissemination of information to its shareholders, potential investors and the public in general. Shareholders and Investors can obtain the Company's latest announcements on the Company's corporate website at www.senijayacorp.com/investor-relations/.</p> <p>The AGM provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. Both individuals and institutional shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions set out in the notice.</p> <p>The Company's corporate website provides all relevant information on the Company and is accessible by the public. It includes the announcements made by the Company and annual reports. The Board discloses to the public all material information necessary for informed investment and takes reasonable steps to ensure that all shareholders enjoy equal access to such information.</p> <p>The Company's corporate website is accessible at www.senijayacorp.com.</p> <p>Any enquiry regarding investor relations/ from the shareholders may be conveyed to the following designated senior management personnel, the information of which has also been published on the Company's corporate website:-</p> |

| | |
|--|--|
| | (l) Email address: info@senijayacorp.com Telephone No.: 03-7729 1795 |
| 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 12.2

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

| | | |
|--|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | The Company is not classified as "Large Company". However, the Company would consider adopting the integrated reporting based on a globally recognised framework when necessary. |
| | | Corporate information is disseminated via the Company's corporate website and announcements are published on the website of Bursa Malaysia Securities Berhad. At present, the Board is of the view that the Company's Annual Report is comprehensive enough for stakeholders to make informed decisions. |
| | | The current Annual Report provides stakeholders with a fairly comprehensive overview on the Company's financial and non-financial information including future prospects. Components such as the Management and Discussion Analysis, Corporate Governance Overview Statement, Statement of Risk Management and Internal Control, as well as the Sustainability Report, form an integral part of the non-financial information. The Company will consider to adopt integrated reporting based on a globally recognised framework if the benefits of the adoption outweigh the cost. |
| <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

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 despatches the notice of its AGM together with the Annual Report at least 28 days before the AGM to give sufficient time to shareholders to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys as well as to let the shareholders to consider the resolutions that will be discussed and decided at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, is also published in a major local newspaper as well as announced to Bursa Malaysia Securities Berhad.</p> <p>The notes to the Notice of AGM also provide detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</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 | : | All Directors and representatives from Management had attended the 28th AGM held on 28 June 2021. | |
| 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 13.3

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 | : | In line with the Government initiative to curb the spread of Covid-19 and Securities Commission’s Guidance Note, the Company will conduct its 29 th Annual General Meeting on a fully virtual basis through live streaming and online remote voting. | |
| 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 13.4

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 | : Shareholders were given the opportunity to raise queries ahead of the 28 th Annual General Meeting of the Company. The Q&A session was kept open throughout the virtual AGM allowing members/proxies the opportunity to pose questions via real time (in the form of typed text) throughout the meeting. All queries raised pre-AGM and during virtual AGM were answered in real time by the Board and management during the AGM. Those questions which were not responded during the 28 th AGM were responded by the Company via email after the 28 th 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 | : |

Intended Outcome

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

Practice 13.5

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

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | Securities Services (Holdings) Sdn Bhd was engaged to provide the audio and virtual support services to broadcast the proceedings of the 28 th AGM. It was live streamed via meeting platform at https://sshbsb.net.my/ . The Q&A session served as an interaction between the Directors, management and shareholders during the fully virtual meeting. The shareholders in attendance in the proceedings of the 28 th AGM may use the AGM platform to transmit their questions via Query Box. |
| 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 | : Departure | | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : The Company has omitted to circulate the minutes of the general meeting within 30 business days after the general meeting. However, all minutes of the general meetings held in the financial year ended 31 December 2021 had been uploaded to the Company corporate website presently. The Company undertakes to comply with the said requirement for the financial year ended 31 December 2022. | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : <table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> </table> | | |
| | | | |

**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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