

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7174
COMPANY NAME : CAB CAKARAN CORPORATION BERHAD
FINANCIAL YEAR : September 30, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of CAB Cakaran Corporation Berhad ("the Company") is governed by the Board Charter which guides, regulates and delineates clearly relevant matters reserved for the Board's approval, and those which the Board may delegate to the Board Committees, the Group Managing Director and the Management. The Board has five (5) Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management and Sustainability Committee and Halal Committee to assist the Board. Each committee is governed by their respective Terms of Reference ("TOR") and the TORs are made available for reference at the Company's website at www.cab.com.my.</p> <p>The Board Charter and the TOR of the respective Board Committees are periodically reviewed by the Board Committee and approved by the Board to ensure that the TOR remains relevant and adequate in governing the responsibilities of the Committees and reflects the latest developments in the Main Market Listing Requirements of Bursa Securities and the Malaysian Code on Corporate Governance.</p> <p>The Chairman of the respective Board Committees will report to the Board the outcome of the Committees meetings for the Board's consideration and approvals as well as matters which require the Board's deliberation. The Board retains full responsibility for the direction and control of the Group.</p> <p>The Board assumes, amongst others, the following principal roles and responsibilities in discharging its stewardship role, fiduciary duties and leadership functions:</p> <ul style="list-style-type: none">(a) Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;(b) Review, challenge and decide on Management's proposals for the Group, and monitor their implementation;

- (c) Review, approve and monitor the overall strategies and direction of the Group and to ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (d) Supervise and assess Management's performance to determine whether the Group's business is being properly managed;
- (e) Ensure that there is a sound and adequate framework for internal controls and risk management;
- (f) Understand the principal risks of the Group's business and recognise that business decisions involve the taking of appropriate risks;
- (g) Assess and set the risk appetite within which Management should operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (h) Ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- (i) Ensure that the Group has in place procedures to enable effective communication with stakeholders;
- (j) Ensure the integrity of the Group's financial and non-financial reporting;
- (k) Providing input and approved the annual operating budget as well as periodic review the Group's financial performance and operating results against budget and major capital commitments;
- (l) Reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Group;
- (m) Review the terms of office and performance of the Board Committees annually (with members of the respective Board Committees abstain from deliberation); and
- (n) Reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies.

The Board plays an active role in reviewing and monitoring the Group's overall strategic and financial plans. The Board reviews and approves on a yearly basis the proposed business plan and budget of the Group as well as the capital expenditure at the Board Meetings.

The Board reviews the performance and results of the business at individual business unit level and group level on a regular basis at its quarterly meetings by monitoring the Group's financial results against the budget and the preceding quarter's results.

The Board receives updates on financial, operational, corporate, regulatory, business development and audit matters for the decisions to be made on an informed basis and effective discharge of the Board's responsibilities.

The Group Managing Director, Executive Directors and/or other relevant Board members with the assistance of senior management will furnish comprehensive explanation on pertinent issues and recommendations by the Management. The issues are then deliberated and discussed thoroughly by the Board and the Board will give in depth consideration, guidance, ideas and feedback on the Company's strategy over short, medium and long term, prior to decision making. In addition, the Board members are updated on the Company's activities and its operations on a regular basis.

The Board also deliberates and evaluates the feasibility of business propositions and corporate proposals as well as the principal risks that may have a significant impact on the Group's business. External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required.

The Audit Committee assists the Board in reviewing financial reporting such as quarterly and annual financial results, major acquisitions and disposals, major investments, non-financial reporting such as disclosures and statements in the annual report before tabling the same to the Board for deliberation and approval to ensure the Group is in compliance with the relevant accounting standards and Listing Requirements.

The Management team conducted quarterly meetings with each business unit heads to review, discuss, deliberate, consider and submit proposals to the Board for final decision on issues of financial performance, business plan, risk management, information technology support, corporate governance, business development, investment activities, current issues faced which require the Board's input and decision.

The Board, via Risk Management and Sustainability Committee ("RMSC") sets risk tolerance levels, objectives, performance targets and policies to manage the key risks faced by the Group. The details of the risk management framework are set out in the Statement on Risk Management and Internal Control of the Company's Annual Report 2023.

The Board is ultimately responsible in managing sustainability matters of the Company. The Board, via RMSC discuss and resolve risk management and sustainability-related issues, in particular, the establishment of a sustainability framework, review of the adequacy of sustainability processes, ensuring effectiveness in the identification, management, and reporting of Material Sustainability Matters of the Group, monitoring and overseeing of all sustainability strategies and initiatives of the Group. The details of the sustainability matters are set out in the Sustainability Statement section of the Company's Annual Report 2023.

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 1.2

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

Application	: Applied
Explanation on application of the practice	<p>The Chairman of the Board is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. Mr. Chuah Ah Bee is the Executive Chairman of the Company. He has extensive experience in the poultry industry which is essential for the continued growth of the Company.</p> <p>As an Executive Chairman, Mr. Chuah Ah Bee assumes, among others, the following responsibilities:</p> <ul style="list-style-type: none">(a) Leading the Board in setting the values and ethical standards of the Company;(b) Monitoring the workings of the Board, especially the conduct and lead of Board meetings and discussions;(c) Encouraging all Directors to play an active role in Board activities and allowing dissenting views to be freely expressed;(d) Liaising with the Group Managing Director and the Company Secretary on the agenda for Board meetings and ensure that all relevant issues for the effective running of the Company's business is on the agenda;(e) Ensuring the provision of accurate, timely and clear information to members of the Board;(f) Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;(g) Ensuring effective communication with shareholders and relevant stakeholders;(h) Arranging regular evaluation of the performance of the Board, its Committee and individual Directors;(i) Manage the interface between Board and Management;(j) Facilitating effective contribution of Non-Executive Directors and ensuring constructive discussion at Board meeting;(k) Chairing general meetings of shareholders;(l) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;(m) Leading the Board in establishing and monitoring good corporate governance practices in the Group;(n) In determining policies matters, the Chairman should ensure that the following are carried out:<ul style="list-style-type: none">(i) All Directors are properly briefed on issues arising at Board meetings;

	(ii) There is sufficient time allowed for the discussion of complex or contentious issues and where appropriate, arranging for informal meetings beforehand to enable thorough preparation; and Fulfilling such other responsibilities as are allocated by the Constitution from time to time.
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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Executive Chairman is Mr. Chuah Ah Bee. Whereas, the Group Managing Director ("Group MD") is Mr. Chuah Hoon Phong.</p> <p>The roles of the Executive Chairman and the Group MD are provided in the Board Charter which is available on the Company's website at www.cab.com.my.</p> <p>The roles of the Executive Chairman and the Group MD are distinct and separate, with a clear division of responsibilities between them to ensure an appropriate balance of power, accountability and independence in decision making.</p> <p>As the Executive Chairman, Mr. Chuah Ah Bee has been leading the Board in its responsibilities for the corporate directions, business and affairs of the Company and oversight of management. Whereas, the Group MD, Mr. Chuah Hoon Phong, plays his roles in implementation of Board policies, strategies and decisions adopted by the Board. The Group MD leads the management team in carrying out the Group's strategy and meets the management team regularly to discuss and resolve operational issues.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board Mr. Chuah Ah Bee is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Company has appointed two company secretaries, one of whom is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators while the other is a licensed Company Secretary by Companies Commission of Malaysia. They are Ms. Chew Siew Cheng (MAICSA 7019191) and Ms. Lim Choo Tan (LS 0008888).</p> <p>The Company Secretary plays an important advisory role and is a source of information and advice to the Board and its Committees on issues relating to requirements and compliance with laws, rules, regulations, as well as corporate governance practices.</p> <p>During the financial year, the Company Secretaries have carried out the following tasks:</p> <ul style="list-style-type: none">(a) Attend and ensure proper conduct and procedures at all Board Meetings, Board Committee Meetings, Annual General Meeting, Extraordinary General Meeting and any other meetings that require the attendance of Company Secretary and ensure that meetings are properly convened;(b) Ensure that the quarterly financial results, audited financial statements, annual reports, circulars, etc and all relevant announcements are announced to Bursa Malaysia Securities Berhad and Securities Commission on a timely basis;(c) Ensure that deliberations at the meetings are well captured and minuted;(d) Ensure that the Company complies with the Main Market Listing Requirements and the requirements of the relevant authorities;(e) Inform and keep the Board updated of the latest enhancement in corporate governance, changes in the legal and regulatory framework, new statutory requirements and best practices;(f) Keep the Directors and principal officers informed of the closed period for trading in the Company's shares; and

	(g) Ensure proper recording and maintenance of the Company's proceedings, resolutions, statutory records, register books and documents.	
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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meets on a quarterly basis, with additional meetings convened as and when necessary. The meetings are planned in advance prior to the commencement of each new calendar year and the schedule is circulated to all the Directors well in advance to enable them to plan ahead. The notices of the meetings are sent out to the Directors via email at least seven (7) days prior to the meetings.</p> <p>The meeting materials were circulated to all Directors via email for their perusal where possible, generally at least five (5) business days prior to each Board and Committee meeting, depending on the nature of the particular meeting material.</p> <p>The Company Secretaries duly capture matters resolved in meeting into minutes. Within a reasonable period after the conduct of each meeting, the Secretaries circulate draft minutes to all meeting participants, for them to go through and highlight for inclusion in the event of omission noticed. Once the Secretaries have confirmed the minutes as accurate and complete, they will circulate the minutes to all directors promptly, so as to enable the relevant parties take actions as resolved in meeting.</p>
Explanation for departure	:	
<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

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a Board Charter and it is published on the Company's website at www.cab.com.my.</p> <p>The Board Charter sets out the principles governing the Board of Directors of the Company and adopts the principles of good governance and practice in accordance with applicable laws, rules and regulations in Malaysia. The Board Charter also sets out the respective roles and responsibilities of the Board, Board committees, individual Directors and managements as well as issues and decisions reserved for the Board.</p> <p>The Board will periodically review the Board Charter and make any changes whenever necessary to ensure that the Board's objectives are aligned with the latest regulations. The Board Charter was last reviewed on 28 December 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised a Code of Ethics and Conduct that set out the basic principles to guide all the directors and employees of the Group, for ethical values enforceable at workplace as well as in business dealings/company affairs at all times.</p> <p>The Code of Ethics and Conduct ("CEC") clearly sets out expectations to display the highest level of professionalism and corporate governance in the conduct of work and dealings with its internal and external stakeholders including its customers, suppliers, employees, the environment and the community.</p> <p>The Group also encourages its employees to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, suspected violations of the CEC and to disclose any improper conduct or other malpractices within the CAB Group (i.e. whistleblowing) in an appropriate way.</p> <p>The Group's stance on zero-tolerance towards bribery and corrupt practices is also clearly stated in the CEC and is applicable to all the Group's business dealings and transactions in all countries in which its subsidiaries operate.</p> <p>The Directors have the duty to declare immediately to the Board of their interests in any transaction to be entered into directly or indirectly with the Company or the Group. The interested Director shall abstain from all deliberations and decision making of the Board on the transaction. In the event where a corporate proposal is required to be approved by the shareholders, the interested Director will abstain from voting in respect of their shareholdings in the Company and will further undertake to ensure that persons connected to them will similarly abstain from voting on the resolution.</p> <p>During the financial year 2023, the Group continued to take steps to strengthen its Anti-Bribery and Corruption Policy and Procedures to</p>

	<p>enforce across the Group and among all its business units, to reinforce ethical values, in particular, zero tolerance stance against bribery, as well as to comply with Malaysian Anti-Corruption Commission Act 2009 provisions.</p> <p>The Board periodically reviews the CEC and the Anti-Bribery and Corruption Policy and Procedures to ensure it remain relevant and appropriate. The details of the CEC and Anti-Corruption Policy are available for reference at the Company's website at www.cab.com.my.</p>	
Explanation for departure		
<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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has put in place a Whistle-Blowing Policy to provide an avenue for employees and stakeholders to report genuine concerns about unethical behaviour, malpractices and illegal acts on failure to comply with regulatory requirements without fear of reprisal.</p> <p>The policy lays down explicitly the procedures and protection extended to the whistle-blower. The policy is published and promoted for enforcement across the Group, where the whistle-blower can report to the Group Managing Director or the Audit Committee Chairman or the Head of Group Internal Audit.</p> <p>The Board periodically reviews the Whistle-Blowing Policy to ensure it remains relevant and appropriate.</p> <p>The details of the Whistle-Blowing Policy are available for reference at the Company’s website at www.cab.com.my.</p>
Explanation for departure	:	
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group had in place various initiatives and efforts to address sustainability risks and opportunities in an integrated and strategic manner to support the Group long-term strategy and success.</p> <p>Risk Management and Sustainability Committee ("RMSC") was established since November 2016 to assist the Board in fulfilling its oversight responsibility for governance of sustainability (including setting the Company's sustainability policies, strategies, priorities and targets) and monitor economic, environmental, and social ("EES") strategy targets, measures and performance.</p> <p>The RMSC comprises Executive Director and Independent Directors. They are assisted by heads of operating divisions and key management personnel from the respective business units to guide and monitor the groups sustainability performance across businesses. The sustainability progress in terms of EES was reported and discussed at the management meeting of the Group on quarterly basis to ensure that they are in line with the Group's vision and direction.</p> <p>Details of the above are set out in the Company's Sustainability Statement contained in the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Group engages with its internal and external stakeholders on its a sustainability strategies, approaches, initiatives, targets and performance mainly through the Company’s website at https://www.cab.com.my and the annual Sustainability Statement in the 2023 Annual Report of the Company. Material sustainability matters and its long-term plans are also disclosed in the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is kept abreast by the Key Senior Management of the Group on its sustainability matters and strategic plans to ensure long-term business sustainability. In integrating sustainability into its business, the Group's sustainability management and performance form an integral part of its risk management system where sustainability is treated as one of the key discussion points at its quarterly management meetings.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>During its annual assessment, the Board reviewed its performance in addressing the Company’s material sustainability risks and opportunities.</p> <p>A Risk Management and Sustainability Committee (“RMSC”) was established in November 2016 and is led by the Executive Director to discuss matters, among others, the sustainability matters, stakeholders’ expectations, and the prioritisation of sustainability matters.</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 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee noted the provisions of Paragraph 15.08A(3)(c) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad requiring assessment by the Nomination Committee of the Board of Directors, Board Committees and individual Directors and furnishing of the criteria used for such assessment.</p> <p>The Nomination Committee also noted that pursuant to Practice 5.1 of Malaysian Code on Corporate Governance the Nomination Committee should ensure that the composition of the board is refreshed periodically and 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.</p> <p>The said assessment was carried out by the Nomination Committee accordingly with the exception of the interested party who abstained from assessment of that involving himself/herself.</p> <p>The results of the said assessment revealed that the performance of the Board of Directors, the respective Committees of the Board and individual Directors is satisfactory.</p> <p>The Nomination Committee has conducted its review pursuant to Practice 5.1 of Malaysian Code on Corporate Governance and in its assessment of those Directors due for re-election at the coming Annual General Meeting guided by the Fit and Proper Policy. The Committee is satisfied with their performance and contribution to the Board during the tenure referred to therein for submission to the Board.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board of Directors of the Company currently consists of eight (8) members; including a woman director; of whom four (4) are Executive, three (3) are Independent Non-Executive Directors and one (1) is Non-Independent Non-Executive Director.</p> <p>The Board composition has taken into account adequate mix of skills, independence and diversity including diversity of gender, ethnicity and age of the Members who are well-equipped with relevant knowledge and/or experience for contribution towards achievement of objectives of the Company.</p> <p>The composition of the Board complies with Paragraph 15.02 if the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Board comprises Members of strong background on the basis of, in addition to the mix referred to above, their character, integrity and time who bring value to Board deliberations.</p> <p>The Nomination Committee has examined and considered its present Board size and is satisfied that its current Board size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operation. Notwithstanding that the Board does not comprise at least half of independent Directors as recommended under the Code, there is a good mix of members with diversified background and extensive experience and fair knowledge, who bring along a wide range of technical skills and expertise to the Group and have contributed significantly towards performance monitoring, control as well as governance. The present scenario, does not jeopardize the position of the Board to make independent deliberations and decisions in the best interest of the Company.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	: The Board will take steps to ensure its compliance with the MCGG requirements to have at least half of the board comprises Independent Directors. Mr Loo Choo Gee, an Executive Director who retired pursuant to Clause 165 of the Company's Constitution has notified the Company that he does not wish to seek for re-election and shall retire at the conclusion of the 22 nd AGM on 25 March 2024 so that the Company can comply with this MCGG requirement. The Nomination Committee and the Board will continue seeking new Independent Directors who meet the required criteria and merit with due regard for diversity in skills, experience, age and cultural background that suits the Company's strategic goals to join the Company.
Timeframe	: By 27 April 2024

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	As at the date of this Corporate Governance Report, none of the Independent Non-Executive Directors have exceeded a cumulative term limit of nine years.	
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 has in place a Gender Diversity Policy for Boardroom and Senior Management to support the CAB Group's strategic objectives and its sustainable development. To maintain a diversified Board and senior management team, the aspects to be considered including but not limited to the candidates' skills, knowledge, expertise and experience, commitment (including time commitment), professionalism, boardroom diversity including gender, age and ethnicity, cultural background, character, integrity and competence as well as the candidate's availability to commit to the Board's activities, and in the case of candidate proposed for appointment as Independent Director, the candidate's independence.</p> <p>The Nomination Committee is responsible for assessing and recommending suitable candidates to be appointed to fill Board vacancies or to complement the Board's current composition as and when the needs arise. The Nomination Committee will consider the recommendations from existing Board members, management or major shareholders as well as independent sources to identify suitably qualified candidates for appointment of Directors.</p> <p>The Board upon the recommendation of the Nomination Committee, evaluates and decides on the appointment of the proposed candidate to the Board.</p> <p>The appointment of Senior Management is based on predetermined criteria that includes skill sets, integrity and leadership qualities, driven by their respective job descriptions.</p> <p>The Board believes that its Board members have a diverse and relevant range of skills, backgrounds, knowledge and experience to ensure effective governance of the business. Our Board members contribute relevant industry knowledge, and specific subject matter expertise in a range of strategic, operational and financial aspects that are critical to the long-term success of the Group. The Board was also satisfied with</p>

	the level of time commitment given by the Directors towards fulfilling their roles and responsibilities.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board Charter, Board Diversity Policy and Directors' Fit and Proper Policy of the Company sets out the criteria and approach on identifying and evaluating the potential candidates for appointment as Directors. The Board does not solely rely on recommendations from existing Board Members, Management or Major Shareholders or utilise external sources to identify suitably qualified candidates. The Nomination Committee and the Board will utilise independent sources to identify suitably qualified candidates. Should there be selection of candidates based on recommendations made by existing Board Members, Management or Major Shareholders, the Nominating Committee should explain why these sources suffice and other sources were not used.	
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>Shareholders are kept informed on the Board decision in respect of appointment of directors via announcements to Bursa Malaysia Securities Berhad. The profile of each Director is set out in the Annual Report of the Company and the Annual Report is made available on the Company's website.</p> <p>The Nomination Committee Chairman leads the annual assessment of Board effectiveness, ensuring that the performance of the Directors is assessed and the performance of retiring Directors who are recommended for re-election at the forthcoming Annual General Meeting ("AGM") (including the evaluation of the independence of Independent Non-Executive Directors) is reviewed.</p> <p>The said assessment, with the exception of the interested party who abstained from assessment of that involving himself/herself revealed that the performance of the Board of Directors, the respective Committees of the Board and individual Directors is satisfactory.</p> <p>For the FY2023, the Nomination Committee has conducted its review pursuant to Practice 5.1 of Malaysian Code on Corporate Governance and in its assessment of those Director due for re-election at the coming Annual General Meeting, the Committee is satisfied with their performance and contribution to the Board during the tenure referred to therein for submission to the Board.</p> <p>The Nomination Committee has examined and considered its present Board size and is satisfied that its current Board size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operation. Notwithstanding that the Board does not comprise at least half of independent Directors as recommended under the Code, there is a good mix of members with diversified background and extensive experience and fair knowledge, who bring along a wide range of technical skills and expertise to the Group and have contributed significantly towards performance monitoring, control as well as governance. The present scenario, does not jeopardize the position of</p>

	the Board to make independent deliberations and decisions in the best interest of the Company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Datuk Sr. Haji Zakaria Bin Hashim who is an Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Miss Wijanti Tjendera, who is Non-Independent and Non-Executive Director, is the sole female Director on Board comprising 12.5% of the board composition. However, her presence is complying with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which mandates the presence of at least one (1) female Director on Board	
<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	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of a diverse mix of skills and profiles of the directors on the Board and Senior Management, in terms of age, ethnicity, gender, business experience and personal skills to provide the necessary perspective, experience and expertise required to achieve effective stewardship and management of the Company's operation.</p> <p>The Group does not have specific policies on setting target for female candidates in the workforce. The evaluation of the suitability of candidates as the new Board member or as a member of the workforce is strictly based on the candidates' competency, skills, character, time commitment, knowledge, expertise, professionalism, suitability and character of a person in meeting the needs of the Group, regardless of gender, ethnicity and age.</p> <p>The Group is an equal opportunity employer and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation when deciding candidates on the composition of the Board and Senior Management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The annual assessment on the effectiveness of the Board, its committees and each individual director was conducted internally via the Nomination Committee. The Nomination Committee engages the guidelines provided by the regulatory bodies for use during evaluation.</p> <p>The criteria used by the Nomination Committee in the selection process shall be that of the needs of the Company taking into account, in particular, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to character, experience, integrity, competence and time of the candidates as well as the policy on diversity of gender, ethnicity and age referred to above.</p> <p>The assessment criteria for the Board as a whole include, inter alia, the effectiveness of the Board composition in terms of size and structure, scope and operations of the Company, the mix of skills, experience and knowledge of the Directors, and the Board's integrity, competency, responsibilities and performance.</p> <p>The assessment criteria for the Board Committees include the effectiveness of the respective Board Committees' composition in terms of mix of skills, experience and knowledge to carry out their respective roles and responsibilities per the Board Committees' Terms of Reference and the contribution of Board Committee members with the view to maximise the performance of individual committees.</p> <p>Each individual Director is assessed on, inter alia, the effectiveness of his/her strength, responsibilities, competency, expertise, time commitment and contributions as well as the analytical skills and ability to act in the best interest of the Company.</p>

	<p>These result of the assessments and comments were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter.</p> <p>The Nomination Committee carried out the assessment at the Nomination Committee Meeting held on 28 December 2023 and the assessment findings revealed that the Board, its Committees and Individual Directors have met the criteria used and satisfied the requirements.</p> <p>The Nomination Committee will continue seeking new Independent Directors who meet the required criteria and merits to join the Company as a step to ensure the Company’s compliance with the Code’s requirements to have at least half of the Board comprising Independent Directors.</p> <p>The Nomination Committee will recommend relevant training needs to upskill and further equip the Directors on the latest developments in the Listing Requirements and the Code as well as the latest developments of International Accounting Standard.</p>	
<p>Explanation for departure</p>	<p>:</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>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted the Remuneration Policy and Procedures for Directors and Senior Management (“Remuneration Policy”) which covers all aspects of remuneration for Directors and Senior Management personnel with the objective to provide fair and competitive remuneration for the Company to attract, motivate and retain a high-quality team.</p> <p>The Remuneration Committee reviews the policy of remuneration framework and recommend to the Board the remuneration package of all the Directors and Senior Management according to the Group’s financial performance, the skills, level of responsibilities, experience and performance as well as the sustainability management as one of the key performance indicators of the Directors and Senior Management. The Board then determines the remuneration of Director with the interested Directors abstaining from any deliberations or voting on their own remuneration.</p> <p>The directors’ fees and benefits are recommended by the Board for the approval of shareholders of the Company at the annual general meeting.</p> <p>The Remuneration Policy is available on the Company’s website at www.cab.com.my.</p>
Explanation for departure	:	
<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 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 Board has established a Remuneration Committee comprising of three (3) members, all of whom are Independent Non-Executive Directors.</p> <p>The Remuneration Committee reviews and assesses the remuneration package of Executive Directors, Non-Executive Directors and Senior Management in all its forms to ensure they are remain competitive, appropriate and commensurate with their experience, skills, expertise and commitment of the Directors concerned and complexity of activities carried out as well as industry benchmark, business strategy, long term objectives and the overall financial performance of the Group includes the sustainability management of the Group.</p> <p>The duties and responsibilities of the Remuneration Committee in relation to the remuneration framework are stated in its Term of Reference which is available on the Company's website at www.cab.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on named basis of the remuneration of individual Directors received / receivable for the financial year 2023 is set out below.

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	Chew Chee Khong	Executive Director	-	-	-	-	-	-	-	-	-	480	81	10	23	594
2	Chuah Ah Bee	Executive Director	-	-	-	-	-	-	-	146	-	1,419	201	10	68	1,844
3	Chuah Hoon Phong	Executive Director	-	-	-	-	-	-	-	146	-	963	132	15	135	1,391
4	Loo Choo Gee	Executive Director	-	-	-	-	-	-	-	-	-	405	54	9	57	525
5	Wijanti Tjendera	Non-Executive Non-Independent Director	66	4	-	-	-	-	70	96	5	-	-	-	-	101
6	Datuk Sr. Haji Zakaria Bini Hashim	Independent Director	50	3	-	-	-	-	53	50	3	-	-	-	-	53
7	Lim Ghim Chai	Independent Director	54	3	-	-	-	Negligible	57	54	3	-	-	-	Negligible	57
8	Professor Dato' Dr. Mohd Fakhruddin Bin Abdul Mukti	Independent Director	56	3	-	-	-	Negligible	59	56	3	-	-	-	Negligible	59
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company has not disclosed on named basis the top five senior management's remuneration components in bands of RM50,000.</p> <p>The Board is of the opinion that the disclosure on the remuneration of the top five (5) Senior Managements on a named basis with various remuneration components would not be in the best interest of the Group due to confidentiality and sensitivity concerns as well as the issue of competition, security and staff poaching. The Board will ensure that the remuneration of the Senior Management commensurate with their duties and responsibilities and their performance in order to attract, retain and motivate them to contribute positively to the Group's performance.</p> <p>Based on the above rationale, the Company is not in favour of disclosing the remuneration of the top five (5) senior managements on a named basis</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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 Audit Committee Mr. Lim Ghim Chai who is an Independent and Non-Executive Director is not the Chairman of the Board of Directors.	
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>In line with the recommendation of the Malaysian Code on Corporate Governance, the Audit Committee had revised its Terms of Reference to incorporate a clause on cooling-off period of at least three (3) years before a former key audit partner can be appointed as a member of the Audit Committee.</p> <p>To-date, the Company has not appointed any former audit partner as a member of the Audit Committee.</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 assesses the performance, suitability and independence of the external auditors on an annual basis and to make subsequent recommendations to the Board on the appointment, reappointment, remuneration or termination of the external auditors.</p> <p>Appointment Criteria for External Auditors Before selecting the External Auditors for the Group and deciding their fees, the Audit Committee shall assess the suitability and independence of the External Auditors based on the following factors:</p> <ul style="list-style-type: none">i. Quality of service including level of knowledge, capabilities, experience and quality of previous work;ii. Communication and interaction such as ability to provide constructive observations, implications and recommendations in areas which require improvements;iii. Independence, objectivity, professionalism and calibre of external auditors;iv. Audit scope and fees as well as the provision of non-audit services does not impede the independence of external auditor;v. Ability to perform the audit work within the agreed timeframe;vi. The inputs and opinions from the Company's personnel who had constantly dealt with the external audit team throughout the year would be used as one of the tools in the judgement of the suitability of the external auditors.vii. Requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. <p>For the FY2023, the External Auditors has provided its written assurance to the Audit Committee that they are, and have been, independent through the conduct of the audit engagement in accordance with By-Laws of the Malaysian Institute of Accountants.</p> <p>The External Auditors of the Company attended three (3) meetings with the Audit Committee for the FY2023 to discuss their audit plan and audit findings on the Company's yearly financial statements. During the meetings, the Audit Committee Members also had private sessions with</p>

	the external auditors without the presence of the management to enable exchange of views on issues requiring attention.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee comprises 3 members, all of which are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Pursuant to the MCCG, the Audit Committee members should collectively possess a wide range of necessary skills to discharge its duties and that all members should also be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.</p> <p>The Board regards the members of the Audit Committee collectively possess the accounting and related financial management expertise and experience required for the Audit Committee to discharge its responsibilities and assist the Board in its oversight over the financial reporting process. All members of the Audit Committee have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices, and rules as and when required.</p> <p>The Group Finance Director briefs the Audit Committee members on the quarterly financial statements, budgets, and any other financial related matters. At intervals during the debriefing, questions are raised on the financial statements by members of the Audit Committee.</p> <p>The Board, through the Nomination Committee, assesses the composition and performance of the Audit Committee through an annual Board Committee effectiveness assessment on 28 December 2023. Based on the assessment, the Board was satisfied that the Audit Committee and its members discharged their functions, duties and responsibilities in accordance with the Audit Committee's Terms of Reference.</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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is concerned over the risk which the Group may be exposed in its operations and has therefore formulated a risk management policy for implementation across the Group. The primary responsibility of the Board in risk management is to assess and set the risk appetite within which Management should operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.</p> <p>Risk appetite is defined as the amount of risk that the Group is willing to accept in pursuit of its value creation process. When determining the risk appetite of the Group, the Board would consider its business priority and timing as well as the financial position and resources of the Group.</p> <p>The Risk Management Committee was established on 29 November 2016 and was renamed to Risk Management and Sustainability Committee ("RMSC") on 29 November 2018.</p> <p>The RMSC is chaired by an Executive Director, assisted by Independent Directors and the Risk Management and Sustainability Working Committee of the respective business divisions. The responsibilities and purposes of the RMSC are:</p> <ol style="list-style-type: none">(1) to assist the Board in fulfilling its responsibility with respect to evaluating, reviewing and monitoring the Group's risk management framework and activities on on-going basis. The RMSC reports to the Board regarding the Group's risk exposures, including review risk assessment model used to monitor the risk exposures and Management's view on the acceptable and appropriate level of risks faced by the Group's business unit; and(2) to include the establishment and overseeing the implementation of the sustainability framework, review of the adequacy of the sustainability processes, ensuring effectiveness in identification, management and reporting of the Material Sustainability Matters pertaining to the Economic, Environmental and Social aspects of the Group, monitoring and overseeing all sustainable strategies

	<p>and initiatives of the Group. This includes a review of the delivery of the responsibilities of the Risk Management and Sustainability Working Committee and making the necessary recommendations to the Board for its deliberation.</p> <p>The RMSC is also supported by the Group’s internal audit department who will provide an assessment on the adequacy and effectiveness of the internal control systems operating within the Group.</p> <p>The key features of the Risk Management Framework are presented in the Statement on Risk Management and Internal Control of the Company as set out on pages 57 to 60 of the Company’s Annual Report.</p>	
<p>Explanation for departure</p>	<p>:</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>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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 is responsible for the identification, evaluation and management of significant risks applicable to their respective areas of business together with the design and implementation of suitable internal controls.</p> <p>The Company has in place the Audit Committee and Risk Management and Sustainability Committee to perform various functions pertaining to managing risks and internal controls.</p> <p>The Group has in place the Risk Management Policy which lays down the responsibilities of the Board, the Risk Management Committee, the Risk Management Working Committee and others in relation to risk management.</p> <p>The risk management process is illustrated in the Statement of Risk Management and Internal Control, which was subject to the external auditors' review and certification.</p> <p>Likewise, the key processes that have been established to ensure the adequacy and effectiveness of the risk management and internal control system were also disclosed in the Statement of Risk Management and Internal Control subject to the external auditors' review and certification.</p> <p>The Board receives assurance from the Group Managing Director and the Group Finance Director that the Group's risk management and internal control system are working effectively and all key risks are being managed to an acceptable level based on the existing risk management and internal control system of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Risk Management Committee was established on November 29, 2016 and was renamed to Risk Management and Sustainability Committee ("RMSC") on November 29, 2018. The RMSC comprises a majority of Independent Directors and the composition is as follows:</p> <p>Loo Choo Gee – Chairman (Executive Director)</p> <p>Lim Ghim Chai – Member (Independent Non-Executive Director)</p> <p>Datuk Sr. Haji Zakaria Bin Hashim – Member (Independent Non-Executive Director).</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established an internal audit function for the Group which critically reviews the adequacy of the operational controls and procedures so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group. Comprehensive audits of the practices, procedures and internal controls of all business units and subsidiaries are undertaken on a regular basis.</p> <p>The internal audit department of the Company which is led by the Head of Internal Audit reports directly to the Audit Committee.</p> <p>The Head of Internal Audit Department presents audit reports, which detail the audit issues, Internal Audit's recommendations and Management's responses, to the Audit Committee during quarterly meetings. Apart from the audit report, the Head of Internal Audit Department also brings up outstanding issues stemmed from follow-up verification, if any, into the knowledge of the Audit Committee for further monitoring.</p> <p>The results of the internal audit reviews and the recommendations are deliberated during the Audit Committee meetings. The Audit Committee Chairman briefs the Board on issues raised and highlights events requiring the Board's attention, if any.</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 Group’s Internal Audit Department is free from any relationships or conflict of interest that can impair their objectivity and independence in the course of their work. The Group’s Internal Audit Department has, at present, two (2) staff, as follows:</p> <p>Name: Koh Soon Huat Position: Senior Manager – Internal Audit Qualification: Graduated from Institute of Chartered Secretaries and Administrators, United Kingdom, and Chartered Institute of Management Accountants, United Kingdom (with associate-ship awarded)</p> <p>Name: Ang Toon Wei Position: Assistant Manager – Internal Audit Qualification: Graduated from National Sun Yat-Sen University, Taiwan with a Bachelor’s degree</p> <p>The internal audit function works in accordance with the recognised framework, that encompasses annual planning of activities, adoption of risk-based approach in audit work, actual discharge of audit fieldwork at site/subsidiaries, reporting and presenting audit reports to the relevant parties etc.</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 is committed to provide effective, transparent and regular communication with its shareholders and other stakeholders regarding the business, operations and financial performance of the Group to enable them to make informed decisions.</p> <p>The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving its shareholders as clear and complete information of the Company's financial performance, major developments and position as possible. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results. All timely disclosure and material information documents will be posted on the Company's website after released to Bursa.</p> <p>The full version of the Annual Report 2023 is available online at the Company's website at www.cab.com.my and a printed full version will be provided to shareholders within four (4) market days upon receiving any formal request.</p> <p>In addition to shareholders participation at general meetings, the Board also encourages other channel of communication with shareholders. For this purpose, shareholders and other stakeholders may convey their concerns relating to the Company to the Group Finance Director to whom any query and concern regarding the Group may be conveyed at the email cab@cab.com.my.</p> <p>The Company maintains a website, allows the shareholders, investors and members of the public to gain access to information and new events of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	Notice of AGM held on 24 March 2023 was given to shareholders at least 28 days prior to the meeting.	
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 of the Company including the Chairmen of Audit Committee, Nomination Committee and Remuneration Committee where circumstances permit attended or will attend the General Meetings and offered or will offer meaningful responses to questions, if any, addressed to them. All Directors attended the AGM held on 24 March 2023.	
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board took note of the recommendation of Practice 13.3 of the MCCG that the Company with large number of shareholders should have meetings in remote locations and in leverage technology to facilitate voting including voting in absentia and remote shareholders' participation at the general meeting. The Board assessed and of the opinion that meetings in remote locations is not necessary and costly to the Company in view of the current numbers of shareholders of the Company.	
	:	If a shareholder is unable to attend the meeting, shareholder may appoint a proxy or the Chairman of the Meeting as his/her proxy to attend, participate, speak and vote in his stead at a general meeting.	
<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	: At the commencement of the 21 st AGM held on 24 March 2023, the Chairman of the Company briefed the members, corporate representatives and proxies present at the meeting of their right to pose questions and vote on the resolutions set out in the Notice of the 21 st AGM. All the Directors of the Company including the Chairmen of Audit Committee, Nomination Committee and Remuneration Committee were present at the 21 st AGM to offer meaningful responses to questions raised by shareholders including those on financial and non-financial performance as well as the Company's long-term strategies.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	At the general meetings, shareholders, proxies and corporate representatives are encourage to pose / submit their questions prior to or during the general meetings. Questions submitted prior to or at the general meetings are read out and addressed during said general meetings.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 21 st AGM is available, within 30 business days after the general meetings, on the Company's website at www.cab.com.my .
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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