

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5436  
**COMPANY NAME** : Perusahaan Sadur Timah Malaysia (Perstima) Berhad  
**FINANCIAL YEAR** : March 31, 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>Board</b>") of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("<b>Perstima</b>" or the "<b>Company</b>") acknowledges that it is ultimately accountable and responsible for the overall performance and affairs of the Company by overseeing and appraising the Company's strategies, policies and performance.</p> <p>The duties, power and functions of the Board are governed by the Constitution of the Company, the Companies Act 2016, Main Market Listing Requirements ("<b>MMLR</b>") of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") and other regulatory guidelines and requirements that are in force from time to time.</p> <p>In discharging its roles and responsibilities effectively, the Board is guided by the Board Charter which outlines the duties and responsibilities of the Board as well as the matters that the Board delegated specific powers and responsibilities to the Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee. Each committee operates its functions in accordance with its respective terms of reference which are periodically reviewed and report to the Board. The Chairman of the respective Board Committees will report to the Board on key matters deliberated at the respective Board Committee meetings and makes recommendations to the Board to ease for decision making, where necessary. The respective terms of reference of the Board Committees are available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p> <p>The Board plays a pivotal role in reviewing the Company's strategic direction and approving corporate strategic initiatives developed by the Management. The Managing Director ("<b>MD</b>") and Management are the pillars to support and assist the Board in discharging their duties and responsibilities. The MD is responsible for the day-to-day business and operations of the Company and its subsidiaries (the "<b>Group</b>") with the support from the Management team. The Board reviews its Board</p>

	<p>Charter regularly to ensure it complies with legislations and corporate governance's best practices in the business operations of the Company. The Board Charter is available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p> <p>The Board also places emphasis to maintain highest level of integrity and ethics throughout the Group. The Company is committed in conducting business dealings with integrity, honesty and respect to avoid bribery and corruption practices in all form across Perstima's daily operations and all personnel at all levels in the Group. The Anti-Bribery and Corruption Policy Statement, which was put in place on 29 May 2020, is available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p> <p>During the quarterly Board meetings held during the financial year under review, the Board reviewed and assessed the Management's performance and these processes were properly documented in the Board's minutes of meeting.</p> <p>Nevertheless, the Board remains ultimately responsible for corporate governance and the affairs of the Company. At all times, the Board retains full responsibility for guiding and monitoring the Company, in discharging its responsibilities to safeguard and enhance shareholders' value and raise the performance of the Group.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is led by an Independent Non-Executive Director, namely Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon. He was first appointed to the Board on 25 July 2013 and subsequently, re-designated as the Chairman of the Board on 16 October 2013.</p> <p>The roles of the Chairman are enshrined in the Board Charter which include chairing general meeting of shareholders, representing the Board to the shareholders and communicating the Board's position, leading the Board by facilitating constructive discussion and debate during Board meetings, determining in consultation with Management the agenda for the Board's deliberations and ensuring that the Board and its Committees are fully supplied with the information and resources necessary to discharge its duties effectively. The review of Board's responsibilities and effectiveness is conducted by the Board periodically.</p> <p>The detailed roles and responsibilities of the Chairman are encapsulated in Section 4.2 of the Board Charter, which is available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of exercising objective oversight over Management in order to safeguard the interest of the Company and its stakeholders. Stemming from this, the Board aims to ensure that there is an appropriate balance of power and authority in the Company to prevent any individual Director from dominating deliberations and the decision-making process.</p> <p>Appropriately, the positions of Chairman and MD are held by two different individuals. The position of Chairman is held by Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon whilst the position of MD is held by Mr Hiroaki Yano ("Mr Yano"). The respective roles and responsibilities of the Chairman and MD are clearly articulated in the Board Charter, which is available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p> <p>The Chairman is primarily responsible for the stewardship and smooth functioning of the Board, i.e. ensuring the Board effectively discharges its leadership, control roles and assists the Board fulfil the goals it sets by assigning specific tasks to members of the Board. The Chairman also acts as liaison between the Board and Management, carries out other duties as requested by the Board as a whole, depending on the needs and circumstances.</p> <p>The MD is primarily responsible for overseeing and managing day-to-day business operations of the Group, implementing the Group's business plan, policies and strategies adopted by the Board as well as building a dynamic corporate culture with the requisite skills and competency and acting as the Group's chief spokesperson. The MD is also responsible for developing and recommending the Board the budgets of the Group that support the Group's long-term vision, strategy and vision, formulating and monitoring the implementation of major corporate policies as well as ensuring that anti-bribery programme, including its associated policies and procedures, are established, implemented, maintained and reviewed. The powers, discretions and delegations of the MD are authorised from time to time by the Board.</p>
<b>Explanation for departure</b>	:	

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

## Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: For the financial year 2023, the Board has departed from the recommendation of Practice 1.4 of the Malaysian Code on Corporate Governance ("MCCG") 2021 whereby the Chairman of the Board should not be a member of any of the Board Committees.  Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon, the Chairman of the Board is also a member of the Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee.  At this juncture, there were no changes to the composition of the Audit, Nomination and Remuneration Committees.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	: Choose an item.

## Intended Outcome

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

## Practice 1.5

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is supported by two (2) Company Secretaries, namely Ms Tai Yit Chan (MAICSA 7009143 &amp; SSM Practicing Certificate No. 202008001023) and Ms Chan Yoke Peng (MAICSA 7053966 &amp; SSM Practicing Certificate No. 202008001791) who are qualified under Section 235(2) of the Companies Act 2016 (“CA 2016”), registered with the Companies Commission of Malaysia under Section 241 of the CA 2016 and both are issued with practising certificate by the Registrar of Companies. The Company Secretaries are experienced and competent in performing their duties as well as play an advisory role to the Board. The Board has ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.</p> <p>The Board is also regularly apprised and advised by both Company Secretaries. In discharging their role as counsels to the Board, the Company Secretaries ensure proper advisory to the Board, particularly with regards to any new statutory and regulatory requirements, codes, guidelines and listing requirements as well as pertinent governance matters from time to time.</p> <p>The Company Secretaries attend all the Board and Board Committees meetings to ensure proper supply of relevant information as well as the accuracy and adequacy of meeting materials, recording of meeting minutes and resolutions and well documented the deliberations at Board and Board Committee meetings and subsequently communicated to the Management for appropriate actions.</p> <p>The Company Secretaries also serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</p> <p>The Company Secretaries play a vital role to ensure that the processes and proceedings of the annual general meetings are in place and properly managed which are to be held in every calendar year. The Company Secretaries will assist the Chairman and the Board to conduct the general meeting and ensure the minutes and the questions raised by the shareholders are properly recorded.</p> <p>The Company Secretaries constantly keep themselves abreast of the evolving regulatory changes and development in the realm of corporate</p>



	governance through attending relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or MAICSA for practising Company Secretaries. Detailed information on the functional accountabilities of the Company Secretaries is encapsulated in the Board Charter, which is available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board meets at least quarterly with additional meetings convened as and when necessary. To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated to all Directors in advance for the Directors' consideration.</p> <p>The Board is provided with Notice of Board meetings setting out the agenda and sent to the Directors at least seven (7) days prior to the respective meeting.</p> <p>The relevant agenda papers and a set of Board papers are circulated to the Directors at least five (5) business days prior to every Board meeting, to enable them to have sufficient time to read the agenda papers and obtain further information and explanation, where necessary in order to have a meaningful deliberation on the matters to be tabled for decision making.</p> <p>The Board and Board Committee meetings during the financial year under review had taken place as per normal. The Directors participated in the Board and Board Committee meetings either virtually or in person to ensure the Company's business and operations remain uninterrupted.</p> <p>Upon conclusion of the meeting, the minutes of meetings of Board and Board Committees are prepared within a reasonable period. The draft minutes are circulated together with the Board papers to members of the Board and Board Committee members at the following meetings of the Board and Board Committees.</p> <p>The minutes of meetings are properly recorded the decisions, including key deliberations, rationale for each decision made and any concerns or dissenting issues. In addition to the provision, the Directors, either as a group or individually, may upon obtaining prior Board's approval seek independent advice, where necessary, at the Company's expenses on any matters in relation to the discharge of their fiduciary duties as Directors of the Company.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter serves as a primary reference for the fiduciary duties of the Directors including Independent Director and Senior Independent Director, the functions of the Board Committees, governance matters as well as guidelines for newly appointed Directors.</p> <p>The Board has established a Board Charter to clearly outline the roles and responsibilities of the Chairman, MD, Board Committees, Independent Director, Company Secretaries as well as Tenure of Directors, Communication with Stakeholders and Board Structure and Procedures.</p> <p>The Board has reserved a formal schedule of matters for its decision to ensure that the direction and control of the Group is firmly in its hands. This includes strategic issues and planning, formulation of policies, material acquisition and disposal of assets, implementing an appropriate system of risk management, approval of the financial statements, financing and borrowing activities, ensuring regulatory compliance, reviewing the adequacy and integrity of internal controls, overseeing the investment and business of the Group, limit of authority and conflict of interest issue relating to a substantial shareholder or a Director including approving related party transactions.</p> <p>In developing and reviewing the Board Charter, the Board has taken into account the applicable rules, laws and regulations as well as internal policies.</p> <p>The Board Charter is periodically reviewed by the Board and updated based on the prevailing regulatory promulgations as and when necessary. The Board Charter is available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>It is a fundamental policy of the Company that aims to outline the standards of business conduct and ethical behaviour of the directors, management and employees must practise honesty and integrity in fulfilling their duties and responsibilities and comply with all applicable laws and regulations and to enhance high standards of personal integrity and professionalism. It is thus the responsibility of all officers and employees to comply with the Code of Ethics and Standard of Conduct and report violations or suspected violations thereto.</p> <p>The Board has established the Code of Ethics and Standard of Conduct ("<b>Code</b>") for Directors, Management and Officers of the Group. The Board reviews the Code periodically or as and when the need arises to ensure it is kept contemporaneous.</p> <p>In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018, and in particular the implementation of the corporate liability provision that took effect on 1 June 2020 and in compliance with the amendments to the MMLR of Bursa Securities in relation to anti-corruption measures, the Board had adopted the Anti Bribery and Corruption Policy Statement to ensure that it has adequate procedures in place to prevent the occurrence of corrupt practices of its employees and/or any person(s) associated with the Group from undertaking corrupt conduct in relation to the business activities.</p> <p>A copy of the Code and the Anti Bribery and Corruption Policy Statement are available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is committed to the highest standards of professionalism, honesty, integrity and ethical behaviour in the conduct of its business and operations. With this, the Board has established a Whistle Blowing Policy to inculcate the culture of good business ethics and governance within the Group and provides a clear line of communication and reporting of genuine concerns for employees and other stakeholders.</p> <p>The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Group. The identity of the whistleblower is accorded protection of strict confidentiality of identity unless otherwise required by law or for purpose by or against the Company.</p> <p>It is the Audit Committee's prerogative to decide whether to initiate the investigation after due review of the complaint.</p> <p>The Whistle Blowing Policy is made available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a> and is subject to periodic review by the Audit Committee.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 4.1**

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

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has primary responsibility for overseeing the development and adoption of a sustainability framework. These sustainability efforts are implemented by the Sustainability Management Team. The Executive Director manages and oversees the sustainability projects and initiatives, to ensure the Sustainability Management Team is able to complete their plans, meet their timeline and provide accurate information for sustainability disclosure.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company continually engaged with our key stakeholders through various channels and platforms to obtain feedbacks on key areas of interest to them, gaining insights into emerging issues that are significant to both internal and external stakeholders.</p> <p>Further details are set out in the Sustainability Statement in the Company’s Annual Report 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board endeavours to keep abreast of sustainability issues which are relevant to the Group business and operations through periodical updates by the Management as well as training programmes attended by them respectively. The Board members and Management team will attend the necessary training courses, as and when deemed appropriate, to equip themselves and enhancing their Environmental, Social and Governance (“ESG”) competency in order to address and provide guidance on the sustainability related matters.</p> <p>In addition, if required, a consultant may be engaged to brief the Board and Management team to ensure the Board and Management team is kept well informed on the latest developments and trends, in the local and global scene.</p> <p>During the financial year 2023, the Board members had attended relevant continuous professional development programmes as detailed on page 17 of the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board Evaluation for year 2023 included ESG elements and skills and experience required to drive ESG strategy and implementation. Through the Board Evaluation, the Board noted that the Board and Management has a sustainability plan to which they perform their duties in monitoring and reviewing the sustainability risks and opportunities. The Board is also of the opinion that such sustainability plan can be further improved upon in terms of integration, practices and disclosures.</p> <p>A review will be conducted in the financial year 2024 to outline a more comprehensive and integrated framework.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Executive Director of the Company, Ms Ranko Kume, is the designated person responsible for the implementation of the sustainability strategy and initiatives across the Group to ensure the sustainability framework is adhered to within the Group.

## Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee is responsible to assist the Board in the development and implementation of the policies on the nomination and appointment of Directors and Committee members in the Group, to achieve long-term sustainability of the organisation in accordance with the Terms of Reference of the Nomination Committee.</p> <p>In this respect, the Board is mindful that for it to be effective, its composition must include the right group of people, with an appropriate mix of skills, knowledge, experience and independence elements that fit the Company's objectives and strategic goals.</p> <p>The Nomination Committee shall review the existing Board composition such as the optimum size and diversity in terms of gender, race/ethnicity, age and mix of skills/experience. In this review, the Nomination Committee shall have regard to the strategic direction of the Company as well as the Board composition of other companies.</p> <p>The Board viewed that diversity in the Board composition is important to facilitate optimal decision-making by harnessing different insights and perspectives.</p> <p>The Nomination Committee shall determine if there is any gap in the Board composition and identify the selection criteria for the new Independent Non-Executive Directors with the view to close the gap (if any) and to strengthen the Board composition with reference to the strategic direction of the Company.</p> <p>The Nomination Committee will also keep track of the tenure of each independent director to assess their independence criteria. This is also to enable the Nomination Committee to formulate a succession plan for those independent directors that may soon exceed the tenure as prescribed under the MCG 2021 as well as the twelve (12) years tenure limit mandated by the MMLR of Bursa Securities as this will then trigger such Independent Directors to be designated as non-independent directors if re-appointed accordingly.</p> <p>The Nomination Committee shall recommend its proposed candidate for appointment to the Board, for the Board's decision.</p>

	<p>The Nomination Committee had reviewed the effectiveness of the Board as a whole and the contribution and performance of each individual Director based on the summary of results from the evaluation completed by the Directors and was satisfied that the Directors have discharged their responsibilities in a commendable manner for the financial year 2023. The Nomination Committee was also of the view that all the Directors have contributed to robust deliberation and decision making during the Board and Board Committees meetings. The Nomination Committee had proposed the re-election of the Directors to the Board for the shareholders' approval at the Forty-Fifth ("45th") Annual General Meeting ("AGM") of the Company.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges that having at least half of the Board to consist of Independent Directors would undeniably elevate objectivity whilst preventing dominance and complacency within the boardroom.</p> <p>During the financial year 2023, the Board has seven (7) members, comprising four (4) Independent Non-Executive Directors (“INEDs”), one (1) Non-Independent Non-Executive Director and two (2) Executive Directors, which constitute more than 50% of the Board comprises Independent Directors. All the four (4) INEDs satisfied the independent test under the MMLR of Bursa Securities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board noted that the tenure of an independent director should not exceed a cumulative term of nine (9) years. The Board is of the view that the ability of long serving independent directors to remain independent and to discharge their duties with integrity and competency should not be measured solely by tenure of service or any pre-determined age.</p> <p>In line with the MCG 2021, all Independent Directors who have served the Company beyond nine (9) years will submit themselves for annual shareholders' approval through a two-tier voting process at the AGM to be retained as Independent Directors. The recommendation by the Board for retaining such Independent Directors is based on their independence, incumbent knowledge and contributions to the strategic objectives and stewardship of the Company.</p> <p>The tenure of one (1) Independent Non-Executive Director of the Company, namely Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon, has exceeded for a cumulative term of more than nine (9) years at the forthcoming 45th AGM as prescribed by Practice 5.3 of the MCG. The justifications for retention of Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon are provided in the Explanatory Notes to the Notice of the 45th AGM of the Company for shareholders' consideration.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board conducts regular reviews of its composition with the aim to ensure it achieves a diverse Board which is able to unearth a breadth of perspectives. In sourcing for suitable candidates, the Company takes into account the benefits of having different facets of diversity including gender, age, cultural, educational background, ethnicity, nationality, professional experience, skills and knowledge.</p> <p>The Board includes a balanced composition of Executive, Non-Executive Directors and Independent Non-Executive Directors which indicates a strong element of independence in the Board. Directors and Senior Management personnel are retained based on merit, in the context of skills, time commitment and experience, in order for the Board and Management to be effective.</p> <p>The ethnic diversity in the boardroom would be encouraged as it provides advantages that can help a company prosper inclusive but not limited to sharing of knowledge in different markets to enhance the Company's global presence as well as sharing of viewpoints by Directors from different ethnic background as when a variety of viewpoints are thrown into the problem-solving mix, new and innovative solutions can be reached. There is no specific target of the board in terms of ethnic of its board members or members of Senior Management. The Board with a wide range of age has the advantage of creating a dynamic, multi-generational workforce with a diverse range of skill sets that are beneficial to the Company.</p> <p>On regular basis, the Nomination Committee is tasked to discuss the measurable objectives, and review the required mix of skills and experience, e.g. core competencies for achieving diversity on the Board and Senior Management and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.</p> <p>The Board is currently made up of members with a mix of skill sets, vast knowledge and experience, e.g. accounting, finance, banking,</p>

	<p>engineering, legal, marketing/sales, taxation, human resource, information technology and business management and age ranged from 50-67.</p> <p>Each Director is expected to devote sufficient time to the Company in carrying out their duties and responsibilities. In line with Paragraph 15.06 of MMLR of Bursa Securities, none of the Board members holds more than five (5) directorships in listed companies to ensure that would not unduly affect their time commitment and responsibilities to the Board for the financial year under review.</p> <p>Although some Directors hold other directorships, they are able to commit and devote their time for attending the Board and Board Committees meetings. The Board is satisfied that each Director has devoted sufficient time to discharge his/her responsibilities to serve the Board effectively.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

## Intended Outcome

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

## Practice 5.6

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The current process with regards to the appointment of new directors to the Board is based on the recommendation from the Nomination Committee. The Board relies on the existing network and referrals from directors and major shareholders as primary means to source for new directors as they represent a tried and tested method of sourcing high-calibre directors with a sound understanding of the business.</p> <p>The Directors appointment process is carried out based on a methodical process undertaken by the Nomination Committee. Candidates recommended are thoroughly assessed based on their competence, integrity, character, time commitment and experience as stated in Paragraph 2.20A of the MMLR.</p> <p>Detailed information on the process undertaken by the Nomination Committee including its process of identifying and appointing a candidate can be found in the Terms of Reference of the Nomination Committee on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Nomination Committee may consider utilise variety of independent sources, e.g. directors' registry, industry and professional association, open advertisements or independent recruitment agency to identify suitably qualified candidates from the independent sources in addition from the Directors, Management or Shareholders of the Company for its assessment before recommending to the Board based on criteria set.
<b>Timeframe</b>	:	Others <span style="float: right;">Please specify number of years.</span>

## Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Shareholders are kept informed of the Board's decision in respect of appointment of director via announcement which includes the background information, interest and position to Bursa Securities.</p> <p>The Board through the Nomination Committee has reviewed and assessed the performance, contribution, effectiveness and fit and proper of each Director subject for re-election. The Board is satisfied with their performance and recommends the Directors who are standing for re-election to shareholders for approval at the upcoming 45th AGM of the Company.</p> <p>Details of Directors who are standing for re-election are set out in pages 4 and 6 of the Annual Report 2023 and the Explanatory Notes to the Notice of the 45th AGM of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.8

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee is chaired by a Senior Independent Director, namely Mr Dominic Aw Kian-Wee.</p> <p>The Board acknowledges that an effective recruitment and evaluation process of Directors is the bedrock of a high-performing Board. The Board therefore entrusts the Chairman of Nomination Committee to lead the conduct of the process in an objective manner.</p> <p>In discharging the duties as the Chairman of the Nomination Committee, he undertakes to perform the following:-</p> <ul style="list-style-type: none"> <li>• lead the annual reviewing of Board Effectiveness Evaluation, ensuring that the performance of the Board, Board Committees, each individual director as well as the Chief Financial Officer are assessed objectively and holistically;</li> <li>• lead the succession planning and appointment of Board members as well as Senior Management, if any;</li> <li>• lead the assessment of Directors' training needs periodically with the aim of devising relevant professional development programmes based on such assessment for recommendation to the Board;</li> <li>• lead the assessment on the size and composition of the Board; and</li> <li>• lead the assessment and consider female candidate(s) to be appointed as Director(s) of the Company to achieve gender diversity.</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company takes cognizance of the important of gender diversity as laid in the best practice of MCG 2021. The Board is of the view that diversity on the Board enhances the decision-making capability of the Company and it improves Board discussions process by allowing different perspectives to be included in decision making.</p> <p>Currently, the Board has two (2) woman Directors namely, Ms Ranko Kume (Executive Director) and Puan Mastura binti Mansor (Independent Non-Executive Director) who were appointed as Directors of the Company on 31 December 2015 and 15 August 2016 respectively, which represents approximately 28.57% woman directors.</p> <p>Notwithstanding that, the Board will continue to review the gender diversity and may make adjustment to this aspect in future.</p> <p>The Company will also ensure diversity in its Management level by having strong female representation at the Management level which could potentially be a pipeline for future candidates to be appointed as Directors or Senior Management.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.



### Intended Outcome

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

### Practice 5.10

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board believes the Company's existing processes have served the purpose of a formal policy on diversity and at the same time ensuring that all Directors are appointed on merit.	
		The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction. In consideration of the scope and nature of the operations of the Group, the Board is satisfied that the current composition mix and size of the Board provide for sufficient diversity and allow for informed and constructive discussion and effective decision making at meetings of the Board and Board Committees.	
		The Board will continue review the gender diversity and put its efforts in getting other suitable women who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background to join the Board and Management in future.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Board has established a Directors' Assessment Policy which sets out the criteria to be used in the assessment of each individual Directors, Board Committees and MD. This includes Strategic, Ethical and Value-Driven, Competency and Capability as well as Commitment.</p> <p>The following five (5) assessments have been conducted by the Company during the financial year under review:-</p> <ul style="list-style-type: none"><li>(i) Board and Board Committees Performance Evaluation;</li><li>(ii) Evaluation of Level of Independence of an Independent Director;</li><li>(iii) Director's Self Performance Evaluation in terms of character, experience, integrity, competence and time commitment;</li><li>(iv) Audit Committee Performance Evaluation by Nomination Committee; and</li><li>(v) Audit Committee Member's Self and Peer Evaluation.</li></ul> <p>The Nomination Committee had met once during the financial year ended 31 March 2023 on 27 June 2022, which was attended by all Nomination Committee members. Below is a summary of the activities undertaken by the Nomination Committee for the financial year ended 31 March 2023:-</p> <ul style="list-style-type: none"><li>• Conducted annual assessment on the effectiveness of the Board and Committees covering areas such as Board structure and operation, management relationship with the Board, Board's role and responsibilities, the required mix of skills and experience of the Directors, time commitments, skills, characters, experiences, integrity and competencies to effectively discharge the role as a Director and reported the findings in the Board meeting.</li></ul>

	<ul style="list-style-type: none"> <li>• Reviewed and assessed the level of independence of the Independent Directors of the Company.</li> <li>• Reviewed, considered and recommended to the Board for approval, the re-election of Directors who retire pursuant to Clause 99 of the Constitution of the Company at Forty-Fourth (“44th”) AGM. The Directors due to retirement and subject to re-election at the 44th AGM were Tan Sri Dato’ (Dr) Wee Hoe Soon@ Gooi Hoe Soon and Mr Dominic Aw-Kian Wee.</li> <li>• Reviewed and discussed the suitable orientation and training programmes for continuous development of Directors for the year 2023.</li> </ul> <p>Based on the evaluation results, the Board and the Nomination Committee concluded the following that:-</p> <ol style="list-style-type: none"> <li>(a) The current composition of the Board, which comprises members who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, would enable the Board to lead and manage the Company effectively;</li> <li>(b) The Board was found competent and had a dynamic and balanced mix of skills and experience wherein the Directors were able to contribute effectively to the Board’s decision-making process;</li> <li>(c) The Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors;</li> <li>(d) The Board and Board Committees had contributed positively to the Group and were operating in an effective manner;</li> <li>(e) The performance of the Audit Committee, Nomination Committee and Remuneration Committee were found to be effective and met expectations;</li> <li>(f) The Directors demonstrated good character, experience, integrity, competence and possess the necessary traits and time to effectively serve on the Board or the Company; and</li> <li>(g) The Independent Directors had demonstrated their independence through their engagement in meetings and provided objective challenges to the Management as well as independent judgment to decisions made by the Board.</li> </ol>
<p><b>Explanation for departure</b> :</p>	

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

## Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised and adopted Remuneration Policy and Procedures to determine the remuneration of Directors and Senior Management. The Remuneration Policy and Procedures are premised on the need for the remuneration practices of the Company to be competitive, ensuring the Company is able to attract and retain high-calibre Directors.</p> <p>The remuneration package for Executive Directors is structured to be linked with the rewards to corporate and individual performance, e.g. key performance indices. The Remuneration Committee is responsible for reviewing and recommending the remuneration package of Executive Directors to the Board, whilst the Board has the overall responsibility to approve the remuneration for this position.</p> <p>The remuneration for Non-Executive Directors reflects the level of responsibilities undertaken by individual Non-Executive Directors and is made up of Directors' fee and meeting allowances. The remuneration for Non-Executive Directors is reviewed and determined by the Board upon the recommendation of the Remuneration Committee, subject to shareholders' approval at the AGM of the Company.</p> <p>The Remuneration Policy and Procedures are regularly reviewed by the Board and will be amended as appropriate to reflect the current best practices. Such policy and procedures is available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p> <p>In determining the remuneration of the Senior Management, the Remuneration Committee considers the roles, skills, competency and the individual's performance by using key performance indicators.</p>

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

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee currently consists of four (4) members, all members are of Non-Executive Directors, namely Mr Rin Nan Yoong (Chairman), Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon, Mr Dominic Aw Kian-Wee and Puan Mastura binti Mansor.</p> <p>The Remuneration Committee is responsible for considering and recommending the following matters to the Board for approval:-</p> <ul style="list-style-type: none"><li>(i) To review and recommend to the Board the remuneration framework of Executive Directors and key management personnel and the remuneration package for each Executive Director and key management personnel are sufficiently attractive and able to retain high calibre staff.</li><li>(ii) To recommend to the Board any performance-related pay schemes for Executive Directors and key management personnel.</li><li>(iii) To review Executive Directors' scope of service contracts.</li><li>(iv) To consider the appointment of the service of independent advisers or consultants as it deems necessary to fulfil its functions.</li></ul> <p>The Remuneration Committee's Terms of Reference is periodically reviewed by the Board and disclosed on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		



**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Please see the details as below. Detailed disclosure on named basis for the remuneration of individual directors (including the MD and the Executive Director) and the remuneration breakdown of each individual director includes fee, salary and other emoluments for both the Company and the Group has been disclosed in the Corporate Governance Overview Statement of the Company's Annual Report 2023.</p> <p>The overall remuneration packages of Non-Executive Directors are subject to annual shareholders' approval. The interested Directors would abstain for voting in respect of their shareholdings on the resolution relating thereto at the AGM of the Company.</p>

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	Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon	Independent Director	185	-	-	-	3	-	188	185	-	-	-	3	-	188
2	Hiroaki Yano	Executive Director	-	100	374.4	78	103.7	-	656.1	-	100	374.4	78	103.7	-	656.1
3	Ranko Kume	Executive Director	-	50	249.6	72.8	10.2	-	382.6	-	50	249.6	72.8	10.2	-	382.6
4	Rin Nan Yoong	Non-Executive Non-Independent Director	85	-	-	-	3	-	88	85	-	-	-	3	-	88
5	Dominic Aw Kian-Wee	Independent Director	90	-	-	-	3	-	93	90	-	-	-	3	-	93
6	Mastura binti Mansor	Independent Director	95	-	-	-	2.5	-	97.5	95	-	-	-	2.5	-	97.5
7	Ab. Patah bin Mohd	Independent Director	50	-	-	-	3	-	53	50	-	-	-	3	-	53
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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.

<b>Application</b>	:	Departure																		
<b>Explanation on application of the practice</b>	:																			
<b>Explanation for departure</b>	:	<p>The Remuneration Committee and the Board are of the view that the disclosure of the Senior Management's remuneration components (salary, bonus, benefits in-kind, other emoluments) on named basis would not be in the best interest of the Group due to confidentiality and risk of talent attrition attributed to the highly competitive environment for scarce human resources in the tinplate industry.</p> <p>Nevertheless, below is the remuneration of the top five (5) management of the Group falls into the following bands of remuneration:-</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Top five (5) salaries</th> </tr> </thead> <tbody> <tr> <td>RM200,000 – RM249,000</td> <td>1</td> </tr> <tr> <td>RM250,000 – RM299,999</td> <td>1</td> </tr> <tr> <td>RM300,000 – RM349,999</td> <td>-</td> </tr> <tr> <td>RM350,000 – RM399,999</td> <td>1</td> </tr> <tr> <td>RM400,000 – RM449,999</td> <td>-</td> </tr> <tr> <td>RM450,000 – RM499,999</td> <td>1</td> </tr> <tr> <td>RM500,000 – RM549,999</td> <td>1</td> </tr> <tr> <td><b>Total</b></td> <td><b>5</b></td> </tr> </tbody> </table> <p>The Board wishes to give assurance that the remuneration of the Senior Management commensurate with their individual performances, taking into consideration the Group's performance.</p>	Range of Remuneration	Top five (5) salaries	RM200,000 – RM249,000	1	RM250,000 – RM299,999	1	RM300,000 – RM349,999	-	RM350,000 – RM399,999	1	RM400,000 – RM449,999	-	RM450,000 – RM499,999	1	RM500,000 – RM549,999	1	<b>Total</b>	<b>5</b>
Range of Remuneration	Top five (5) salaries																			
RM200,000 – RM249,000	1																			
RM250,000 – RM299,999	1																			
RM300,000 – RM349,999	-																			
RM350,000 – RM399,999	1																			
RM400,000 – RM449,999	-																			
RM450,000 – RM499,999	1																			
RM500,000 – RM549,999	1																			
<b>Total</b>	<b>5</b>																			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																				
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.																		
<b>Timeframe</b>	:	Choose an item.																		

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Puan Mastura binti Mansor is an Independent Non-Executive Director and is also the Chairperson of Audit Committee. The Chairman of the Board is Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon.</p> <p>The Board is of the view that having the same Director for both Chairman of the Audit Committee and Board Chairman may impair objectivity and may lead to concentration of power in a single Director. As such, the Chairman of the Audit Committee is distinct from the Chairman of the Board. In addition, having the positions of Board Chairman and Chairman of the Audit Committee assumed by different individuals allows the Board to objectively review the Audit Committee's findings and recommendations.</p> <p>Puan Mastura binti Mansor's full profile can be found in the Company's Annual Report 2023.</p> <p>The duties and responsibilities of the Chairman of the Audit Committee are outlined in the Terms of Reference of the Audit Committee, which is also available on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board recognises the need to uphold the independence of the external auditors from the Board and Management. None of the members of the Audit Committee are former key audit partners of external audit firm(s) servicing the Company.</p> <p>Presently, none of the members of the Audit Committee are former key audit partners.</p> <p>The Terms of Reference will be reviewed and amended to lengthen the cooling off period from two (2) to three (3) years by the financial year 2024.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee is responsible for assessing the capabilities and independence of the external auditors and to also recommend to the Board on their appointment, re-appointment or termination of their services to the Company.</p> <p>During the financial year under review, the Audit Committee has monitored and reviewed the performance and independence of the external auditors, namely, KPMG PLT (“KPMG”) and was satisfied that the external auditors have been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by the Audit Committee and the Group.</p> <p>The Audit Committee had also conducted an annual assessment of the external auditors for the year 2023. Areas of assessment include technical competencies, capabilities, adequacy of specialist support and senior audit partners’ accessibility and time commitment.</p> <p>The Audit Committee has met with the external auditors once on 24 May 2022 in the absence of the Executive Directors and Management at its meeting during the financial year ended 31 March 2023. No major issues requiring attention of the Audit Committee were raised.</p> <p>The Company has established policy by incorporating the same in the Terms of Reference of the Audit Committee on governing the provision of non-audit services that can be provided by the external auditors.</p> <p>For the audit of the financial year ended 31 March 2023, KPMG provided the Audit Committee with a written assurance confirming that they had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the Group for the financial year ended 31 March 2023.</p> <p>The Audit Committee was satisfied with the suitability of KPMG based on the quality of audit, performance, competency, sufficiency of resources the external audit team provided to the Group. The Audit Committee therefore recommended to the Board for its</p>

	recommendation for shareholders' approval on the re-appointment of KPMG as the Auditors of the Company at the forthcoming 45th AGM.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee assists the Board in the effective discharge of its responsibilities in the area of financial reporting of the Group. The Audit Committee currently comprises majority of Independent Non-Executive Directors, namely Puan Mastura binti Mansor (Chairperson), Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon, Mr Dominic Aw Kian-Wee and Mr Rin Nan Yoong.</p> <p>The Audit Committee possess a wide range of skills and the requisite financial literacy to discharge its duties effectively. Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon is a member of Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants, and thus, fulfilling the requirement of Paragraph 15.09(1)(c) of the MMLR of Bursa Securities which requires at least one (1) member of the Audit Committee to be a member of a professional accountancy body.</p> <p>Through the Nomination Committee, the Board reviews the terms of office of the Audit Committee and assess the performance of the Audit Committee annually in accordance with Paragraph 15.20 of the MMLR of Bursa Securities. The Board reviews the term of office and performance assessment of the Audit Committee through an annual Board Committee effectiveness evaluation and is satisfied with the performance of the Audit Committee. The Board is of the view that the Audit Committee has equipped with the necessary skills, experience, knowledge and other relevant field of expertise of the Audit Committee members had contributed to the overall effectiveness of the Audit Committee.</p> <p>All members of the Audit Committee have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules</p>

	<p>to enable them to sustain their active participation in the functions of the Audit Committee. The trainings and seminars attended by the Directors including the Audit Committee members for the financial year ended 31 March 2023 are disclosed under the Corporate Governance Overview Statement in the Company's Annual Report 2023.</p> <p>During the Audit Committee Meetings, the members of the Audit Committee were briefed by the external auditors on the following key areas:-</p> <ul style="list-style-type: none"> <li>• Financial Reporting developments;</li> <li>• Adoption of new Malaysian Financial Reporting Standards; and</li> <li>• Other changes in regulatory environment.</li> </ul>
<p><b>Explanation for departure</b></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><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></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 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Perstima is ultimately responsible for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework. The Board has in place an ongoing process for identifying, evaluating, monitoring and managing the principal risks that may affect the achievement of business objectives of the Group.</p> <p>The Board through Audit Committee reviews the key risks identified regularly to ensure sufficient measures are taken to mitigate the risk. The Board is also assisted by the Audit Committee in reviewing the adequacy and the effectiveness of the Company's risk management and internal control framework.</p> <p>In relation to internal control framework, the internal audit function of the Group for the financial year ended 31 March 2023 was outsourced to a professional services firm, namely ShineWing TY TEOH Risk &amp; Governance Sdn. Bhd. to perform internal audit review. The outsourced Internal Auditors reports directly to the Audit Committee, provides the Audit Committee and Board with the assurance they require pertaining to the adequacy and effectiveness of internal control system.</p> <p>The internal audit was carried out based on audit plan approved by the Audit Committee. The Audit Committee works with the internal auditors to ensure that the internal audit plan encompasses the audit of key processes or areas in the Group with priority for identified areas with the highest risks ratings to ensure that the effective control measures are in place and the corrective measures are properly conducted.</p> <p>Quarterly financial results and annual financial statements are also reviewed by the Audit Committee to ensure information to be disclosed therein gives a true and fair view of the financial position of the Group and of the Company for approval by the Board.</p> <p>Furthermore, the external auditors also provide the required assurance to the Board on the integrity of the Company's financial reporting.</p>

	<p>Besides, Management has also put in place policies and procedures to ensure that Management’s directives to mitigate risks for the achievement of key objectives of the Company are carried out.</p> <p>Details of the Risk Management and Internal Control Framework put in place during the financial year ended 31 March 2023 can be found in the Statement on Risk Management and Internal Control in the Annual Report 2023 of the Company.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		



### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Management is responsible to manage the key business risks of the Group and implement appropriate internal control systems to manage those risks. The Board through the Audit Committee oversees the adequacy and effectiveness of the risk management framework and system of internal controls, and the policies and compliance procedures with respect to business practices.</p> <p>The key features of Perstima's risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control of the Company's Annual Report 2023, including the adoption of internationally recognised risk management frameworks, key risks areas and relevant risk responses in mitigating the risk exposures.</p> <p>An insight of the activities of the Audit Committee for the financial year ended 31 March 2023 are disclosed in the Audit Committee Report of the Company's Annual Report 2023.</p> <p>The internal audit function assists the Audit Committee in evaluating the effectiveness of the Company's risk management and internal control system through its internal audit plan. The Board also obtains such assurance from Management and other assurance providers in ensuring the adequacy and effectiveness of its risk management and internal control systems.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function of the Company is carried out by the outsourced Internal Auditors, namely ShineWing TY TEOH Risk &amp; Governance Sdn. Bhd. to provide an independent assurance to the Board on the effectiveness and adequacy of the Group's system of internal control.</p> <p>The internal audit reports were presented to the Audit Committee at the Audit Committee meeting held on 24 May 2022. The internal auditors reviewed the internal audit findings and actions taken by the Management to address the issues raised in the internal audit reports as well as evaluate the audit recommendations on the issues. The Audit Committee also updated the Board on the outcome of the internal audit reports.</p> <p>The Head of internal audit reports directly to the Audit Committee and assists the Audit Committee in the discharge of its duties and responsibilities.</p> <p>Evaluation of the effectiveness of the internal audit function for the period from 1 April 2022 to 31 March 2023 was conducted on 25 July 2023 by the Audit Committee.</p> <p>Details of the internal audit function are set out in the Statement on Risk Management and Internal Control and Audit Committee Report in the Company's Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's internal audit function is outsourced to an external service provider to ensure the function is independent from the operations and free from any relationship, conflict of interest and influence of the Management which could impair their objectivity and independence.</p> <p>During the financial year ended 31 March 2023, the outsourced Internal Auditors provided a total of two (2) personnel to the internal audit function. All the personnel were free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of their work.</p> <p>All internal audit work carried out is guided by the International Professional Practices Framework promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.</p> <p>In accordance with the Terms of Reference of the Audit Committee, such Committee had on 25 July 2023 conducted an annual assessment of the performance of the internal audit function and was satisfied with the competency, experience and resources of the internal audit function for discharging its role and responsibilities.</p> <p>Information on the internal audit function is also disclosed in the Company's Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board understands that stewards of the Company, they are accountable to their shareholders as well as other stakeholders. As such, the Board endeavours to ensure that the Company remains in constant communication with its stakeholders.</p> <p>In building a closer relationship with its stakeholders, the Board, along with Management ensure that the Company's website, <a href="http://www.perstima.com.my">www.perstima.com.my</a> contains the latest information on the Company including, but not limited to its corporate information, operation activities, announcements and financial performance.</p> <p>Stakeholders may at any time direct questions or request publicly available information via the communication channels provided in the website. The Company places great importance on stakeholders' privacy and will not disclose information of stakeholders unless otherwise required by law.</p> <p>The annual report of the Company also serves as alternate channel of communication between the Group, its shareholders and stakeholders. The annual report communicates the comprehensive information relating to the business activities and financial performance of the Company during the financial year under review.</p> <p>In addition, the Board also perceives the general meetings as an ideal opportunity to communicate with its shareholders. During the 44th AGM which conducted on a virtual basis on 23 August 2022 through live streaming and online remote participation by using remote participation and voting facilities, shareholders were invited to send questions before the meeting via email to the dedicated email address and messaging box during the AGM in relation to the agenda items for the 44th AGM and the Board had addressed all the questions at the 44th AGM.</p> <p>All the questions raised by the shareholders were recorded in the Minutes of the 44th AGM and published at the Company's website after the conclusion of the 44th AGM.</p>

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



**Intended Outcome**

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

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

**Practice 12.2**

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

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

### Intended Outcome

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

### Practice 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the significance of AGM as a platform for direct and meaningful communication between the Board and the Company's shareholders. As such, the Board strives to ensure that shareholders are accorded with sufficient time to consider the resolutions that will be discussed and proposed upon at the AGM.</p> <p>In this regard, twenty-eight (28) clear days' notice was given prior to the 44th AGM which was held on 23 August 2022 way above and beyond Section 316(2) of the CA 2016 and Paragraph 7.15 of the MMLR of Bursa Securities which call for a twenty-one (21) days' notice period. The Company will continue to circulate Notice of AGM at least twenty-eight (28) days prior to the upcoming AGM to ensure shareholders have sufficient time to go through the Annual Report and circular supporting the resolutions proposed. The additional time given to shareholders allows them to make the necessary arrangements to participate in person through corporate representatives, proxies or attorneys. In addition, the shareholders are accorded with sufficient time to consider the resolutions that will be discussed and decided upon at the AGM.</p> <p>The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the resolutions to be tabled at the AGM, to enable the shareholders to make informed decisions in exercising their voting right. The Proxy Form can be downloaded by the shareholders at the designated link as they have the right to appoint a proxy and allows a member to appoint a proxy who need not be a member of the Company.</p> <p>Notification will be sent to shareholders informing that the details of the 45th AGM of the Company and the Annual Report 2023, Circular to Shareholders, Notice of the 45th AGM, Proxy Form together with the Administrative Guide are available on the Company's website.</p> <p>The 45th AGM Notice also incorporates detailed advice and instructions on members' entitlement to attend the meeting, appointment of proxy(ies) and the website address of the online meeting platform as well as the deadline for lodgement of Proxy Form. The Administrative Guide provides key information on the holding of the meeting which will be held and conducted on a virtual basis at Broadcast Venue, i.e. via remote participation and electronic voting ("RPEV") facilities and the</p>

	<p>guide on the registration process applicable to the different type of shareholders (individual, corporate, nominees, etc.), to facilitate shareholders' attendance and assist them in their registration.</p> <p>In order to achieve the widest possible dissemination, the notice of AGM is placed both in a nationally circulated newspaper and the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a> besides being despatched to shareholders.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The AGM is the principal forum for direct interaction and dialogue among shareholders, the Board and management. Shareholders are provided with an opportunity to participate in the question-and-answer session in which shareholders may raise questions pertaining to the business activities of the Company.</p> <p>Puan Mastura binti Mansor, an Independent Non-Executive Director and the Chairperson of the Audit Committee, was not able to attend the AGM in 2022 due to unanticipated circumstances.</p> <p>Barring any unforeseen circumstances, the Board ensures that the full complement of Directors attend every General Meeting and all Chairmen of Board Committees are required to be prepared to answer all questions addressed to them. The Board including the Chairmen of the Board Committees are pleased to address questions received from shareholders.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had on 23 August 2022 conducted its 44th AGM on a virtual basis via RPEV facilities in accordance with Section 327 of the CA 2016 and Clause 66 of the Company's Constitution which allow for General Meetings to be held using any technology or electronic means.</p> <p>The Administrative Guide which set out all the details on the online AGM was announced to Bursa Securities which also posted on the Company's website at <a href="http://www.perstima.com.my">www.perstima.com.my</a> to facilitate the shareholders for registering themselves to participate in virtual AGM. The RPEV facilities enabled the shareholders to exercise their right as members of the Company to participate and vote by login to Virtual Meeting Portal.</p> <p>Shareholders who were unable to attend and vote at the AGM had been encouraged to submit the proxy forms to appoint their representatives or Chairman of the Meeting to participate in the Meeting, which had allowed them to vote in absence.</p> <p>The Board noted that the poll administrator is in compliance with good cyber hygiene practices including data privacy and security to prevent cyber threats. In addition, prior to the 44th AGM, rehearsal was held to test the technology to be employed with involvement of the Directors to ascertain that the system and facilities function satisfactorily. The salient information on Personal Data Policy was provided in the Administrative Guide of the 44th AGM for shareholders' reference.</p> <p>At the 44th AGM, in line with Listing Requirements, all resolutions were voted by electronic poll voting. An independent scrutineer was appointed to validate the poll results. Voting results of the general meetings were also announced by being displayed on the screen to shareholders/proxies after all resolutions were put to vote.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>To encourage engagement between the Directors and shareholders, shareholders were also invited to send questions before the meeting to the website provided in relation to the agenda items for the 44th AGM.</p> <p>During the 44th AGM, the questions raised by the shareholders during the AGM via messaging window were succinctly addressed by the Chairman and the MD.</p> <p>All Directors and External Auditors will attend the upcoming AGM, which shall provide answers and clarifications to the shareholders. The shareholders provided with an opportunity to participate in the question and answer session in which shareholders may raise questions pertaining to the business activities of the Company. The Chairman as well as the MD and the External Auditors, if so required, will respond to questions from shareholders at the AGM.</p> <p>In line with the MMLR of Bursa Securities, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. The Chairman ensures that the general meetings cater an important opportunity for effective communication with, and constructive feedback from the shareholders.</p> <p>Shareholders were given the opportunity to submit questions in advance via the Boardroom Smart Investor Online Portal relating to resolutions tabled at the 44th AGM or financial performance/prospect of the Company prior to convening of AGM. Real time submission of typed texts via RPEV facilities provided by the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. were also available and serve as a primary channel of communication. The Chairman further ensures that sufficient time are allocated for discussion and address questions raised. Answers to questions received were included</p>

	as part of the Minutes of the 44th AGM and published on the Company's corporate website.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The 44th AGM of the Company was successfully held and conducted on a virtual basis using the RPEV facilities provided by the poll administrator. The required infrastructures and tools were in place to enable the smooth broadcast of the 44th AGM and meaningful engagement with the shareholders. The Company allowed the shareholders to submit questions before and during the 44th AGM. Those questions posed by the shareholders were also made visible at the 44th AGM to allow for real-time engagement as well as heightened transparency.</p> <p>The Minutes of the AGM with all questions raised by the shareholders and answers in relation thereto were published on the Company's website. This allowed all shareholders of the Company to be apprised of the questions posed by shareholders and the corresponding responses by the Company.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Minutes of 44th AGM were prepared and published on the Company's corporate website no later than 30 business days upon approved by the Board after the 44th AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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