

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0221
COMPANY NAME : TCS Group Holdings Berhad
FINANCIAL YEAR : December 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has primary responsibility to shareholders for the welfare of the Company and is responsible for the business and the affairs of the Company. In order to discharge its roles and responsibilities, the Group has set up and assigned certain duties to four Board Committees, namely Audit Committee (“AC”), Risk Management Committee (“RMC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) in ensuring the Board's obligations to its shareholders and other stakeholders are met.</p> <p>(a) The Board, together with senior management, promotes good corporate governance culture within the company which reinforces ethical, prudent and professional behaviour.</p> <p>A formal Board Charter is set up to provide clear roles and responsibilities of the board, including the responsibilities that are delegated to each Committee or the management as well as membership and operation of the board.</p> <p>To reinforce ethical, prudent and professional behaviour of the Company, the Board has set up the Code of Conducts and Ethics and Whistle-blowing policy.</p> <p>The Board Charter, Code of Conducts and Ethics and Whistle-blowing policy are available on the company's official website at www.tcsigroup.com.my.</p> <p>(b) The Board ensure that the strategic plan of the Group supports long-term value creation.</p> <p>The Board meets at least four times a year to review the Group's overall business strategies, business operations, and financial results. The Managing Directors will update the Independent Directors regularly on any changes of the Group's business strategies and business operations. The</p>

	<p>Independent Directors will voice out their concerns on the changes and a discussion will be held on it.</p> <p>(c) The Board ensures Directors and senior management have appropriate skills and experiences and there are measures in place to provide for orderly succession of Board and senior management.</p> <p>The NC performs annual assessment on the performance of Executive Directors and senior management to ensure they are awarded appropriately for their contribution to the Group's growth. The Committee will assess the completion of job responsibilities of the Executive Directors and senior management to ensure the Group is managed properly.</p> <p>In order to discharge its responsibility on succession planning, the NC is responsible in seeking and identifying new candidates equipped with relevant skills and experiences to the Board. The Board supervise and assess management performance to determine whether the business is being properly managed.</p> <p>(d) The Board ensure there is a sound framework of internal controls and risk management.</p> <p>The RCM assist the Board in reviewing and ensuring appropriate internal controls and risk management are well function within the Group's operation. Any weaknesses on the internal controls and risk management will be highlighted by the internal audit function.</p> <p>Kindly refer to the Annual Report - Statement on Risk Management and Internal Control for further details.</p> <p>(e) The Board ensure effective communication with stakeholders is in place.</p> <p>Announcements, quarterly and annual reporting are released on time to the public as per listing requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The stakeholders can obtain the information via Bursa website on www.bursamalaysia.com or company's official website at www.tcsgroup.com.my.</p> <p>The Board also ensure effective communication with stakeholders is in place whereby stakeholders are given chances to raise questions to the Board during its Annual General Meeting. Upon request, the Managing Director will meet up with institutional investors, press and investment analysts to provide them a better understanding of the Group's operation.</p>
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	<p>(f) The Board ensure the integrity of the Group's financial and non-financial reporting.</p> <p>The AC assists the Board in reviewing financial reporting such as quarterly and annual financial results and non-financial reporting such as disclosures and statements included in the annual report to ensure the Group is in compliance with relevant accounting standards and listing requirements of Bursa Securities.</p> <p>The AC meet at least four times a year and held discussions with both external and internal auditors to ensure the integrity of the Group's financial and non-financial reporting is in place.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Tan Sri Dato' Sri Izzuddin Bin Dali, who is an Independent Non-Executive Chairman of the Company, provides leadership and guidance to the Board and is responsible for ensuring effectiveness of the Board's performance. The roles and responsibilities of the Chairman of the Board is specified in the Board Charter.</p> <p>The Chairman leads the rest of the Board members in forming policies and strategies to align the business activities driven by the management team and make sure the Board adheres to all relevant laws and regulations in pursuance of good corporate governance best practices.</p> <p>The Chairman is also assisted by the Company Secretary in setting the meeting calendar to ensure the availability of every Director at each meeting.</p> <p>The Chairman promotes a boardroom environment that is conducive to allow for expressions of views, discussions and effective debate. In a situation of differing opinions amongst the members of the Board, the Chairman provides his unbiased views and decisions to resolve the issued concerned.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The CEO title in the Company is interchangeable with the title of Managing Director, and both of their functions are the same. The positions of the Chairman and Managing Director of the Company are held by different individuals, namely Tan Sri Dato' Sri Izzuddin Bin Dali and Dato' Ir Tee Chai Seng.</p> <p>There is clear separation of duties and responsibilities to ensure a balance of power and authority so that no one individual has unfettered powers of decision making.</p> <p>The Chairman is responsible to lead the Board in its collective oversight of management whilst the Managing Director is primarily responsible in implementing the Board's decisions and oversees the Group's business and day-to-day management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.

Application	:	Applied
Explanation on application of the practice	:	Tan Sri Dato' Sri Izzuddin bin Dali, the Independent Non-Executive Chairman, is not a member of the other three (3) Board Committees, namely AC, RC and NC, as such to ensure no interference in any deliberations of the Board Committees in order to avoid impairing the credibility of the discussions.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) Company Secretaries who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 to provide support and guidance in advising the Board on all secretarial matters of the Company in relation but not limited to Companies Act 2016 ("the Act"), ACE Market Listing Requirement ("AMLR") of Bursa Securities and Malaysian Code on Corporate Governance 2021 ("MCCG 2021").</p> <p>The role and responsibilities of the Company Secretaries include:</p> <ul style="list-style-type: none">• Manage, attend, and record minutes of all board and committee meetings;• Prepare meeting agendas and facilitate board communications;• Advise the board on its roles and responsibilities;• Advise the board on corporate disclosures and compliance with company and securities regulation and listing requirements;• Manage processes pertaining to the general meeting; and• Monitor corporate governance developments and assist the board in applying governance practices. <p>All Directors have access to the advice and services of the Company Secretaries in carrying out their duties. The Company Secretaries also ensure that discussions at every Board and Board Committee's meetings are well documented.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers will be forwarded to each director no later than seven (7) days before the date of the meeting so that Directors have sufficient time to go through all meeting materials and seek for any clarification as and when they may need advices or further explanation from management and Company Secretaries.</p> <p>Upon conclusion of the meeting, the minutes are prepared by the Company Secretaries and distributed to all Directors in a timely manner and tabled for review and confirmation in the next meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has a Board Charter which sets out the role and responsibilities of the Board, including the responsibilities that are delegated to committees of the Board or the management as well as membership and operation of the Board.</p> <p>The Board Charter is reviewed periodically and revised whenever there are changes in the needs of the Company or applicable laws, rules, and regulations in Malaysia.</p> <p>The Board Charter is available on the company's official website at www.tcsgroup.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>A Code of Conduct and Ethics is formalised and approved by the Board to articulate acceptable practices and to guide the behaviour of Directors, management and employees of the Group when deal in situations that involve compliance with laws, rules and regulation, conflict of interest, anti-corruption, confidentiality, insider trading, and improper use of company's assets.</p> <p>The Code of Conduct and Ethics is formulated based on three principles – Integrity, Accountability, and Duty to Act in the Public Interest and Best Practice of the Company.</p> <p>The Code of Conduct and Ethics is available on the company's official website at www.tcsgroup.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Whistleblowing policy is formulated by the Board to provide an avenue for employees or non-employees (including suppliers, customers, shareholders, and other stakeholders) to report genuine concerns in relation to misconducts or criminal offences in the workplace.</p> <p>The identity of the whistle-blower is protected, and the Board will treat all the disclosures in confidential and ensure that there will be no reprisal or disciplinary actions taken on the whistle-blower. Any discovery or suspected of misconducts or inappropriate practices can be reported to the Company through its website at www.tcsgroup.com.my.</p> <p>This policy is available for reference on the Company's official website at www.tcsgroup.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledged the importance of incorporating sustainability considerations into the Company's business and corporate activities, and how sustainability is essential to successful business strategies that could deliver sustainable value to all stakeholders and ultimately boosts business performance of the Company.</p> <p>The following are the five (5) pronged approaches applied by the Company in achieving business sustainability:-</p> <ul style="list-style-type: none">(a) Strengthen balance sheet to enable business expansion;(b) Build capital and liquidity with implementation of aggressive cost control measures;(c) Drive sustainability-led initiatives group-wide, prioritising health and safety above all else;(d) Accelerate adoption of digitalisation initiatives; and(e) Prioritise talent development capable of leading a high-performance organisation. <p>As part of the efforts in promoting and building sustainability momentum within the Group, the Management has strengthening the Environmental, Social and Governance ("ESG") integration into the group wide operations in financial year ended 31 December 2023 ("FYE 2023"), with a particular focus on environmental and social dimensions; details of the identified actions as appended below:-</p> <ul style="list-style-type: none">a. Environmental dimension<ul style="list-style-type: none">• Revision of Environment Policy to intensify commitment towards responsible management of energy use, waste, pollution and greenhouse gas emissions.• Execution of environmental protection initiatives i.e. sustainable fleet management, participation in Earth Hour, "Say No to Plastics" under the Save Earth Campaign.14

	<p>b. Social dimension</p> <ul style="list-style-type: none"> • Development of Human Resources and Labour Standards and Child Labour Policies. • Enhancement of grievance system for better employee engagement by setting up an integrity box where people can send their respective grievances and it would be assessed independently by Human Resources. <p>c. Governance dimension</p> <ul style="list-style-type: none"> • Facilitation of internal communications, training and engagement to support the Group's anti-corruption commitment. <p>During the FYE 2023, the Board, with the Management, is committed in achieving ESG principles in its decision-making process, in view of supporting the Government's initiatives to become a carbon-neutral nation by as early as 2050.</p> <p>The Management is in the process of finalising a formalised sustainability framework including ESG principles for formal adoption.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognizes that robust alliances with stakeholders have been instrumental in propelling the Company's growth, underscoring their pivotal role in fostering sustainability. This is achieved through consistent engagement, effective communication, and actively seeking feedback and opinions from stakeholders.</p> <p>The Company has engaged with stakeholders in a variety of ways which had been done at both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board makes informed decisions, while aligning the stakeholders’ expectations with the Company’s sustainability priorities and business approach.</p> <p>Details pertaining to the stakeholders’ engagement are available in the Sustainability Report in the 2023 Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Boards have sufficient understanding and knowledge of the sustainability issues that are relevant to the Company and its business to discharge its role effectively.</p> <p>The Board through the NC assesses the training programmes attended by each Director during the FYE 2023 to ensure that the Directors had and will continue to constantly keep them abreast on the relevant requirements and matters concerning the sustainability, including the latest development in industry as well as the sustainability issues relevant to the Group.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is aware of the fast-changing environment in the industry and has in place processes and procedures to measure internal progress and achievement against sustainability targets.</p> <p>The performance evaluation form was revised to include the components of Environment, Social and Governance (“ESG”) to form part of the review process of the performance of both the Board and senior management. This enhancement is designed to evaluate their effectiveness in addressing the Company’s significant sustainability risks and opportunities.</p> <p>Key criteria used in the assessment of individual Directors during the year were:</p> <ul style="list-style-type: none"> • Governance of Sustainability Strategy by the Board • Leadership Responsibility on the commitment towards Sustainability • Sustainability Knowledge and Awareness • Board Development and Sustainability Training • Monitoring and Integration of ESG
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC reviewed the tenure of each director to ensure the tenure of an independent director does not exceed a term limit of nine years as recommended by the MCCG 2021.</p> <p>The NC conducted annual assessment of the performance of the Board as a whole for the FYE 2023, as well as the independency of the Independent Directors before made its recommendation to the Board.</p> <p>Furthermore, the NC reviewed the composition of Board and its Board Committees and assess the annual re-election of the retiring Directors and recommended for Board's approval.</p> <p>Based on its annual review, the Board is satisfied that the current Board composition is strongly suited to provide effective oversight and delegation of responsibilities, in alignment with the strategic objectives of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board comprised of 4 Independent Directors and 2 Executive Directors as follows:</p> <p>a) One (1) Independent Non-Executive Chairman; b) One (1) Managing Director; c) One (1) Executive Directors; and d) Three (3) Independent Non-Executive Directors.</p> <p>The present board composition complies with Rule 15.02 of the AMLR of Bursa Securities of at least half of the Board comprises of Independent Directors.</p> <p>The current Board composition is able to provide an unbiased, independent and objective judgement to facilitate a balanced leadership in the Group as well as providing effective check and balance to safeguard the interest of the minority shareholders and other stakeholders and ensuring high standards of conduct and integrity are maintained.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	Currently, there are no Independent Directors serving beyond a cumulative term of nine years. Should the Board intend to retain an Independent Director beyond nine years, the Company shall provide justification and seek annual shareholders' approval through a two-tier voting process accordingly.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for the identification and making of recommendations on any nomination of senior management and new Directors to the Board.</p> <p>New member of the Board and senior management are selected for, among other things, their integrity, independence, diversity in terms of age, gender, ethnicity and experience, leadership and the ability to exercise sound judgment relevant to the Company's business.</p> <p>For the appointment of new Directors and senior management, all nominees are first considered by the NC via primarily five stages as set out below, before making recommendation to the Board:</p> <ol style="list-style-type: none"> 1. Identification of candidates 2. Evaluation of suitability of candidates base on the selection criteria 3. Meeting up with candidates 4. Final deliberation by the NC 5. Recommendation to the Board <p>They ensure the new individuals possess appropriate experience and knowledge to fulfil the duties of Director and senior management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The primary responsibility on screening, evaluating, and nominating new Board member(s) for appointment is delegated to the NC. The nomination process for the appointment of new Directors and the criteria used by the NC are set out in the Term of Reference of NC.</p> <p>In determining the process for the identification of suitable candidates, the Committee will ensure that an appropriate review is undertaken to ensure the requirement and qualification of the candidate is nominated based on a prescribed set of criteria comprising but not limited to the following:</p> <ul style="list-style-type: none">a) Skills, knowledge, expertise and experience;b) Professionalism;c) Integrity;d) Existing number of directorships held;e) Confirmation of not being an undischarged bankrupt or involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or subject to any investigation by any regulatory authority under any legislation; andf) In the case of candidates being considered for the position of independent director, such potential candidates have the ability to discharge such responsibilities/functions as expected from independent non-executive directors. Amongst others, the potential candidates must fulfil the criteria used in the definition of "independent directors" prescribed by AMLR of Bursa Securities and being able to bring independent and objective judgement to the Board. <p>Where required, the NC would meet up with potential candidates for the director position to assess their suitability.</p> <p>Potential candidates must fulfil the requirements prescribed under the relevant laws and regulations for appointment as Director. The</p>

	appointment matters are deliberated by the NC before the entire Board makes the final decision on new appointment.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The performance of retiring Directors recommended for re-election at 4th Annual General Meeting (“AGM”) of the Company have been assessed through the Board’s annual assessment which includes evaluating the independence of Independent Non-Executive Director.</p> <p>A statement by the Board and NC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the AGM was stated in the explanatory note of the Notice of AGM.</p> <p>The profile of the Directors who were due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, were set out in the Annual Report of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by an Independent Non-Executive Director – Dato' Seri Ir Mohamad Othman bin Zainal Azim.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board recognises that a gender-diverse Board could offer greater depth and breadth whilst the diversity at key senior management would lead to better decision-making.</p> <p>Women representation on the Board and in senior management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Company's strategic objectives.</p> <p>Currently, there is one (1) female Director which represents less than 30% on the Board.</p> <p>The Board affirms that appointment of more woman representatives to the Board and senior management will be prioritised when vacancies arise and when suitable candidates are identified.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Currently, the Company has not set specific policies on gender diversity for senior management.</p> <p>The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of the establishment of a gender diversity policy.</p> <p>The Board will consider having a gender diversity policy in place.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The NC had carried out annual assessment on the effectiveness of the Board as a whole, the Board Committees and the performance of each individual Director for the FYE 2023. The evaluation process was based on self-assessment and the assessment results were deliberated and presented to the Board. The results of the assessments have been tabled during the NC meeting for the deliberation purpose. Based on the annual assessment conducted during the financial year, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and had sufficiently demonstrated their commitment to the Company in terms of time and participation during the year under review, and recommended to the Board the re-election of the retiring Directors at the forthcoming Company's AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The objective of the Group's remuneration policy is to attract and retain the Directors and Senior Management required to lead and control the Group effectively. In the case of Executive Director and Senior Management, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities. The RC shall ensure that the level of remuneration is sufficient to attract and retain Directors of the quality required to manage the business of the Group.</p> <p>The RC will review the remuneration of the Executive Director and Senior Management to ensure that it commensurate with the market expectation, their experience and competency and the performance of the Group. Directors and Senior Management do not participate in decisions regarding their own remuneration. Meetings of the RC are held as and when necessary, and at least once a year.</p> <p>In respect of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The Directors shall abstain from discussions pertaining to their own remuneration.</p> <p>The details of the Directors' remuneration from the Group for the FYE 2023 are as disclosed in the Company's Corporate Governance Overview Statement of the Annual Report.</p> <p>The written Remuneration Policy is made available on the company's official website at www.tcsgroup.com.my</p>

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

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a RC which comprises of three (3) Independent Non-Executive Directors.</p> <p>The RC has abided with its written Terms of Reference, including the duties and responsibilities as below:</p> <ul style="list-style-type: none">• To review and make recommendations to the Board on remuneration and other entitlements for all Directors and senior management.• To ensure remuneration of Non-Executive Directors is linked to their level of experiences and responsibilities. <p>The written Terms of Reference is made available on the company's official website at www.tcsgroup.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Detailed disclosure on named basis for the remuneration of individual directors is in the Company's Annual Report. The remuneration breakdown of individual directors includes fees, salary, allowance, benefits in-kind and other emoluments.

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	TAN SRI DATO' SRI IZZUDDIN BIN DALI	Independent Director	-	-	-	-	-	-	-	72,500	-	-	-	-	-	72,500
2	DATO' IR TEE CHAI SENG	Executive Director	-	-	-	-	-	-	-	-	300,000	645,863	-	39,450	-	985,313
3	DATIN KOH AH NEE (resigned w.e.f 26 April 2023)	Executive Director	-	-	-	-	-	-	-	-	-	142,480	-	3,300	-	145,780
4	WONG CHOO LEONG	Executive Director	-	-	-	-	-	-	-	-	24,000	178,999	-	5,574	-	208,573
5	DATO' SERI IR MOHAMAD OTHMAN BIN ZAINAL AZIM	Independent Director	-	-	-	-	-	-	-	60,500	-	-	-	-	-	60,500
6	OOI GUAN HOE	Independent Director	-	-	-	-	-	-	-	60,500	-	-	-	-	-	60,500
7	SHARON CHEW MUN HOONG (appointed w.e.f 26 April 2023)	Independent Director	-	-	-	-	-	-	-	32,500	-	-	-	-	-	32,500

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The remuneration of the top 5 Senior Managements are not disclosed on named basis as the Board is of the view that such disclosure may not be in the best interest of the Group due to its confidentiality, sensitivity and security concerns.	
		The remuneration packages of Senior Management are reviewed annually and adjustments to their remuneration are based on their individual performance and contributions in the preceding year, but also subject to the Group's performance.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1								
2								
3								
4								
5								

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the AC is Mr Ooi Guan Hoe, who is an Independent Non-Executive Director and he is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Audit Committee adopted a policy that requires a former partner of the external audit firm to observe a cooling-off period of at least two (2) years only as stated in its Terms of Reference.</p> <p>Nevertheless, none of the members of the AC are former audit partners of the Company and the Company recognised the need to enhance and uphold independence of its external auditors and that no possible conflict of interest or whatsoever should arise.</p> <p>Currently, the AC had revised its Terms of Reference to include the policy to require a former partner of the external audit firm to observe a cooling-off period of at least three (3) years. A copy of the AC's Terms of Reference is made available on the company's official website at www.tcsgroup.com.my.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC performs procedures below in assessing the suitability, objectivity and independence of the external auditors:</p> <ul style="list-style-type: none"> • The AC reviews the external auditor's audit planning memorandum which includes the audit engagement and reporting responsibilities, audit approaches, audit key matters, audit deliverable timelines and proposed statutory audit fee of each financial period. • The AC obtains the declaration of independence from the External auditors. • The AC conducts an annual evaluation and assessment on the audit quality, suitability, objectivity and independence of external auditors. • The AC recommends the re-appointment of external auditor for next financial year to the Board, upon the AC is satisfied with the performance, objectivity, and independent of external auditors. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All the AC's member are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All AC members are financially literate and are capable of raising questions to ascertain the accuracy of the financial statements against the operational information and accounting standards.</p> <p>The qualification and experience of the individual AC members are disclosed in the Profile of Board of Directors in the Annual Report 2023.</p> <p>The AC members have attended relevant training to ensure that they are abreast of relevant developments in accounting and auditing standards, practices and rules. Trainings attended by AC members during FYE 2023 is disclosed in Corporate Governance Overview Statement in the Annual Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board affirms its overall responsibility for maintaining a sound risk management and internal control system which include the risk assessment as well as financial, operational, environmental, and compliance controls.</p> <p>The Board delegates the duty of identification, assessment and management of key business risks to the Managing Director and its review role to the RMC in order to provide assurance to the board on the adequacy and effectiveness of the Group's risk management and internal control system.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	Features of the risk management and internal control framework, which includes the governance, processes and measurement of the risk, are disclosed in the Risk Management and Internal Control Statement in the Annual Report 2023. The adequacy and effectiveness of key risk management and internal control processes are also reviewed by RMC on a periodic basis.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has set up RMC which comprising a majority of Independent Non-Executive Directors to oversee the Company's risk management framework and policies.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an independent professional firm, Sterling Business Alignment Consulting Sdn. Bhd., to provide assurance on the adequacy and effectiveness of the Group's risk management and internal control system.</p> <p>The outsourced internal audit function reports to the AC directly. Any proposed internal audit plan and proposed internal audit fees are subject to the review and approval of the AC.</p> <p>Internal audit reports which include the internal audit findings and recommendations are presented and discussed during the AC meeting. Update on the status of action plans is followed up and highlighted to the AC subsequently. The AC will later report the IA findings to the Board for deliberations.</p> <p>To ensure the independency of the internal audit function, internal auditors are not allowed to act on behalf of the management in decision and implementation of management action plans. AC will assess the objectivity and independency of the internal audit function annually to ensure the function is able to operate effectively.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an independent professional firm, Sterling Business Alignment Consulting Sdn. Bhd., a corporate member to Internal Auditors Malaysia. The internal audit function is free from any relationships or conflict of interest which could impair their objectivity and independence.</p> <p>The internal audits are carried out in accordance with the International Professional Practices Framework established by the Institute of Internal Auditors Global.</p> <p>The outsourced internal audit function consists of one executive director, one senior manager, one assistant manager, and three senior consultants/consultants.</p> <p>The above information has included in the Annual Report - Statement on Risk Management and Internal Control for the financial year ended 31 December 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Announcements, quarterly and annual financial reports can be accessed via Bursa Securities's website at www.bursamalaysia.com and company's official website at www.tcsgroup.com.my.</p> <p>The Board recognises the importance of disseminating information that is material for shareholders. As such, the Board strives to release the Group's quarterly and annual financial results timely, i.e. within two months after the end of each financial quarter and four months after the end of each financial year.</p> <p>A question and answer session is available at the Annual General Meeting as one of the platforms for shareholders to voice up their concerns on the Company's operating environment. Upon request, the Directors will meet up with the investors and investment analysts for further discussion and clarification.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The AGM serves as an important means for shareholders' communication.</p> <p>The Notice of the 4th AGM of the Company held in year 2023 was issued more than twenty-eight (28) days prior to the meeting, which served on 28 April 2023 and the AGM was held on 8 June 2023. The AGM notice was also published in widely circulated newspaper and on the Company's website.</p> <p>This ensures that shareholders were given sufficient time to read and consider the resolutions to be resolved and to prepare relevant questions for Directors and Management to be raised during the AGM. Additionally, it ensures that shareholders were able to make necessary arrangements to attend and participate in the AGM remotely by using the Remote Participation and Voting ("RPV") facilities in person or through corporate representatives or proxies.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>During the 4th AGM, all meeting participants including the Chairman of the meeting, board members, senior management and shareholders participated virtually in the AGM. All Directors were present at the 4th AGM of the Company to provide opportunity to shareholders to raise questions if addressed to them.</p> <p>Barring any unforeseen circumstances, all Directors are committed to attend the forthcoming 5th AGM the Company. The presence of all Directors presented opportunities for the shareholders to engage with each Director and allowed the shareholders to raise questions and concerns to the Directors directly.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had conducted its electronic and virtual 4th AGM through live streaming and online remote participation vide RPV facilities by appointing Agmo Digital Solutions Sdn Bhd ("Agmo") as Poll Administrator to conduct the polling process.</p> <p>Holding a fully virtual meeting has greatly enhanced the online participation of shareholders. Shareholders were encouraged to raise questions, suggestions or comments vide typed-text during the AGM. All the questions raised by the shareholders were responded.</p> <p>During the 4th AGM, all resolutions were put to vote by means of electronic poll voting using RPV facilities. An independent scrutineer was appointed to validate the poll results. Voting results of the AGM were announced by being displayed on the screen to shareholders/ proxies after all resolutions were verified by the scrutineer.</p> <p>The RPV facilities provided by Agmo is via its Vote2U Online website at https://web.vote2u.my. Vote2U offers public listed companies to carry out AGM with immutable Blockchain audit trail and it uses Quorum Blockchain technology for the audit trail to ensure data integrity and tamper-proof results. It is also audited by Crowe and NetAssist to ensure proper functionality and security.</p> <p>Similarly, the Company will hold its forthcoming 5th AGM fully virtual by using RPV facilities. The virtual AGM is in compliance with the Companies Act 2016 and other legal requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman recognises the importance of general meetings as the primary platform for two-way communication between Board, senior Management and shareholders for a meaningful interactions, effective communication and constructive feedback from the shareholders.</p> <p>Shareholders were given ample time to submit questions relating to resolutions tabled at the 4th AGM or any questions relating to financial performance/prospect of the Company during the AGM. Real time submission of typed texts via RPV facilities provided by Agmo served as a primary channel of communication. There were a total of five (5) questions received and well attended by the Managing Director during the 4th AGM.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Hurr.tv was engaged to provide the audio and visual support services to broadcast the proceedings of the 4th AGM virtually. It was live streamed for access via Vote2U Online website at https://web.vote2u.my.</p> <p>The Company acknowledged the importance of having a meaningful engagement with the shareholders. Henceforth, the Board has engaged Agmo as the Poll Administrator as Agmo has vast experiences in conducting fully virtual meeting using RPV facilities. Agmo had verified the eligibility of shareholders/corporate representatives/proxies to attend the 4th AGM based on the General Meeting Record of Depositors and upon the cut-off date and time for proxy form submission. This online platform was secured exclusively for the members with approved registration for the RPV at the 4th AGM.</p> <p>Such meeting platform also allows meeting participants to join the AGM remotely by using different electronic devices such as smartphones, tablets or computers as well as viewing live webcast of the meeting.</p> <p>During the AGM, questions posed by shareholders via Vote2U Online website had been captured and transmitted to the Company for action and response, after being moderated to avoid repetitive questions.</p> <p>The poll results of each Ordinary Resolutions were displayed to shareholders, corporate representatives and proxies as the Chairman of the Meeting declared that the resolutions were duly passed.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of Meetings were confirmed by the Chairman after the 4 th AGM of the Company and once it has been finalised, it is uploaded to the website of the Company at www.tcsgroup.com.my .
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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