

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5398
COMPANY NAME : GAMUDA BERHAD
FINANCIAL YEAR : July 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

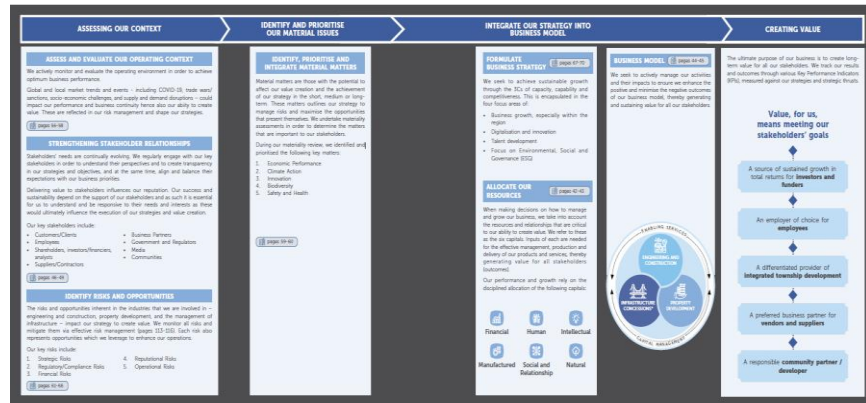
Practice 1.1

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of Directors ("Board") of Gamuda Berhad ("Gamuda" or "Company") recognises the importance of maintaining adequate corporate governance practices within Gamuda and its subsidiary companies ("Group") and devotes considerable effort to identify and formalise best practices. The Board sees corporate governance as an integral part of the Group's business strategy.</p> <p>The Board believes that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholder value.</p> <p>The Board will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the best practices in so far as they are relevant to the Group, bearing in mind the nature of the Group's businesses and the size of its business operations.</p> <p>The Board is responsible for the long-term success of the Group and the delivery of sustainable value to stakeholders. Hence, the primary role of the Board is to protect and enhance long-term stakeholder value. It sets the overall strategy for the Group and supervises executive management. It also ensures that good corporate governance policies and practices are implemented within the Group. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.</p> <p>A framework of delegated authority is in place consistent with the structure of delegation below the Board level. The Board reserves to itself certain key matters to approve, including the Group's strategic plans, major capital expenditure, corporate governance issues, dividend policy and external financial reporting.</p> |

The Board delegates responsibility for the day-to-day operation of the business to the Group Managing Director who recognises his responsibility for ensuring that the Company operates within a framework of prudent and effective controls.

In discharging his duties in leading the Company with due care, skill and diligence, the Company led by the Group Managing Director is driven and guided by the Value Creation Strategy as illustrated below and as set out on pages 40 to 41 of the Integrated Report 2022: -



The aforesaid Value Creation Strategy has been formalised and disseminated to employees and continuously reinforced throughout their tenure with the Group.

In seeking to create value for Gamuda and its stakeholders, Gamuda adopts an integrated approach that considers key trends in its operating environment that has an impact on its operations; the needs and expectations of its stakeholders; as well as key sustainability issues. Gamuda assess the risks and opportunities of these various factors in order to develop a business strategy that will steer Gamuda towards attaining its corporate goals and our ability to create value in the short, medium and long-term. Throughout this entire value creation chain, Gamuda remain cognisant of our values and uphold the highest standards of governance to ensure that everything we do reflects our commitment to integrity, transparency and sustainability.

As illustrated above, Gamuda seek to chieve sustainable growth through the 3C's of capacity, capability and competitiveness. This is encapsulated in the four focus areas of:

- ▶ Business growth, especially within the region.
- ▶ Digitalisation and innovation.
- ▶ Talent development.
- ▶ Focus on Environmental Social and Governance (“ESG”).

The Management’s performance under the leadership of the Group Managing Director is monitored by the Board. More details affecting business units, ground operations, strategies and performances are usually presented and discussed at the Board Meetings including specific matters that are reserved for the full Board’s decision, as follows: -

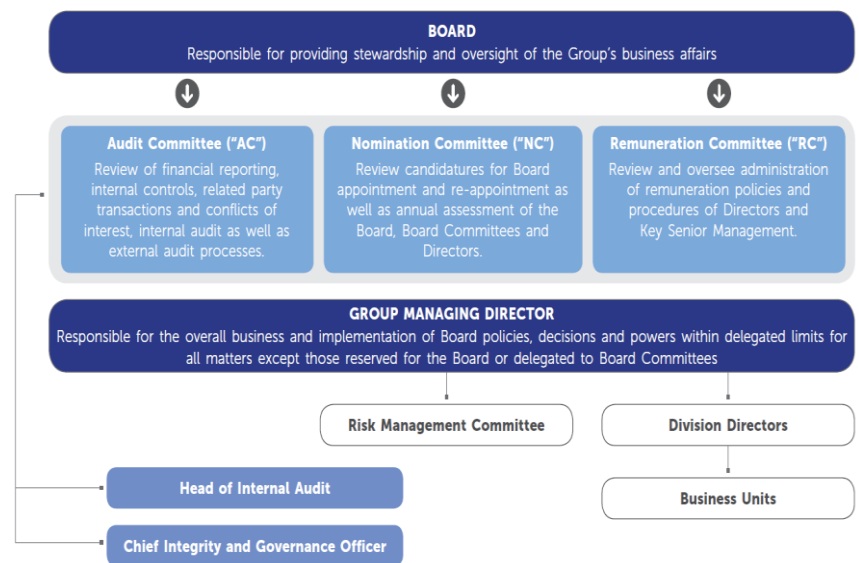
- ▶ key corporate strategies and plan involving acquisitions and disposals of material assets; and
- ▶ major investment decisions affecting the Group’s direction and policies and approvals of all financial results and announcements.

The relevant members of the Management are always in attendance at Board meetings to present these updates on the progress of key initiatives, business targets and achievements to date, and to provide clarification on the queries and issues raised by the Board. The Group Managing Director and the Management are neither substantial shareholders nor controlling shareholders of the Company.

The Chairperson of the Audit Committee would inform the Directors at the Board Meetings, of any salient matters raised at the Audit Committee Meetings and which requires the Board’s notice or direction.

The Head of Legal and Company Secretarial who is also the Joint Company Secretary, is also in attendance at the Board Meetings to respond to any enquiries by the Board on legal and regulatory matters of the Group.

As depicted in the illustration below, Board Committees have been established to assist the Board in its oversight function with reference to specific responsibility areas. It should however be noted that at all times, the Board retains collective oversight over the Board Committees. These Board Committees have been constituted with clear terms of references and they are actively engaged to ensure that the Group is in adherence with good corporate governance: -



All these Board Committees report to the Board on all matters they have considered and recommended. The Board Committees exercise transparency and full disclosure in their proceedings. Issues deliberated by the Board Committees are presented to the Board with appropriate recommendations. The ultimate responsibility for the final decision on all matters lies with the Board.

The Audit Committee assists the Board in the discharge of its fiduciary duties, overseeing the financial reporting process and ensuring that the results of the Company's operations are fairly presented in its financial statements. A full Audit Committee Report is set out on page 117 of the Integrated Report 2022.

The Board is satisfied that risk management policies and procedures designed and implemented by the Management of the Company through the Risk Management Committee is prudent in ensuring that an effective internal control and risk management systems are in place to enable risk to be assessed and managed. A Risk Management Committee Report is set out on pages 113 to 114 of the Integrated Report 2022.

Pursuant to its terms of reference, the Nomination Committee was established in 2002 to assist the Board in carrying out the following duties:

- ▶ to review, from time to time, the Policy Framework on the nomination and recommendation of candidates to be members of the Board;
- ▶ to review annually the Board's required mix of skills, experience and other qualities including the core competencies which non-executive directors should bring to the Board;
- ▶ to assess annually the effectiveness of the Board as a whole and the Audit Committee respectively;
- ▶ to identify suitable training programmes for the Directors for each financial year end.

The Terms of Reference of the Nomination Committee is available for reference on Gamuda's corporate website at www.gamuda.com.my or for easy access, please scan the QR code below with a smartphone:



The Nomination Committee in assessing the performances of the Board as a whole on an annual basis also considers the succession planning for the Principal Officers of the Company.

We have rolled out our Leadership Competency Framework to streamline and formalise our approach to developing our people and strengthen succession planning. One of the main highlights that stemmed from our aim to enhance leadership amongst our people is our Leap to Lead initiative.

Launched in February 2019, Leap to Lead involves series of ongoing leadership talks that address the three pillars of the Leadership Competency Framework – business savvy, self-savvy and people savvy. Taking the first step towards this change of culture, external speakers are brought in to complement the insights provided by our own people. This is done to provide a broader perspective of how to demonstrate leadership in the workplace, regardless of rank. During the financial year under review, one dialogue session was held on 29 April 2022, the details are as follows:

Topic : Visioneering Your Organisation as a Leader

Panellist :

- Zaim Mohzani
External Affairs Director of
KSI Strategic Institute for Asia Pacific
- Khariza Abd Khalid
Executive Director of Gamuda Land
- Chu Wai Lune
Chief Operating Officer of Gamuda Land

Gamuda aspires to churn out leaders who can take on important roles, agile and adaptable to constant change. We strongly believe that the Leap to Lead initiative can play a significant role in achieving this. We take pride in our talent pool and believe that Gamudians can leverage each other's strengths to give Gamuda a competitive edge.

Across the Group, the Company has put in place a structured Group-wide leadership succession planning review process for key senior management positions, assessing the capacity, level of readiness and aspiration of this leadership pool during the financial year under review. With millennials and generation Y employees comprising 40% of the workforce in Gamuda, the Group sees the need for more of them in senior management ranks. This is necessary for the Group's long-term growth. Gamuda started by identifying good talent with great potential, and placing them in critical roles while moving them up the value chain as part of development and succession planning.

Meanwhile, our succession plans are well underway, as reflected in the changing face of our Board and senior management teams. Young leaders in their 30s now fill at least half of our Board seats and executive positions across Gamuda Engineering and Gamuda Land. Gamuda believe strongly that these young leaders with long runways ahead of them will be able to steer the Group in the new directions we are pursuing with the increased prominence of digitalisation and ESG in our day-to-day business.

In line with the Group's transition and succession plans, more is expected from high potential next generation leaders within Gamuda Group who demonstrate ownership, strategic analysis and critical thinking to move up to key senior management positions in the near future. For this purpose, Mr. Justin Chin Jing Ho was appointed as the Alternate Director to our Deputy Group Managing Director, Y.Bhg. Dato' Ir. Ha Tiing Tai. Mr. Justin Chin's profile is set out on page 91 of the Integrated Report 2022.

The business environment has significantly changed and continues to evolve at a fast pace; driven by the two powerful transformative forces of climate action and digitalisation. The younger leaders of Gamuda will lead the charge, positioning Gamuda Group to benefit from new business opportunities that arise from this new reality particularly in circular construction, renewable energy, data and analytics. Gamuda experienced senior staff will continue to play crucial roles in the Group's operations as strategic advisors in guiding, mentoring and coaching these younger leaders.

There is a growing interest among the Company's employees to explore different ways to harness technology, whether it is to automate or improve on daily deliverables. This is evident from many of the great initiatives seen across the organisation, such as in BIM and IBS, where pockets of innovation had been recognised with industry awards. To keep this culture of creative collaborative growing, a community known as Gamuda Excellence Transformation ("GET") has been set up last financial year. GET aims to elevate digital excellence across Gamuda and catalyse the development of real, people-driven solutions regardless of project background.

Moving on to remuneration of the Board, the Remuneration Committee's main responsibility is to review and recommend the framework of Executive Directors' remuneration to the Board, in particular, the remuneration packages for the Executive Directors in all its forms, drawing from outside advice, where necessary and fees payable to the Non-Executive Directors.

The Remuneration Committee aims to ensure that Directors' remuneration is competitive, motivates good performance and loyalty, and supports growth in shareholder value. The remuneration of the Non-Executive Directors takes the form primarily of fees, which is approved by the Company shareholders.

The Board recognises Investor Relations ("IR") as a key component of its Corporate Governance obligations. To meet the high expectations of the investment community, the Board has set up a dedicated IR unit headed by the Group Managing Director, and assisted by the Senior Group General Manager, Investor Relations, to provide direct access to top management in all matters pertaining to IR. To enhance the effectiveness of the IR unit, the Board has instituted a comprehensive IR policy and programme. Details of the Investor Relations are set out from pages 78 to 80 of the Integrated Report 2022.

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

Intended Outcome

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

Practice 1.2

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Chairman of the Company, Y.Bhg. Dato' Mohammed Hussein ("Y.Bhg. Dato' MH") is an Independent Non-Executive Director, which provides effective oversight over Management and reflects the Company's commitment to uphold corporate governance.</p> <p>From Y.Bhg. Dato' MH's profile on page 83 of the Integrated Report 2022, it is noted that Y.Bhg. Dato' MH was previously with the Maybank Group for 31 years holding various positions before he retires in 2008.</p> <p>During Board Meetings, the Chairman leads discussion, allowing sufficient time for deliberations on key issues and complex matters. He also encourages active participation and allows views including dissent to be freely expressed. He also ensures that every Board resolution is put to vote and the will of majority prevails.</p> <p>Where necessary, the Chairman will conduct separate sessions with the Non-Executive Directors ("NED") to allow for discussion on any pertinent issues raised by the NEDs and/or issues from the Management, as may be shared by the Chairman with the other NEDs. For the financial year under review, the Chairman conducted one separate session with the NEDs on 18 April 2022 to brief the NEDs on a property deal in Ho Chi Minh City, Vietnam sourced under the Quick Turnaround Project ("QTP") Strategy of the Group which is part of the approved 5-year Business Plan for Gamuda Land.</p> <p>The Chairman plays a key role in the conduct of the general meetings. Besides ensuring the proper flow of resolutions tabled at general meetings, he manages the communication on the floor. He further encourages active participation from shareholders and ensures that reasonable amount of time is allocated for the questions and answers session.</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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>There is a clear division of responsibilities at the helm of the Company to ensure a balance of authority and power, as the roles of the Chairman and the Group Managing Director are distinct and separate.</p> <p>As mentioned above, the Chairman of the Company, Y.Bhg. Dato' MH is an Independent NED, who through the Board, provides effective oversight over Management and reflects the Company's commitment to uphold corporate governance.</p> <p>The Group Managing Director, Y.Bhg. Dato' Lin Yun Ling is responsible for the overall business and implementation of Board policies, decisions and powers within delegated limits for all matters except those reserved for the Board or delegated to Board Committees.</p> <p>The division of responsibilities between the Chairman and the Group Managing Director is clearly established and agreed by the Board which can be summarised as follows: -</p> <p>The division of responsibilities between the Chairman and the Group Managing Director is clearly established and agreed by the Board which can be summarised as follows: -</p> <p>Chairman (Y.Bhg. Dato' MH): -</p> <ul style="list-style-type: none">▶ Leadership of the Board and in ensuring its effectiveness on all aspects of its role as well as governance of the Board.▶ The orderly conduct of meetings and that adequate time is available for discussion of all agenda items, in particular strategic issues as well as facilitates matters between the Board and its investors.▶ Promotes a culture of openness and debate by facilitating the effective contribution of Independent Directors, in particular ensuring constructive relationships between Executive, Non-Executive and Independent Directors.▶ Ensuring that the Directors receive accurate, timely and clear information. <p>Group Managing Director (Y.Bhg. Dato' Lin Yun Ling): -</p> <ul style="list-style-type: none">▶ manages the day-to-day business operations of the Group and ensures that the appropriate standards of corporate governance permeate throughout the organisation. |

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| | <ul style="list-style-type: none"> ▶ A central part includes recommending key strategies/ policies and implementing those agreed/ approved by the Board, planning the future direction of the Group and allocating decision making and responsibilities accordingly. ▶ acts as the Group’s official spokesperson and manages communication with shareholders and employees. ▶ takes a leading role in the relationship with all external agencies and in promoting Gamuda Group. |
| 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

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| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> | | |
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | Y.Bhg. Dato' MH will be retiring by rotation in accordance with Clause 105 of the Constitution of the Company, has expressed his intention not to seek for re-election. Hence, he will retain office as a Director of the Company until the conclusion of the 46 th Annual General Meeting ("AGM"). |
| | | Arising therefrom, the composition of the Board and Board Committees will be revamped to ensure adherence to this Practice. |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | The composition of the Board and Board Committees will be revamped to ensure adherence to this Practice |
| Timeframe | : | Within 1 year |

Intended Outcome

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

Practice 1.5

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Both the Company Secretaries of Gamuda are qualified to act as Company Secretary pursuant to Section 235 of the Companies Act 2016. One has legal qualification and holds an LLB whilst the other is an Associate member of the Malaysia Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. The Constitution of the Company permits the removal of Company Secretaries by the Board.</p> <p>All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretaries on all matters relating to the Group to assist them in the furtherance of their duties.</p> <p>Both Company Secretaries report directly to the Board through the Chairman on all Board and governance matters and also has an internal reporting line to the Group Managing Director on corporate secretarial and legal matters in respect of the business. Among the duties and responsibilities carry out by the Company Secretaries are as follows: -</p> <ul style="list-style-type: none">▶ The Company Secretaries ensures that the dates for Board Meeting and Board Committees Meetings are scheduled well in advance and the Board has formal schedule of matters specifically reserved for the Board's discussion and approval. The schedule also ensures that the direction of these meetings is properly controlled and are in the hands of the Board.▶ The Company Secretaries manage the logistics of all Board and Board Committee meetings.▶ All issues discussed and all decisions made during the Board Meetings as well as attendances will be properly recorded by the Company Secretaries to ensure completeness and accuracy.▶ For annual general meetings which are held at the beginning of December annually, the Company Secretaries play an important role in ensuring that the due processes and proceedings are in place and properly managed. |

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| | <ul style="list-style-type: none"> ▶ During the meeting, the Company Secretaries will assist the Chairman and the Board to conduct the meeting and ensure the minutes are properly recorded, particularly the questions raised by the shareholders. ▶ The Company Secretaries provide support to the Board in fulfilling its fiduciary duties and leadership role in shaping the corporate governance of Gamuda Group. ▶ The Company Secretaries regularly keep the Board updated and informed of the requirements such as restriction in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in the legislations and regulatory framework affecting the Group as well as best practices of the Malaysian Code on Corporate Governance. <p>While responding to the Board evaluation conducted by an independent external consultant, the Board did not express any dissatisfaction with the performance and support rendered by the Company Secretaries to the Board in discharging its functions.</p> <p>In order to upskill themselves and keep abreast with the latest developments in corporate governance realm, the Company Secretaries have attended relevant training and professional development programmes during the financial year relating to the Companies Act 2016, the Malaysian Code on Corporate Governance (“MCCG”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> |
| Explanation for departure | : |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

Intended Outcome

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

Practice 1.6

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Recognising the importance of sound and timely information flow to Board effectively, the Company Secretaries ensures that the dates for Board Meeting and Board Committees Meetings are scheduled well in advance by preparing an annual tentative calendar and a formal schedule of matters specifically reserved for the Board are also included in the tentative calendar. The schedule also ensures that the direction of these meetings is properly controlled and are in the hands of the Board.</p> <p>Notices of meetings setting out the agenda in particular, financial information are promptly emailed to all Directors in a timely manner prior to meetings and in any case, at least seven days prior to a meeting. The same notification is then sent to the Management, which includes the deadlines for submission of meeting materials. Upon receipt from the Management, the Company Secretaries ensure that the meeting materials are uploaded on iPads as soon as practicable for the Board's review.</p> <p>Management presentations are given by the Management to facilitate proper consideration and debate of matters brought before the Board. Progress on key initiative is reported regularly and documented together with routine matters such as financial performance and current progress of project and operation in each of the Group's business activities.</p> <p>The Chairman ensures that the Board is not deprived of time and that there is enough time allowed for the Board to make an informed decision at the scheduled Board meetings. If he contemplates that more time is required to deliberate on matters submitted by the Management in particular pertinent matters like material acquisitions and/or disposal, corporate exercises, etc, then a Special Board Meeting will be convened for these purposes.</p> <p>For the financial under review, four Special Board Meetings were held in August, September, October 2021 and April 2022 respectively.</p> |

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| | <p>All issues discussed and all decisions made during the Board Meetings will be properly recorded by the Company Secretaries and reviewed by the Board for completeness and accuracy. The minutes of Board Meetings are circulated to all Directors for their perusal prior to confirmation of the minutes by the Chairman of the meetings to be done at the commencement of the following Board Meetings. Senior Management staff usually attends Board Meetings for purposes of briefing the Board on various matters submitted for their consideration.</p> <p>This enables the Board to make informed decisions on corporate and business issues under consideration. When Directors are unable to attend a meeting, they are advised to make their views known, if any, to the Chairman of Board prior to the meeting.</p> | |
| Explanation for departure | | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | | |
| Timeframe | | |

Intended Outcome

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

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

Practice 2.1

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

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board articulates its roles and responsibilities in its Directors' Handbook, and describes those areas reserved for the Board's determination. The Board adopted the Directors' Handbook in 2002 and will review the said handbook by the next financial year.</p> <p>The Board believes that the Directors' Handbook, which sets out the roles, duties and responsibilities of the Company Directors and the broader issues of directors' ethics, amongst others, collectively with the various policies, procedures and practices that have been in place for a long time, the Constitution of the Company and statutory and regulatory requirements, have effectively encapsulated the essence of the suggested contents of a Board charter.</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.

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| Application : | Applied |
| Explanation on application of the practice : | <p>The Board has adopted a Directors' Code of Conduct on 28 September 2016. In addition to the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, the Directors' Code of Conduct is the Board's commitment towards establishing a corporate culture which prescribes ethical conduct that permeates throughout the Company and ensuring the implementation of appropriate internal systems to support, promote and ensure its compliance.</p> <p>The Directors' Code of Conduct is available for reference on Gamuda's corporate website at www.gamuda.com.my or for easy access, please scan the QR code below with a smartphone:</p> <div style="text-align: center;"></div> <p>The Board is committed to ensuring that all its business activities operate with the highest standards of business ethics and integrity as summarised in the Company's written code on business practices, which are applicable Group-wide including Group operations overseas.</p> <p>The Directors' Code of Conduct encapsulated the following measures to reinforce the practices articulated therein and guide the behaviours of the Company Directors: -</p> <ul style="list-style-type: none">▶ protect and ensure the proper use of the Company's assets;▶ ensure compliance with laws, rules and regulations;▶ handle actual or potential conflict of interest;▶ encourage reporting of unlawful or unethical behaviour;▶ prevent corrupt practices which include the offering and acceptance of gifts and benefits. |

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| | <p>Among the measures implemented by the Company to reinforce the practices contained in the Directors’ Code of Conducts are as follows: -</p> <ul style="list-style-type: none"> ▶ Gift and/or Benefits Policy whereby all gifts and benefits received by the Company employees from suppliers/ contractors are required to be declared and handed over to the Human Resource Department for donation to charitable organisation; ▶ Sexual Harassment Policy in tandem with the Company’s belief that all employees should be treated with dignity and respect and that a safe, healthy and supportive work environment should be preserved for all the employees of the Company; ▶ Social Media Policy & Guidelines which governs proper usage of all forms of social media in the Company; ▶ The Enterprise-Wide Information Security Policy (“EWISP”) was developed to ensure a consistent company-wide process approach for the establishment, implementation, operation, review, maintenance and improvement towards Information Security Management System (ISMS). Through a comprehensive suite of information security control objectives and supporting policy statements, the EWISP explains how ISO27002, the international standard code of practice for information security management, applies within the Group. Its purpose is to communicate management directives and standards of care to ensure consistent and appropriate protection of information throughout the Group. <p>The first phase of our new generation cloud-based enterprise resource planning (ERP) system, which is on the SAP S/4HANA platform was implemented last financial year and this enables the Group to have:</p> <div style="display: flex; justify-content: space-around; margin: 10px 0;"> <div style="background-color: #2c4e64; color: white; padding: 5px; border-radius: 10px; text-align: center; width: 20%;">A single source of truth</div> <div style="background-color: #2c4e64; color: white; padding: 5px; border-radius: 10px; text-align: center; width: 20%;">Better organisational efficiency through streamlined processes & automation</div> <div style="background-color: #2c4e64; color: white; padding: 5px; border-radius: 10px; text-align: center; width: 20%;">Improved governance, compliance and risk reduction</div> </div> <ul style="list-style-type: none"> ▶ Group-wide digital procurement system was rolled out in financial year 2018 to make procurement more transparent and effective; by using a consistent, collaborative approach leveraging on the SAP Ariba platform that embraces supply chain and procurement best practices to improve value and sustainable savings. ▶ The Anti-Bribery & Corruption (“AB&C”) Policy and the Whistleblowing Policy (supersedes the whistleblowing policy adopted by the Group in 2011) were also adopted on 28 July 2020 following the establishment of an Integrity and Governance Unit. |
| Explanation for departure : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| Measure : | |
| Timeframe : | |


Intended Outcome

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

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

Practice 3.2

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

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|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>Gamuda Group’s commitment to an ethical business environment and strong governance resilient to the threats of corruption, abuse of power and malpractices is sighted by the formation of the Integrity and Governance Unit (“IGU”) on 13 December 2019.</p> <p>During the financial period, IGU in collaboration with the business heads/entities, undertook the following initiatives:</p> <ul style="list-style-type: none">▶ Operational efficiency and transparency enhancement;▶ Gamuda Organisational Anti-Corruption Plan (“OACP”) 2021-2024;▶ Engagement with the Malaysian Anti-Corruption Commission; <p>the details of which are set out in the Statement by IGU on page 121 of the Integrated Report 2022 which encompasses the milestones for financial year (“FY”) 2022.</p> <p>Following the adoption of the Anti-Bribery & Corruption (“AB&C”) Policy and the Whistleblowing Policy (supersedes the whistleblowing policy adopted by the Group in 2011), the IGU has implemented Integrity Pledges for Directors and the Company employees in financial year 2021. The pledge sets a clear leadership tone that there is no compromise on the issue of corruption and reinforces the will and corruption-free stand of the Board and the Management of Gamuda as well as the Group. It also demonstrates Gamuda long-standing commitment to promote integrity and good governance amongst its personnel and further reaffirms the Group’s stand in ensuring that there are no corrupt practices or elements of corruption throughout the Group and that any abuse of power will not be tolerated.</p> <p>The above two policies are available for reference on Gamuda’s corporate website at www.gamuda.com.my or for easy access, please scan the QR code below with a smartphone: -</p> <div style="text-align: center;"></div> |

| | | |
|---|---|--|
| | <p>The Group's AB&C Policy guides the Group's Employees, Business Associates and associated parties in the proper conduct of our business dealings and to eliminate and prevent any form of corruption and bribery in the Group.</p> <p>The Group AB&C Policy applies to all Group Directors, Employees, Employees of Controlled Organisations and Business Associates acting on the Group's behalf, within the Group's internal dealings as well as the Group's external dealings with other businesses, organisations, local authorities as well as government.</p> <p>Employees who, in the course of their duties at the Group, encounter actual or suspected violations of the AB&C Policy are to report their concerns using the reporting channels stated in the Whistleblowing Policy and Procedure. Reports should be made in good faith by the employee and should be addressed in a timely manner without incurring fear of reprisal, regardless of the outcome of any investigation. Anonymous reports will not be entertained.</p> | |
| Explanation for departure : | | |
| | | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

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

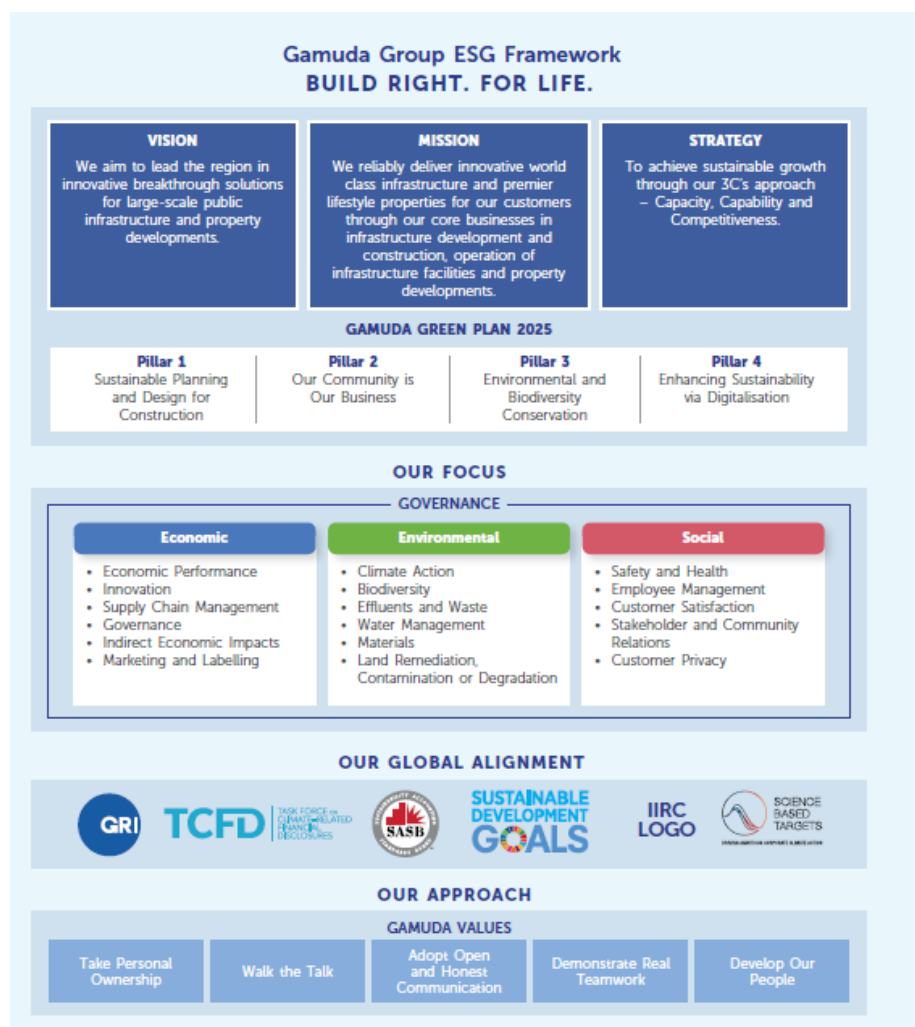
Practice 4.1

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

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





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

| | |
|--|---|
| <p>Application :</p> | <p>Applied</p> |
| <p>Explanation on application of the practice :</p> | <p>At Gamuda, good governance plays a key role in achieving the Group’s objectives to deliver our sustainability targets moving forward. The sustainability governance structure was further strengthened with the effective implementation of the Gamuda Green Plan (“GGP”) 2025.</p> <p>Beyond the Group, the governance structure (below) also looks to drive and implement ESG across its value chain:</p> <div data-bbox="475 1128 1388 1388" data-label="Diagram"> <pre> graph TD A[Board of Directors] --> B[Sustainability Steering Committee] B --> C[Subject Matter Experts] D[Risk Management Committee] -.-> B E[Group Chief Sustainability Officer] -.-> B </pre> </div> <p>Gamuda’s Group-wide Sustainability Framework as illustrated below has been developed by prioritizing the identified material matters to streamline our strategy, measure performance and reflect the value creation to Gamuda’s overall vision and mission. It is the Company’s aspiration for such transparent disclosure to ensure accountability, identify and manage risks, and enable the Group to seize new opportunities.</p> |



Gamuda commits in areas where we can make the biggest impact when it comes to climate action. As an infrastructure group - master planning and engineering design are where we can make a difference.

The ESG risk matters for the Group is discussed and monitored by the Group's Risk Committee the Board management and senior management:

| | |
|--|--|
| | <div style="text-align: center; background-color: #003366; color: white; padding: 5px; font-weight: bold;">GAMUDA GREEN PLAN</div> <p style="font-size: small;">Gamuda Green Plan 2025 is our strategic roadmap towards driving ESG within the Group. Gamuda Green Plan 2025 empowers the Group to strategically address ESG risks and opportunities with the ultimate objective of delivering the greatest positive impact and value.</p> <p style="font-size: small;">Gamuda Green Plan 2025 comprises four pillars: Sustainable Planning and Design for Construction; Our Community and Our Business; Environmental and Biodiversity Conservation; and Enhancing Sustainability via Digitalisation.</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="border: 1px solid #ccc; padding: 10px; width: 22%; background-color: #e6f2ff;"> <div style="background-color: #003366; color: white; text-align: center; padding: 5px; font-weight: bold;">PILLAR 1</div> <p style="text-align: center; font-weight: bold; font-size: small;">SUSTAINABLE PLANNING AND DESIGN FOR CIRCULAR CONSTRUCTION</p> <p style="font-size: x-small;">To facilitate sustainable masterplanning featuring climate-responsive design, integrated transport and super low energy (SLE) buildings with smart features.</p>  </div> <div style="border: 1px solid #ccc; padding: 10px; width: 22%; background-color: #e6f2ff;"> <div style="background-color: #0099cc; color: white; text-align: center; padding: 5px; font-weight: bold;">PILLAR 2</div> <p style="text-align: center; font-weight: bold; font-size: small;">OUR COMMUNITY IS OUR BUSINESS</p> <p style="font-size: x-small;">To equip ourselves with the right ESG knowledge, become SMEs in our respective domains and cultivate good governance in ESG.</p>  </div> <div style="border: 1px solid #ccc; padding: 10px; width: 22%; background-color: #e6f2ff;"> <div style="background-color: #009966; color: white; text-align: center; padding: 5px; font-weight: bold;">PILLAR 3</div> <p style="text-align: center; font-weight: bold; font-size: small;">ENVIRONMENTAL AND BIODIVERSITY CONSERVATION</p> <p style="font-size: x-small;">To drive impactful efforts in nature conservation and biodiversity stewardship in our developments.</p>  </div> <div style="border: 1px solid #ccc; padding: 10px; width: 22%; background-color: #e6f2ff;"> <div style="background-color: #cc0033; color: white; text-align: center; padding: 5px; font-weight: bold;">PILLAR 4</div> <p style="text-align: center; font-weight: bold; font-size: small;">ENHANCING SUSTAINABILITY VIA DIGITALISATION</p> <p style="font-size: x-small;">By leveraging on technology and data management that will enhance and enable Group-wide efforts in sustainable development.</p>  </div> </div> <p style="font-size: x-small;">These four pillars were agreed on after taking into account Gamuda's business model, the geographic location of our operations, emerging ESG issues, as well as ongoing trends and concerns of our many and diverse stakeholders. Each pillar addresses a specific priority area. Together, the pillars provide Gamuda with a comprehensive triple bottom line approach in managing sustainability and creating value. Beyond high-level macro strategic direction and objectives, GGP 2025 also provides specific targets and goals over the next four years, with an extended view to 2030 and beyond.</p> <p style="font-size: x-small;">We decided to use FY2021 as the baseline year for our sustainability roadmap, and not FY2019 or FY2020 as during those pandemic years, most employees were working from home and much of our data (e.g. for emissions, waste, water, etc) would have been unnaturally low.</p> <p style="font-size: x-small;">For more information, please visit our website at https://gamuda.com.my/sustainability-esg/gamuda-green-plan/</p> |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

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

Practice 4.2

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

| | | |
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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Communication is via:</p> <ol style="list-style-type: none"> a. The GGP 2025 b. Company’s website, and social media platforms c. Quarterly financial results – which ESG/sustainability related updates are presented to the media and fund analysts which are then reflected in analyst reports which are publicly available. d. Media articles e. Annual/Sustainability report f. Sustainability related events, as follows: <ol style="list-style-type: none"> i. International Day for Biological Diversity 2022 was held in May 2022, marking our commitment to help create better environmental awareness among our community. The events were hosted at Gamuda Land townships i.e. Gamuda Gardens, Gamuda Cove and twentyfive.7. <p>Going forward, targets and priorities are addressed under GGP 2025. Further details on the sustainability governance structure are provided in the Sustainability Report 2022.</p> <p>The standards of reporting adopted by the Company to report on our Sustainability and ESG journey are GRI, TCFD, SASB, IIRC and SBTi. Gamuda is also supportive of UN SDGs and Business Ambition for 1.5°C. This is to ensure that transparency to our internal and external stakeholders when it comes to communicating our ESG journeys.</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 4.3

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

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|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>During FY2022, Management had presented to the Board updates on GGP 2025 at every Board meeting via the quarterly reports. In FY2022, Gamuda participated in the Science Based Targets Initiative (SBTi) disclosure to further fortify the Group’s target in emission reduction targets thus providing insight to the Board with regards to emission reduction.</p> <p>Some Directors had participated in training and/or seminars to stay abreast with and understand the sustainability issues relevant to the Company and the Group’s business, including climate-related risks and opportunities. The trainings attended by the Board members during FY2022 are available on page 112 of the Integrated Report 2022.</p> <p>In addition, the management have also attended training session on the Human Rights Policy i.e., to reiterate Gamuda’s stance in recognising and respecting the rights of all internal and external stakeholders, including employees and the surrounding communities where Gamuda operates; and the ESG Policy which was launched in 2021 emphasized on making ESG the central to the Group’s business and operations.</p> <p>Both policies are tied to the GGP 2025 with incessant support to the global and national sustainability agendas including the United Nations Sustainable Development Goals (UN SDGs) and Malaysia’s Nationally Determined Contributions (NDC) for climate action under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.</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 4.4

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

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|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>In the annual Board Assessment for FY2022 conducted by an Independent external consultant, the Board was assessed on their sustainability leadership and roles relating to ESG. The Board was satisfied with its performance in addressing the sustainability issues of the Group. The criteria pertaining to sustainability in the annual Board Assessment would be reviewed and enhanced from time to time to ensure its relevance.</p> <p>Sustainability-related key performance indicators (“KPI”) have been incorporated into the annual performance review for all employees including the senior management from financial 2021 onwards. The criteria pertinent to sustainability in the annual Board Assessment would be reviewed and enhanced from time to time ensuring its relevancy.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.5- Step Up

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

| | |
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| <i>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.</i> | |
| Application | : Adopted |
| Explanation on adoption of the practice | : <p>Ms. Ong Jee Lian was appointed as the Group Chief Sustainability Officer (“GCSO”) since January 2020 to provide dedicated focus to manage sustainability strategically in the operations of the Group. Helming dual roles, Ms Ong was appointed as the Executive Director of Gamuda Engineering since January 2021. Her profile is set out on page 94 of the Integrated Report 2022.</p> <p>Ms. Ong currently leads Gamuda's sustainability business strategy to raise the Group's visibility on ESG (Environment, Social and Governance) and build allies with stakeholders to create sustainable infrastructure in the construction and property industry. She builds internal understanding and advocacy around the Group's sustainability goals and approach to holistically integrate ESG across all business operations. She is also responsible for developing and overseeing the Group's sustainability report and plan.</p> <p>The roles and responsibility of Ms. Ong as the GCSO are demonstrated in the annual Sustainability Report.</p> |

Intended Outcome

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

Practice 5.1

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

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|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The composition and size of the Board is reviewed by the Nomination Committee ("NC") from time to time to ensure its appropriateness and effectiveness.</p> <p>During FY2022, the NC has engaged an external independent consultant to conduct a review of:</p> <ul style="list-style-type: none">▶ the composition of the Board based on a Board matrix which included the gender, age, ethnicity, academic, skills, experience and knowledge of the Directors;▶ the performance of the Directors who are subject to re-election through the Board Assessments for FY2022 conducted by an independent external consultant. <p>The areas of assessment include roles and duties, knowledge and integrity, governance and independence, risk management and interactive skills.</p> <p>Based on the assessment conducted by the independent external consultant, the NC was satisfied with their performance and was of the view that their continued service would benefit the Company and its stakeholders.</p> <p>In addition, the Board assesses the independence of its Independent Directors through a Self-Assessment of Independence of Independent Directors on an annual basis under the annual Board evaluation process. The assessment of independence is based on the criteria prescribed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Corporate Governance Guide issued by Bursa Malaysia Berhad.</p> <p>During the financial year under review, none of the Independent Directors disclosed any relationships and/or transactions that could materially interfere with their independent judgements and decisions. The Board is satisfied with the level of independence demonstrated by all Independent Directors.</p> |

| | |
|---|---|
| | <p>Retiring Directors who are seeking re-election are subjected to Directors' assessment overseen by the NC. The Board, on the recommendation of the NC, decides as to whether it will endorse a retiring Director for re-election.</p> <p>In order to ensure a person to be appointed or elected/re-elected as a Director of the Company possesses the necessary quality and character as well as integrity, competency and commitment, the Board had in June 2022 adopted a Directors' Fit and Proper Policy which serves as a guide for the NC and the Board in their review and assessment of candidates or re-elected Directors.</p> <p>As mentioned above, Y.Bhg. Dato' MH will be reaching his 9-year tenure with Gamuda at the forthcoming 46th AGM. In accordance with Practice 5.3 of the MCCG, it is recommended that the tenure of an independent director should not exceed a cumulative term limit of nine years. Hence, Y.Bhg. Dato' MH will be retiring as an Independent Chairman at the conclusion of the 46th AGM of the Company scheduled for 8 December 2022.</p> <p>Upon the recommendation of the NC which was premised on the Board assessment conducted by the independent external consultant, the Board has confirmed that the following Company Directors who are retiring and standing for re-election at this year's 46th AGM continue to perform effectively and demonstrate commitment to their roles: -</p> <ul style="list-style-type: none"> ▶ Y.Bhg. Dato' Lin Yun Ling; and ▶ Ms. Chan Wai Yen, Millie. |
| <p>Explanation for departure :</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>Timeframe :</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.

| Application | : Applied | | | | | | | | | | | | |
|---|--|------------|-------|------------|---------------------|---|-----|-----------------------|---|-----|------------------------|---|-----|
| Explanation on application of the practice | <p>During the financial year under review, the Board comprises one (1) Group Managing Director, one (1) Deputy Group Managing Director, and a significant presence of five (5) NEDs of whom four (4) are Independent Directors. Hence, the Board's composition has fully complied with the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for independent non-executive directors to make up at least one third (1/3rd) of the Board membership and for a director who is qualified under Paragraph 15.09 (1) (c) of Bursa Securities' Listing Requirements to sit on the Audit Committee.</p> <p>Gamuda, being classified as a Large Company maintain a Board that is significantly independent i.e. its Board composition comprises majority Independent Directors, as illustrated below: -</p> <div data-bbox="644 1077 1321 1603" data-label="Figure"> <p>Balance of Independent and Non-Independent Directors (as at 31 July 2022)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Executive Directors</td> <td>2</td> <td>29%</td> </tr> <tr> <td>Independent Directors</td> <td>4</td> <td>57%</td> </tr> <tr> <td>Non-Executive Director</td> <td>1</td> <td>14%</td> </tr> </tbody> </table> </div> <p>The Board current size of seven members enable effective and independent oversight by the Board and the Board composition with majority Independent Directors does fairly represent the investment of the majority and minority shareholders in the Company. The current Board brings with it a broad range of business, financial, technical and public service background.</p> <p>The biographical particulars of the Directors are set out in the Profile of Board of Directors from pages 83 to 91 of the Integrated Report 2022.</p> | Category | Count | Percentage | Executive Directors | 2 | 29% | Independent Directors | 4 | 57% | Non-Executive Director | 1 | 14% |
| Category | Count | Percentage | | | | | | | | | | | |
| Executive Directors | 2 | 29% | | | | | | | | | | | |
| Independent Directors | 4 | 57% | | | | | | | | | | | |
| Non-Executive Director | 1 | 14% | | | | | | | | | | | |

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

Intended Outcome

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

Practice 5.3

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

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

| | | | | | | | | |
|---|----------|---|-------------|----------|-------------|----------|-------------|----------|
| Application | : | Applied | | | | | | |
| Explanation on application of the practice | : | <p>To date, none of the present Independent Non-Executive Directors of the Company has exceeded the nine (9) years' tenure.</p> <p>Length of Tenure of Independent Directors (as at 31 July 2022)</p> <table border="0"> <tr> <td>7 – 9 years</td> <td>2</td> </tr> <tr> <td>4 – 6 years</td> <td>1</td> </tr> <tr> <td>1 – 3 years</td> <td>1</td> </tr> </table> <p>Y.Bhg. Dato' MH will be completing his 9-year tenure as an Independent Chairman with Gamuda. Hence, he will be stepping down from the Board at the conclusion of the forthcoming 46th AGM to be held on 8 December 2022.</p> | 7 – 9 years | 2 | 4 – 6 years | 1 | 1 – 3 years | 1 |
| 7 – 9 years | 2 | | | | | | | |
| 4 – 6 years | 1 | | | | | | | |
| 1 – 3 years | 1 | | | | | | | |
| 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

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

Practice 5.4 - Step Up

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

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

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

Intended Outcome

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

Practice 5.5

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

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

| Application | : Applied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|-----------------|------------------------------------|---------------------------------|-------|--------------------|----------------|-----------------------|----------------|-----------------------|--------|--------|--|-------------------------------|-----------------|---------|---------------------------------|-------|----------------|----------------|------------|----------------|------|--------|------------------------|--|--|---|---|--|---|---|--|--|---|--|--------------------|---|--|--|--|--|---|---|--|---|---|--|-----------------------|---|--|--|--|--|---|--|--|---|---|--|--|--|--|--|--|---|---|--|---|--|--|---|---------------------------------------|--|---|--|---|--|--|---|---|--|---|--|------------------------|---|--|--|---|--|---|--|---|--|--|---|----------------------|--|--|--|--|---|---|--|---|--|--|---|
| Explanation on application of the practice | <p>The Board is a firm believer in promoting diversity in its membership, including gender, ethnicity and age and strives to maintain the right balance for effective functioning of the Board.</p> <p>The Company Directors are professionals in the fields of construction & engineering, finance, accounting, legal and toll infrastructure and experienced senior public administrators. Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to ensure that the Group continues to be a competitive leader within its diverse industry segments with a strong reputation for technical and professional competence.</p> <p>The Board composition in terms of each of the Director's industry and/or background experience, age and ethnic composition is illustrated as follows: -</p> <table border="1" data-bbox="558 1332 1396 1713"> <thead> <tr> <th rowspan="2">Directors</th> <th colspan="5">Industry/ Background Experience</th> <th colspan="2">Age Composition</th> <th colspan="2">Ethnic Composition</th> <th colspan="2">Gender</th> </tr> <tr> <th>Construction & Engineering</th> <th>Public Services</th> <th>Banking</th> <th>Accounting/ Finance/Auditing</th> <th>Legal</th> <th>60 to 69 years</th> <th>70 to 79 years</th> <th>Bumiputera</th> <th>Non-bumiputera</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Dato' Mohammed Hussein</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td></td> </tr> <tr> <td>Dato' Lin Yun Ling</td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Dato' Ir Ha Tiing Tai</td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Raja Dato' Seri Eleena Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> </tr> <tr> <td>Tan Sri Dato' Setia Haji Ambrin Buang</td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td></td> </tr> <tr> <td>Nazli Mohd Khir Johari</td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> </tr> <tr> <td>Chan Wai Yen, Millie</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> </tr> </tbody> </table> <p>In evaluating candidates for appointment to the Board, the NC and the Board will always evaluate and match the criteria of the candidate based on experience, skills, competencies, knowledge, potential contribution and boardroom diversity (including gender, ethnicity and age).</p> | Directors | Industry/ Background Experience | | | | | Age Composition | | Ethnic Composition | | Gender | | Construction & Engineering | Public Services | Banking | Accounting/ Finance/Auditing | Legal | 60 to 69 years | 70 to 79 years | Bumiputera | Non-bumiputera | Male | Female | Dato' Mohammed Hussein | | | ✓ | ✓ | | ✓ | ✓ | | | ✓ | | Dato' Lin Yun Ling | ✓ | | | | | ✓ | ✓ | | ✓ | ✓ | | Dato' Ir Ha Tiing Tai | ✓ | | | | | ✓ | | | ✓ | ✓ | | Raja Dato' Seri Eleena Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah | | | | | ✓ | ✓ | | ✓ | | | ✓ | Tan Sri Dato' Setia Haji Ambrin Buang | | ✓ | | ✓ | | | ✓ | ✓ | | ✓ | | Nazli Mohd Khir Johari | ✓ | | | ✓ | | ✓ | | ✓ | | | ✓ | Chan Wai Yen, Millie | | | | | ✓ | ✓ | | ✓ | | | ✓ |
| Directors | Industry/ Background Experience | | | | | Age Composition | | Ethnic Composition | | Gender | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Construction & Engineering | Public Services | Banking | Accounting/ Finance/Auditing | Legal | 60 to 69 years | 70 to 79 years | Bumiputera | Non-bumiputera | Male | Female | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Mohammed Hussein | | | ✓ | ✓ | | ✓ | ✓ | | | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Lin Yun Ling | ✓ | | | | | ✓ | ✓ | | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Ir Ha Tiing Tai | ✓ | | | | | ✓ | | | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Raja Dato' Seri Eleena Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah | | | | | ✓ | ✓ | | ✓ | | | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tan Sri Dato' Setia Haji Ambrin Buang | | ✓ | | ✓ | | | ✓ | ✓ | | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nazli Mohd Khir Johari | ✓ | | | ✓ | | ✓ | | ✓ | | | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chan Wai Yen, Millie | | | | | ✓ | ✓ | | ✓ | | | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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


Intended Outcome

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

Practice 5.6

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board, through the NC, will review the suitability of an individual to be appointed on the Board taking into account the skills, expertise, background, experience and boardroom diversity (including gender, ethnicity and age). The decision as to who shall be nominated remains the responsibility of the full Board after considering the recommendations of the NC.</p> <p>In undertaking this responsibility, the NC e leverages on several sources to gain access to a wide pool of potential candidates. The responsibilities of the NC in this regard are outlined in its Terms of Reference which is available Gamuda's corporate website at www.gamuda.com.my or for easy access, please scan the QR code below with a smartphone:</p> <div style="text-align: center;"></div> <p>The NC shall evaluate the candidates on the aspect of their: -</p> <ul style="list-style-type: none">▶ skills, knowledge, expertise and experiences;▶ professionalism;▶ integrity; and▶ for position of independent non-executive director, the candidates' abilities to discharge such responsibilities/ functions independently as expected from the independent non-executive director. <p>In searching for suitable candidates, the NC may receive suggestions from existing Board Members and Management. The NC is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.</p> |

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| | <p>During the financial year, the NC had reviewed and recommended a new independent director (sourced from a Board member's recommendation as the Company had explored utilizing an external independent source to identify suitably qualified candidates but was not feasible) for appointment to replace an independent director who has retired.</p> <p>Following the forthcoming retirement of Y.Bhg. Dato' MH at the forthcoming 46th AGM, the Board, through the NC, will undertake a review of shortlisted Board candidates to fill the Board seat to be vacated by Y.Bhg. Dato' MH.</p> <p>The criteria for selecting the Board candidates will be premised on the following:</p> <ul style="list-style-type: none"> ▶ Candidates are experienced Independent Directors as they are currently sitting in the Board of public companies listed on Bursa Malaysia Securities Berhad; ▶ Age of candidates ranged between 40 to 74 years; ▶ Mixture of race and ethnics; ▶ Potentials with broad spectrums of experience either in public and/or private sectors; ▶ Currently, holding directorships in not more than five public listed companies. |
| <p>Explanation for departure :</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>Timeframe :</p> | |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The performance of each Director subject for re-election had been assessed through the Board annual evaluation. The areas of assessment of individual Directors include roles and duties, knowledge and integrity, governance and independence, risk management skills and interactive skills. The NC and the Board are satisfied with the performance and effectiveness of the Directors.</p> <p>In addition, the level of independence demonstrated by the Independent Directors who are seeking for re-election had also been assessed.</p> <p>Pursuant to Directors' Fit and Proper Policy, the Directors who are seeking re-election had provided their declarations in relation to the compliance with legal obligations, regulatory requirements and professional standards; personal and financial integrity as well as time commitment.</p> <p>The information for the Directors standing for re-election is disclosed in the Explanatory Notes to the Notice of the 46th AGM. The details of the Directors including their interest, position, experience and relationship are set out on pages 83 to 91 of the Directors' profile in the Integrated Report 2022.</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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The NC of the Company was established by the Board on 1 February 2002. The Board has elected the members of the NC from amongst themselves, and comprises exclusively of Independent Directors, namely: -</p> <p>Chairman: Y.Bhg. Dato' MH (Independent Non-Executive Chairman)</p> <p>Members: Puan Nazli Mohd Khir Johari (Independent Non-Executive Director)</p> <p>Y.Bhg. Tan Sri Dato' Setia Haji Ambrin Buang (Independent Non-Executive Director)</p> <p>The membership of the NC ceases when the member ceases to be a Director, or as determined by the Board.</p> <p>The Chairman of the NC shall be an Independent Non-Executive Director appointed by the Board. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst themselves.</p> <p>Hence, the NC is chaired by an Independent Director namely, Y.Bhg. Dato' MH.</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 5.9

The board comprises at least 30% women directors.

| Application | : | Applied | | | | | | | | | | | | | | | | |
|--|------------|---|--|--|--------|--------|-------|------------|-----|-----|------------|-----|-----------------|----------|---|---------------|----------|---|
| Explanation on application of the practice | : | <p>The Board has consistently maintained the 30% women directors on its Board as it believes that women directors will add value to Board discussions by bringing new perspectives, approaches and ideas to help the Group succeed.</p> <p>Under the Board composition mentioned under Practice 5.2 of this CG Report, women representation on the Board is 43%, which has exceeded the 30% requirement. These women Directors are professionals in the fields of construction & engineering, banking and & finance and legal.</p> <p>Proportion of Women on the Board</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid #0056b3; border-radius: 15px; padding: 10px; text-align: center;"> <p>2022</p> <div style="display: flex; justify-content: space-around;"> 43% 57% </div> </div> <div style="border: 1px solid #0056b3; border-radius: 15px; padding: 10px; text-align: center;"> <p>2021</p> <div style="display: flex; justify-content: space-around;"> 43% 57% </div> </div> </div> <table style="width: 100%; margin-top: 10px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="background-color: #0056b3; color: white; border-radius: 10px; padding: 5px;">FY2022</th> <th style="padding: 5px;">FY2021</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Women</td> <td style="text-align: center; padding: 5px;">43%</td> <td style="text-align: center; padding: 5px;">43%</td> </tr> <tr> <td style="padding: 5px;">Men</td> <td style="text-align: center; padding: 5px;">57%</td> <td style="text-align: center; padding: 5px;">57%</td> </tr> <tr> <td style="padding: 5px;">Number of Women</td> <td style="text-align: center; padding: 5px;">3</td> <td style="text-align: center; padding: 5px;">3</td> </tr> <tr> <td style="padding: 5px;">Number of Men</td> <td style="text-align: center; padding: 5px;">4</td> <td style="text-align: center; padding: 5px;">4</td> </tr> </tbody> </table> | | | FY2022 | FY2021 | Women | 43% | 43% | Men | 57% | 57% | Number of Women | 3 | 3 | Number of Men | 4 | 4 |
| | FY2022 | FY2021 | | | | | | | | | | | | | | | | |
| Women | 43% | 43% | | | | | | | | | | | | | | | | |
| Men | 57% | 57% | | | | | | | | | | | | | | | | |
| Number of Women | 3 | 3 | | | | | | | | | | | | | | | | |
| Number of Men | 4 | 4 | | | | | | | | | | | | | | | | |
| 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 | : | | | | | | | | | | | | | | | | | |
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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.

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| Application | : Applied |
| Explanation on application of the practice | <p>Recognising the benefits of diversity in its broad spectrum, the Board has adopted a Diversity and Inclusion Policy on 28 September 2016. The said policy is available for reference on Gamuda's corporate website or for easy access, please scan the QR code below with a smartphone:</p> <div data-bbox="911 775 1054 931" style="text-align: center;">  </div> <p>The Company will continue to play an important role in sustainable job creation and to be at the forefront of the economic recovery post-pandemic.</p> <p>Gamuda also ensure that women are part of our highest governance levels whereby Group key governance positions are led by calibre women such as:</p> <ul style="list-style-type: none"> ▶ Group Legal and Company Secretarial; ▶ Group Human Resources and Administration; ▶ Group Corporate Communications and Sustainability/ Group Chief Sustainability Officer; ▶ Integrity and Governance Unit; ▶ Executive Director, Gamuda Engineering (Building & IBS Business Function); ▶ Executive Director, Gamuda Land (Architectural, Planning, Design, Innovation & ESG); and ▶ Executive Director, Gamuda Land (Commercial Real Estate Operations Development). <p>While engineering is a male-dominated profession, Gamuda constantly offer opportunity and encourage women to take up roles that are traditionally occupied by men.</p> <p>From a specialty instructor who conducts fire safety training for all site workers working underground at the MRT Kajang Line, to a site engineer who was promoted to become the Section Head of KLCC East underground station, Gamuda have groomed many female workers who excelled in the engineering roles along with their male counterparts.</p> |

| | <p style="text-align: center;">Proportion of Women in the Workforce</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid #0056b3; border-radius: 10px; padding: 10px; text-align: center;"> <p>2022</p> <p> 36% 64%</p> </div> <div style="border: 1px solid #0056b3; border-radius: 10px; padding: 10px; text-align: center;"> <p>2021</p> <p> 35% 65%</p> </div> </div> <table style="width: 100%; margin-top: 10px; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center; background-color: #0056b3; color: white; border-radius: 5px;">FY2022*</th> <th style="width: 20%; text-align: center;">FY2021*</th> </tr> </thead> <tbody> <tr> <td>Women</td> <td style="text-align: center;">36%</td> <td style="text-align: center;">35%</td> </tr> <tr> <td>Men</td> <td style="text-align: center;">64%</td> <td style="text-align: center;">65%</td> </tr> <tr> <td>Number of Women</td> <td style="text-align: center;">1,410</td> <td style="text-align: center;">1,257</td> </tr> <tr> <td>Number of Men</td> <td style="text-align: center;">2,485</td> <td style="text-align: center;">2,358</td> </tr> </tbody> </table> <p style="font-size: small; margin-top: 10px;">Note: * The numbers presented refer to permanent and contract employees from all our companies local and overseas excluding joint ventures and associates (except for Australia).</p> | | | FY2022* | FY2021* | Women | 36% | 35% | Men | 64% | 65% | Number of Women | 1,410 | 1,257 | Number of Men | 2,485 | 2,358 |
|---|---|---------|--|---------|---------|-------|------------|-----|-----|------------|-----|-----------------|--------------|-------|---------------|--------------|-------|
| | FY2022* | FY2021* | | | | | | | | | | | | | | | |
| Women | 36% | 35% | | | | | | | | | | | | | | | |
| Men | 64% | 65% | | | | | | | | | | | | | | | |
| Number of Women | 1,410 | 1,257 | | | | | | | | | | | | | | | |
| Number of Men | 2,485 | 2,358 | | | | | | | | | | | | | | | |
| <p>Explanation for departure</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>Timeframe</p> | | | | | | | | | | | | | | | | | |

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.

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| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : <p>During the FY2022, an annual evaluation of the effectiveness of the Board as a whole and the Board Committees were conducted via a survey method by an independent external consultant. A Director Peer's Evaluation where all Directors are required to evaluate all members of the Board was also undertaken.</p> <p>The evaluation process is led by the NC's Chairman and supported by the Company Secretaries. The evaluation results are considered by the NC, which then make recommendations to the Board and are aimed at helping the Board to discharge its duties and responsibilities.</p> <p>The evaluation is based on specific criteria, covering several aspects of Board governance, structure, processes and composition including:</p> <ul style="list-style-type: none">▶ Board's structure, operations, roles and responsibilities and others;▶ Board's Committees – composition, expertise, support and communications; and▶ Director's Peer Evaluation – individual Directors' qualification and experience, contribution, performance, calibre and personality. <p>Factors relevant to issues on Board matters globally were also reviewed by the independent external consultant.</p> <p>During the financial year, all Directors had attended various relevant in-house and external training programmes, workshops, seminars, briefings and/or conferences. The training programmes attended by the Directors were related to economics, climate financial disclosure, governance, digital businesses, anti-corruption, sustainability, finance, and industry knowledge. The Board vide the NC has undertaken an assessment of the training needs and identify training for each Director during FY2022. The details of the training attended by each of the Directors of the Company are available on page 112 of the Integrated Report 2022.</p> |

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| | <p>From the Board Effectiveness Report prepared by the independent external consultant, the Board as a whole and its Board Committees have been effective in their overall discharge of functions and duties.</p> <p>The Board also regularly reviews the independence of each Independent Director by undertaking annual assessment of the independence of its Independent Directors. The criteria for assessing the independence of an Independent Director were developed by the NC with the support of the Company Secretaries which include the relationship between the Independent Director and the Company and his/her involvement in any significant transaction with the Company. In addition, all Directors are required to disclose to the Board any conflicts of interest or duty and material personal interest in any matter that relates to the affairs of the Company.</p> | |
| Explanation for departure | | |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | | |
| Timeframe | | |


Intended Outcome

The 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has in place a Remuneration Policy for Directors and Key Senior Management which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Gamuda Group.</p> <p>In this regard, the Remuneration Committee is responsible to formulate and review the remuneration policies for the Directors and Key Senior Management of the Company to ensure the same remain competitive, appropriate, and in alignment with the prevalent market practices. The said policy was approved by the Board for adoption on 27 June 2018 and is available for reference on Gamuda's corporate website at www.gamuda.com.my or for easy access, please scan the QR code below with a smartphone:</p> <div style="text-align: center;"></div> <p>The Remuneration Committee's main responsibility is to review and recommend to the Board the framework of Executive Directors' remuneration, in particular, the remuneration packages for the Executive Directors in all its forms, drawing from outside advice, where necessary and fees payable to the Non-Executive Directors.</p> <p>The Remuneration Committee aims to ensure that Directors' remuneration is competitive, motivates good performance and loyalty, and supports growth in shareholder value.</p> |

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| Explanation for departure : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
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| 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 Remuneration Committee was established by the Board on 1 February 2002 and comprises mainly NEDs, namely: -</p> <p>Chairman: Y.Bhg. Dato' MH (Independent Non-Executive Chairman)</p> <p>Members: YTM Raja Dato' Seri Eleena Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah (Non-Executive Director)</p> <p>Y.Bhg. Dato' Lin Yun Ling (Group Managing Director)</p> <p>The Terms of Reference is available for reference on Gamuda's corporate website or for easy access, please scan the QR code below with a smartphone:</p> <div data-bbox="911 1563 1054 1720" style="text-align: center;">  </div> |
| 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

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 information on named basis of the Directors' remuneration are disclosed below: |

| No | Name | Directorate | Company ('000) | | | | | | | Group ('000) | | | | | | |
|----|--|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Dato' Mohammed Hussein | Independent Director | 210 | 105 | 0 | 0 | 27 | 0 | 342 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Dato' Lin Yun Ling | Executive Director | 0 | 46 | 4,098 | 0 | 247 | 0 | 4,391 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Dato' Ir. Ha Tiing Tai | Executive Director | 0 | 42 | 2,357 | 0 | 135 | 0 | 2,534 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah | Non-Executive Non-Independent Director | 130 | 18 | 0 | 0 | 0 | 0 | 148 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Tan Sri Dato' Setia Haji Ambrin bin Buang | Independent Director | 153 | 24 | 0 | 0 | 0 | 0 | 177 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Nazli binti Mohd Khir Johari | Independent Director | 160 | 30 | 0 | 0 | 0 | 0 | 190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | Chan Wai Yen (Appointed on 1 January 2022) | Independent Director | 75 | 6 | 0 | 0 | 0 | 0 | 81 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | Tunku Afwida binti Tunku A.Malek (Retired on 8 December 2021) | Independent Director | 58 | 12 | 0 | 0 | 0 | 0 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 |

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 | : | Applied – the company discloses the remuneration of members senior management who are not members of the board | |
| Explanation on application of the practice | : | Detailed information on named basis of the top five senior management's remuneration component are set out below: | |
| 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 | : | | |

| No | Name | Position | Company | | | | | |
|----|---------------------------------|--|---------------------|----------------|-----------------|----------|------------------|---------------------|
| | | | Salary | Allowance | Bonus | Benefits | Other emoluments | Total |
| 1 | Mohammed Rashdan bin Mohd Yusof | Deputy Group Managing Director | 2,350,001-2,400,000 | 0-50,000 | 0-50,000 | 0-50,000 | 50,001-100,000 | 2,450,001-2,500,000 |
| 2 | Justin Chin Jing Ho | Managing Director, Gamuda Engineering | 300,001-350,000 | 0-50,000 | 100,001-150,000 | 0-50,000 | 50,001-100,000 | 500,001-550,000 |
| 3 | Ngan Chee Meng | Chief Executive Officer, Gamuda Land | 650,001-700,000 | 0-50,000 | 0-50,000 | 0-50,000 | 50,001-100,000 | 850,001-900,000 |
| 4 | Soo Kok Wong | Group Chief Financial Controller | 600,001-650,000 | 0-50,000 | 50,001-100,000 | 0-50,000 | 50,001-100,000 | 750,001-800,000 |
| 5 | Adil Putra bin Ahmad | Executive Director, Gamuda Engineering | 550,001-600,000 | 50,001-100,000 | 50,001-100,000 | 0-50,000 | 50,001-100,000 | 750,001-800,000 |

Intended Outcome

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

Practice 8.3 - Step Up

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

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

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


Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Audit Committee comprises exclusively of Independent Directors and the Chairman of the Audit Committee is not the Chairman of the Board i.e. the Audit Committee Chairman and the Board Chairman are held by different Independent Directors of the Company.</p> <p>The composition of the Audit Committee is as follows: -</p> <p>Chairman: Y.Bhg. Tan Sri Dato' Setia Haji Ambrin Buang</p> <p>Members:</p> <ul style="list-style-type: none">▶ Y.Bhg. Dato' Mohammed Hussein▶ Puan Nazli Mohd Khir Johari <p>The full profiles of the Audit Committee members are set out in pages 83 to 91 of the Integrated Report 2022.</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 available on Gamuda's corporate website at www.gamuda.com.my or for easy access, please scan the QR code below with a smartphone:</p> <div style="text-align: center;"></div> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |


Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>As a measure to safeguard the independence and objectivity of the audit process, the Board through the Audit Committee has adopted an External Auditor Policy on 28 September 2017 which delegates the responsibility to assess the suitability, objectivity and independence of the external auditor to the Audit Committee. The said policy was revised twice by the Audit Committee on 23 September 2020 and 16 June 2022. The revisions made on 16 June 2022 was to streamline the said policy with the MCCG whereby a former partner of the external audit firm of the Company is required to observe a cooling-off period before he can be appointed as a member of the Audit Committee. Accordingly, the cooling-off period shall be consistent with the best practices and guidance recommended under the MCCG and the requirements of the MIA By-laws, whichever is longer.</p> <p>The External Auditor Policy is available on Gamuda's corporate website at www.gamuda.com.my or for easy access, please scan the QR code below with a smartphone:</p> <div style="text-align: center;">  </div> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Audit Committee is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditor.</p> <p>The effectiveness, performance and independence of the external auditor i.e. Ernst & Young PLT ("EY") is reviewed annually by the Audit Committee. The lead audit partner is required to rotate after a maximum of years specified in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA By-Laws"). If it becomes necessary to replace the external auditor for performance or independence reasons, the responsibility for the selection, appointment and removal of the external auditor has been delegated to the Audit Committee by the Board pursuant to the aforesaid External Auditor Policy.</p> <p>EY has provided the required confirmation of their independence to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement during the financial year ended 31 July 2022 in accordance with:</p> <ul style="list-style-type: none">▶ MIA By-Laws; and▶ the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants. <p>The Audit Committee has on 16 June 2022 and 22 September 2022 reviewed the suitability and independence of EY and is satisfied that EY has met the relevant criteria prescribed under Paragraph 15.21 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.</p> <p>Hence, the Board supports the Audit Committee's recommendation to reappoint EY for the ensuing financial year at the 46th AGM.</p> <p>During the financial year, EY has attended two (2) out of the four (4) Audit Committee Meetings of the Company held to discuss their audit plan, audit findings and the financial statements.</p> |

| | |
|---|---|
| | <p>EY will highlight to the Board through the Audit Committee matters that require the Audit Committee's or the Board's attention together with the recommended corrective actions thereof. The Management of the Company is held responsible for ensuring that all these corrective actions are undertaken within an appropriate time frame.</p> <p>The Audit Committee also meets EY without the presence of the Executive Directors and Management as this allows for free and honest exchange of views and opinions on matters related to external auditors' audit and their findings. For this purpose, the Audit Committee and the external auditors met twice (September 2021 and June 2022) during the financial year under review.</p> <p>The Audit Committee has considered the provision of the non-audit services by EY during the financial year under review and concluded that the provision of these services did not compromise their independence and objectivity.</p> <p>The Audit Committee has considered the provision of the non-audit services by EY during the financial year under review and concluded that the provision of these services did not compromise their independence and objectivity. The total amount of audit fees paid/payable to the external auditors is RM2,111,000/- (2021 : RM1,690,000/-). The non-audit fees incurred for services rendered to the Group by the external auditors and its affiliates for the financial year ended 31 July 2022 was RM643,000/- (2021 : RM655,000/-).</p> <p>The non-audit fees are mainly in relation to the provision of the following services: -</p> <ul style="list-style-type: none"> ▶ Company taxation services and tax advisory; ▶ Sustainability reporting services; and |
| <p>Explanation for departure :</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>Timeframe :</p> | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| | | |
|--|---|---|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | The Audit Committee of Gamuda is comprise solely of Independent Directors, namely: - Chairman: Y.Bhg. Tan Sri Dato' Setia Haji Ambrin Buang Members: <ul style="list-style-type: none">▶ Y.Bhg. Dato' MH▶ Puan Nazli Mohd Khir Johari |

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>As reiterated in Practice 9.4, the Audit Committee of Gamuda comprise solely of Independent Directors.</p> <p>Collectively, the Audit Committee possesses a wide range of necessary skills to discharge its duties.</p> <p>All members of the Audit Committee are financially literate, whilst the Chairperson of the Audit Committee is a member of the Malaysian Institute of Accounts, and thus, fulfilling paragraph 15.09(1)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which calls for one member of the audit committee to be a member of a professional accountancy body. The biographical particulars of the Audit Committee members are set out in the Profile of Board of Directors section (pages 83 to 91 of the Integrated Report 2022).</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>During the reporting year, the Audit Committee members has attended numerous training courses, the details of which are as set out on page 112 of the Integrated Report 2022 which can be easily access by scanning the QR code below with a smartphone:</p> <div style="text-align: center;"></div> |

| | | |
|---|--|--|
| | <p>During the Audit Committee Meetings, the members were briefed by the external auditors, Ernst & Young PLT on the following key areas: -</p> <ul style="list-style-type: none"> ▶ Financial Reporting developments; ▶ Adoption of Malaysian Financial Reporting Standards; and ▶ Other changes in regulatory environment. | |
| 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 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 is satisfied that risk management policies and procedures designed and implemented by the Management of the Company through the Risk Management Committee is prudent in ensuring that an effective internal control and risk management systems are in place to enable risk to be assessed and managed.</p> <p>The Risk Management Committee's focus is on the Group's key operational risks and policy issues that could have an impact on the Group's viability and sustainability. The work of this Committee forms an important part of the Group's control function. Significant risks faced by the businesses are identified and evaluated based on the likelihood and potential impact of each risk and where necessary, actions to mitigate the risks were also identified.</p> <p>In addition to the regular monthly and quarterly management reviews of projects and business operations, an Independent Director and Executive Directors, together with the divisional managing directors and relevant Group functional heads meet at least once a year as the Risk Management Committee under the chairmanship of the Group Managing Director.</p> <p>The Statement on Risk Management and Internal Control of the Group which provides an overview of the state of internal control within the Group, is set out from pages 113 and 114 of the Integrated Report 2022 which can be easily access by scanning the QR code below with a smartphone:</p> <div style="text-align: center;">  </div> |
| 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 make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

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

Practice 10.2

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Statement of Risk Management and Internal Control is set out from pages 113 and 114 of the Integrated Report 2022 which can be easily access by scanning the QR code below with a smartphone:</p> <div style="text-align: center;">  </div> |
| 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 make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

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

Practice 10.3 - Step Up

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


| | | |
|--|---|--|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | <p>However, the Board has established a Risk Management Committee which is chaired by the Group Managing Director, Y.Bhg. Dato' Lin Yun Ling and comprises the following members: -</p> <ul style="list-style-type: none">▶ Y.Bhg. Dato' Ir. Paul Ha;▶ Y.Bhg. Dato' Haji Azmi Mat Nor;▶ Puan Nazli Mohd Khir Johari▶ Mr. Soo Kok Wong;▶ Mr. Ngan Chee Meng; and▶ Mr. Justin Chin. <p>Puan Nazli Mohd Khir Johari who is a member of the Audit Committee is a member of the Risk Management Committee.</p> <p>As a step up on overall responsibility for risk oversight, the Board will continue to assess whether this oversight is to be carried out either by the full Board or through delegation to one or more standing committees comprising majority of independent directors.</p> <p>The Risk Management Committee ("RMC") Report of the Company which provides an overview of the RMC's terms of reference, risk management framework and risk identification, evaluation and ranking is set out from pages 115 and 116 of the Integrated Report 2022.</p> |

Intended Outcome

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

Practice 11.1

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

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Internal Audit function of the Company is performed by an in-house Internal Audit Department (“IAD”), which reports directly to the Audit Committee and maintain its impartiality, proficiency, and due professional care.</p> <p>The role and functions of the IAD including the audit scope and audit coverage are detailed in the Statement of Internal Audit set out on page 118 of the Integrated Report 2022 which is easily access by scanning the QR code below with a smartphone:</p> <div style="text-align: center;">  </div> |
| 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 Head of IAD will assist the Audit Committee in ensuring that the internal audit personnel are free from any family relationship with any Directors and/or major shareholders and that they do not have any conflict of interest with the Group. The Head of IAD's performance review is submitted to the Audit Committee on an annual basis.</p> <p>The Internal Audit Charter defines the authority, duties and responsibilities of IAD. IAD is also guided by the internal policies and procedures as well as the Professional Practices Framework and the Internal Control Framework of the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") in assessing and reporting on the adequacy and effectiveness of the internal control, governance and risk management processes.</p> <p>IAD is headed by Mr. Wong Siew Ping, a Chartered Accountant and a Certified Member of the Institute of Internal Auditors. There are 13 Internal Auditors in the Group and they are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The total internal audit cost incurred during the financial year was RM1,972,760 (this includes six auditors based at business units and projects. Cost incurred: RM580,450).</p> <p>A majority of the staff have relevant qualifications, and all staff are encouraged to continuously enhance their knowledge, skills and competencies through relevant professional courses, seminars, training courses and on-the-job training.</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>Gamuda has a wide range of stakeholders, whom it has identified as groups that have a significant impact on, and keen interest in our operations.</p> <p>The Board recognises Investor Relations (IR) as a key component of its Corporate Governance obligations. To meet the high expectations of the investment community, the Board has set up a dedicated IR unit headed by the Group Managing Director and assisted by the Senior Group General Manager, Investor Relations, to provide direct access to top management in all matters pertaining to Investor Relations.</p> <p>The Board is assured that Management conducts regular engagements with the key stakeholder groups of Gamuda w to allow Gamuda to gain insights into matters that they are most concerned with. The outcome of these engagements will progressively inform and outline Gamuda sustainability strategic priorities and guide the implementation of our sustainability initiatives, the details of which are set out from pages 46 to 49, 78 to 80 and 136 of the Integrated Report 2022 which can be easily access by scanning the QR code below with a smartphone:</p> <div style="text-align: center;">  </div> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is 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 | : | Applied | |
| Explanation on application of the practice | : | <p>Gamuda adopted the integrated reporting for its annual reporting this FY2022.</p> <p>Gamuda Integrated Report 2022 continues to apply the selected key content elements and guiding principles of the Integrated Reporting, <IR> Framework and will progressively enhance its disclosures to achieve a comprehensive integrated report that reflects all the principles set out by the International Integrated Reporting Council, IIRC.</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 13.1

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 Board seeks to encourage shareholders attendance and active participation at its AGM to raise any pertinent issues. The Chairman of the Audit, Remuneration and Nomination Committees, together with other Directors will attend the AGM to interact with the Company shareholders.</p> <p>The notice for AGM outlines the resolutions to be tabled during the AGM and is accompanied with detailed explanatory notes and background information where applicable to shed clarity on matters that will be decided at the AGM.</p> <p>Given the significance of AGM, it is essential for the notice of AGM to be provided to shareholders in a timely manner to accord them with sufficient time to consider the resolutions that will be discussed and decided at the AGM.</p> <p>In this regard, more than 21 days' notice has always been given for AGMs every year. For this year's 46th AGM scheduled for 8 December 2022, the Notice is issued on 9 November 2022.</p> <p>The notification of the publication of the Integrated Report 2022 and the Notice of 46th AGM are published on:</p> <ul style="list-style-type: none">▶ the Company's website; and▶ Bursa Malaysia's website. <p>For easy access to the Company's website, please scan the QR code below with a smartphone:</p> <div style="text-align: center;"></div> <p>The Notice of AGM is also advertised in at least one nationally circulated daily newspaper and in writing to Bursa Securities.</p> |

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| | This goes above and beyond Section 316(2) of Companies Act 2016 and paragraph 7.15 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad which call for a 21-days' notice period for public companies or listed issuers respectively. | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| Application | : Applied |
| Explanation on application of the practice | <p>The Board acknowledges its responsibility as the steward of the Company to continuously engage with shareholders and provide meaningful responses to their questions since shareholders regards general meetings as one of the available avenues for them to communicate directly with the Board.</p> <p>Gamuda AGM provides a useful platform for direct communication between the Board and shareholders and a key medium used to disclose information to shareholders and stakeholders. Material information such as financial reports and audits are discussed at the AGM, giving shareholders and stakeholders a chance to get more credible information so that they can take informed decision.</p> <p>The AGM was scheduled well in advance to encourage full attendance of the Board i.e. before commencement of each new calendar year to facilitate booking of Directors' schedule.</p> <p>To ensure effective participation of, and engagement with shareholders at the Forty-fifth ("45th") AGM of Gamuda held on 8 December 2021, all members of the Board were present at the 45th AGM which was conducted virtually via video conferencing. This was because the 45th AGM was held during the enforcement of the Recovery Movement Control Order period in accordance with the Securities Commission Guidelines.</p> <p>Besides the full Board, the Deputy Group Managing Director, Group Chief Financial Officer and the Heads of the Business Units i.e., Gamuda Engineering and Gamuda Land as well as the external Auditors were in attendance to respond to the shareholders' queries.</p> <p>The Chairman of the Nomination and Remuneration Committees namely, Y.Bhg. Dato' MH and the past Chairperson of the Audit Committee namely, YM Tunku Afwida Tunku A. Malek (retired at the 45th AGM), were present at the virtual 45th AGM.</p> <p>Before attendance of external Auditors was made mandatory by the Companies Act 2016, the Company has always ensured that the partner of the Company's external Auditors is present at every AGM to answer relevant questions raised by the Company shareholders on the audit process.</p> |

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

Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>As mentioned in the previous Practice, the 45th AGM was conducted on a fully virtual basis to enable effective participation and engagement with shareholders.</p> <p>Commencing from the Fortieth AGM of the Company in 2016, poll voting using electronic voting system was conducted.</p> <p>Gamuda had appointed Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") as Poll Administrator to conduct the polling process and Coopers Professional Scrutineers Sdn Bhd ("CPS") as Scrutineers to verify the poll results.</p> <p>A shareholder of the Company can vote in person or appoint a proxy or proxies to attend and vote on his/her behalf. From the past two years' AGM, polling results were announced within 15 minutes after the voting was conducted.</p> <p>The Scrutineers, CPS verified and announced the poll results for each resolution, which included votes in favour and against, upon which the Chairman of the Meeting declared that all the resolutions were carried. The poll results were also announced by Gamuda via Bursa Link on the same day for the benefit of all shareholders. Minutes of the 45th AGM were also made available on Sime Darby's website.</p> <p>Even though Malaysia had shifted to the endemic phase, the forthcoming 46th AGM of the Company will continue to be conducted virtually i.e. through live streaming and using Remote Participation and Voting Facilities to give shareholders and proxies opportunity to follow and participate in the meeting effectively. A virtual AGM platform gives advantages to the shareholders and stakeholders to participate remotely, from any location.</p> <p>In a survey by the Securities Commission Malaysia, 76% of shareholders who responded indicated that they would like to continue having the option of participating in general meetings online.</p> |

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| | Other than that, virtual AGM may also promote more foreign investment in Malaysia. Foreign investors continued to remain net buyers of Bursa Malaysia. In addition to the ever-increasing geopolitical uncertainty that had affected the Malaysian economy, it is hoped that with the increasing number of local and foreign investors a new way of meeting can boost the global economy. | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : Besides presenting the Group's operation review and business outlook of the core businesses to the shareholders, the Deputy Group Managing Director also presented the Company's responses to the questions raised by the Minority Shareholders Watch Group and the pre-submitted questions by the Company shareholders and/or proxies. The Chairman of the Board also ensure that as many live questions were addressed at the virtual 45th AGM. Live questions that were not answered by the Company at the virtual 45 th AGM due to time constraints, were posted on the corporate website of the Company as soon as practicable after the AGM. During the virtual Q&A session, there was active Directors' participation at the AGM since questions raised were answered collectively by the Board according to their areas of responsibilities, as follows: - <ul style="list-style-type: none"> ▶ Operational matters were answered by the Group Managing Director and/or the Deputy Group Managing Directors; ▶ Financial matters were answered by the Deputy Managing Director and the Group Chief Financial Officer; and ▶ Corporate governance matters were handled by the Chairman. |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

Intended Outcome

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

Practice 13.5

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

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| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : <p>The 45th Annual General Meeting (“AGM”) of the Company was conducted on a fully virtual basis on 8 December 2021 via the online meeting platform. The shareholders and proxies participated and voted remotely at the 45th AGM.</p> <p>Prior to the 45th AGM, an Administrative Details was issued together with the Notice of 45th AGM to the shareholders to provide guidance on the process for registration of participation in AGM, appointment of proxies, submission of questions to the Board of Directors prior to and during the AGM and poll voting.</p> <p>Questions of shareholders and proxies submitted via the online platform including questions posed by Minority Shareholders Watch Group (“MSWG”) were made visible at the 45th AGM. All pertinent questions and answers have been made available on the Company’s website together with the Minutes of the 45th AGM.</p> <p>The polling process was conducted via TIIH Online where shareholders were allowed to submit their votes within a stipulated time. A video guide on the online remote voting process was shown before the voting commenced. Upon completion of voting, the poll results were verified and announced by the scrutineers.</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.

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| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i> | |
| Application | : Departure |
| Explanation on application of the practice | : |
| Explanation for departure | : <p>The minutes of the 45th AGM (including the list of attendance of Directors, the pertinent questions raised by shareholders and the respective responses, and outcome of the voting results) were made available to the shareholders and public for reference at the Company’s website.</p> <p>For easy access to the Company’s website, please scan the QR code below with a smartphone: -</p> <div style="text-align: center;">  </div> <p>Gamuda published the minutes of the 45th AGM on Gamuda’s website later than 30 business days after the AGM in 2021.</p> <p>For 2022, Gamuda will make the AGM's minutes available on its website within 30 business days.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : For 2022, Gamuda will make the AGM's minutes available on its website within 30 business days. |
| Timeframe | : Within 1 year |

**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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