

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7084
COMPANY NAME : QL Resources Berhad
FINANCIAL YEAR : March 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>QL is led by an experienced and dynamic Board, which is ultimately responsible for establishing all strategies and policies relating to the running of QL. With its balanced Board composition comprising experienced and effective Executive Directors and Independent Non-Executive Directors, the Board plays a pivotal role in the stewardship of the Group and ultimately enhancing shareholders value.</p> <p>The Board's role is to govern QL rather than to manage it. In governing QL, the Board delegates and confers some of its authorities and discretion to the Executive Chairman, Group Chief Executive Officer and Board Committees. The Board Committees comprise Audit Committee, Risk Management Committee, Nominating Committee, Remuneration Committee as well as Executive Committee. Through its Committees, the Board provides effective oversight of the Management's performance, risk assessment and controls over business operations, and compliance with regulatory requirements. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.</p> <p>In addition, the Board is also responsible for formulating and reviewing the Group's strategic plans and key policies, and charting the course of the Group's business operations. Annually, the Board has a dedicated strategy planning session, whereby the Management presents to the Board its recommended strategy and proposed business and regulatory plans for the following year. The Board at its meeting held in May 2023, considered the progress of the FY2024-2028 Plan, and deliberated on the focus areas for FY2024 as well as the required catch-up strategy from the Management.</p> <p>The principal responsibilities of the Board which encompass corporate and Group governance, are set out as follows:-</p>

	<ul style="list-style-type: none"> • to oversee, review and adopt strategic plans encompassing strategies on economic, environmental, social and governance (“EESG”) considerations underpinning sustainability of the Group’s business, including developing Board-approved EESG targets; • to oversee the conduct of the Group’s businesses and evaluate whether or not the businesses are being properly managed; • to identify principal business risks faced by the Group and ensure the implementation of appropriate systems to manage these risks; • to consider and implement succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing members of the Board and Senior Management; • to develop and implement an investor relations programme or shareholder communications policy for QL; • to review the adequacy and the integrity of the Group’s risk management and internal control systems as well as management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; • to promote good corporate governance culture together with Senior Management within the Group for reinforcing ethical, prudent and professional behaviours; • to review, challenge and decide on Management’s critical proposals for QL, and oversee its implementation by Management; • to promote a culture of integrity and ethical business throughout the Group which includes conscious efforts to manage bribery and corruption risks; • to ensure the Group’s vision and long-term business strategy include considerations of ethical business practices; • to determine the Group’s stance on anti-bribery; • to ensure the establishment of an internal control system, including Group Anti-Bribery Framework, which provides reasonable assurance that the Group’s bribery risks are managed; • to review the Whistleblowing Policy periodically and at least once in three (3) years; • to ensure that all its Directors are able to understand financial statements and form a view on the information presented; • to review the business plans and budgets of the Group, including monitoring the entire Group’s performance; and • to review code of conduct, risk management, anti-corruption, whistleblowing and sustainability within the Group, including monitoring their compliance or performance, as appropriate, based on information furnished by the Group. <p>The roles and responsibilities of the Board and individual Directors are clearly defined in the Company’s Board Charter, which is published on QL’s website at https://ql.com.my/corporate-governance/.</p>
Explanation for departure	

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Dr. Chia Song Kun, the Executive Chairman of the Board, is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.</p> <p>During his tenure, the Chairman played an instrumental role in steering the Board to ensure smooth functioning of the Board and put in place procedures and processes to facilitate effective conduct of business of the Board. He also ensured that decisions were taken on a sound and well-informed basis, and any concern or dissenting view expressed by any Director on any matter deliberated at meetings of the Board or any of its Committees (as well as the meeting decisions) was addressed and duly recorded in the relevant minutes of the meetings.</p> <p>In addition, the Chairman cultivated a healthy working relationship with the Group Chief Executive Officer and provided the necessary support and advice as appropriate. He demonstrated high standards of corporate governance practices, provided effective communication with stakeholders and ensured that their views were communicated to the Board as a whole.</p> <p>Detailed roles and responsibilities of the Chairman are clearly defined in the Company's Board Charter, which is published on QL's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>Dr. Chia Song Kun is the Executive Chairman of QL, whereas Mr. Chia Song Kooi is the Group Managing Director. On 1 March 2024, Dr. Chia has relinquished all his day-to-day management of the Group and Mr. Chia Song Kooi was appointed as the Group Chief Executive Officer to spearhead the business and day-to-day management of QL.</p> <p>Following thereto, the positions of Chairman and CEO of QL are held by two (2) different individuals. The distinct and separate roles and responsibilities of the Chairman and CEO are provided in Board Charter, which is published on QL's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: Dr. Chia Song Kun, the Board Executive Chairman of QL, is not a member of the Audit Committee, Nominating Committee and Remuneration Committee (collectively referred to as "the Committees"). Invitations are extended to Dr. Chia for him to participate in the meetings of the Committees. The Board views that his presence in the meetings will not breach the check and balance as well as objective review by the Board on the agendas/matters presented during the said meetings, but instead guide the Board to undertake objective review as well as to facilitate meaningful deliberation on relevant motions. Moreover, his presence in the meetings of the Committees will not impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Committees.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: The Board Executive Chairman and the Group Chief Executive Officer will continue to be invited to attend the Committees meeting to provide relevant inputs, insights and feedback.
Timeframe	: On-going.

Intended Outcome

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

Practice 1.5

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

Application :	Applied
Explanation on application of the practice :	<p>The Board has ready and unrestricted access to the advice and services of the Company Secretaries for discharging its duty effectively. The Company Secretaries of QL Group of companies incorporated in Malaysia are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as the Company Secretaries under Sections 235(2) and 241 of the Companies Act 2016.</p> <p>The primary responsibilities of the Company Secretaries include:-</p> <ul style="list-style-type: none">• ensuring that Board procedures and applicable rules are observed;• advising the Board on its roles and responsibilities;• facilitating the orientation of new Directors and assisting in Directors' training and development;• maintaining records of the Board and ensuring effective management of the Company's records;• managing all Board and Board Committee meeting logistics, attending and preparing comprehensive minutes to document Board and Board Committee meeting proceedings and ensuring conclusions are accurately recorded;• advising the Board on corporate disclosures and compliance with company and securities regulations and Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities");• managing processes pertaining to shareholders' meetings;• monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;• serving as a focal point for stakeholders' communication and engagement on corporate governance issues; and• carrying out other functions as deemed appropriate by the Board from time to time. <p>The Board is regularly updated and informed of any relevant regulations and guidelines issued by the regulatory authorities. The Company Secretaries give clear and sound advice on the measures to be taken and requirements to be observed by QL and the Directors arising from new requirements issued by the regulatory authorities. The Company Secretaries brief the Board on proposed contents and timing of material announcements to be made to Bursa Securities. They also serve notices to the Directors and Principal Officers on the closed</p>

periods for trading in QL's shares pursuant to the Main Market Listing Requirements of Bursa Securities.

The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are maintained in the minutes book at the Company's registered office. The Company Secretaries are also responsible for the operations of the secretariat functions, including lodgement with relevant statutory and regulatory bodies, the administration of Board and Board Committee meetings.

The Board, through the Nominating Committee, reviews the training needs of the Directors annually. Each Director is required to attend at least one (1) training per financial year, whereas all the members of Audit Committee should undertake continuous professional development to keep themselves abreast of relevant development in accounting and auditing standards, practices and rules. To comply with this requirement, the Secretariat assists in facilitating the coordination of the training programmes and Directors' attendance of external seminars and programmes, and compiles the training records received by the Directors.

During the financial year ended 31 March 2024, the training programmes, seminar and briefings attended by Directors were as follows:-

Name	Seminar/Course	Organiser
Dr. Chia Song Kun	ESG KPI and Target Setting Workshop	QL in-house training by Joshua Rayan Communications
	AOB's Conversation with Audit Committees	Audit Oversight Board
Mr. Chia Song Kooi	7th Layer Conference	QL in-house training
	ESG KPI and Target Setting Workshop	QL in-house training by Joshua Rayan Communications
	International Conference on Tropical Agriculture (ICTA 2023)	Academy of Tropical Agricultural Sciences Association
	The US Economy in 2024: If the US Sneezes, will the world catch a cold?	Deloitte Global
	Maybank Private Wealth Forum 1H2024 – New Perspective, New Opportunities	Maybank

	Mr. Chia Seong Pow	7th Layer Conference	QL in-house training
		Artificial Intelligence (AI) for Company Directors and Executives	Malaysian Institute of Corporate Governance
		Advocacy Session for Directors & Chief Executive Officers of Main Market Listed Issuers	Bursa Malaysia Berhad
		Key amendments to the Main Market Listing Requirements of Bursa Securities to Sustainability Training for Directors, Conflict of Interest and other Amendments	EITA in-house training by COSPEC Management Services Sdn. Bhd.
		ESG KPI and Target Setting Workshop	QL in-house training by Joshua Rayan Communications
	Mr. Chia Seong Fatt	7th Layer Conference	QL in-house training
		ESG KPI and Target Setting Workshop	QL in-house training by Joshua Rayan Communications
		MAP Part II: Leading for Impact	ICDM
		Breeder, Hatchery, Broiler and Slaughterhouse Integrated Conference	QL in-house training
	Mr. Chia Song Swa	The Budget 2024 Highlight, E-Invoice and Updated Transfer Pricing Rules 2023	MAICSA
	Mr. Chia Mak Hooi	7th Layer Conference	QL in-house training
		Key amendments to the Main Market Listing Requirements of Bursa Securities to Sustainability Training for Directors, Conflict of Interest and other Amendments	EITA in-house training by COSPEC Management Services Sdn. Bhd.
		ESG KPI and Target Setting Workshop	QL in-house training by Joshua Rayan Communications
		Breeder, Hatchery, Broiler and Slaughterhouse Integrated Conference	QL in-house training

	Mr. Cheah Juw Teck	Remaking Corporate Governance for an ESG World	Asia School of Business - The Iclif Executive Education Center
		ESG KPI and Target Setting Workshop	QL in-house training by Joshua Rayan Communications
	Mr. Chia Lik Khai	ESG KPI and Target Setting Workshop	QL in-house training by Joshua Rayan Communications
	Mr. Low Teng Lum	MIA Conference 2023: Future Fit Profession: Charting A Better Tomorrow	Malaysian Institute of Accountants
		MAP Part II: Leading for Impact	ICDM
	Datin Paduka Setia Dato' Dr. Aini binti Ideris	Suite Talk - Inside Stories of Sustainability Champions	Securities Industry Development Corporation
		World Veterinary Poultry Association Malaysia Seminar 2023: Prevention Better Than Control	World Veterinary Poultry Association
		MAP Part II: Leading for Impact	ICDM
		XXII Congress of the World Veterinary Poultry Association	Italian Branch of the World Veterinary Poultry Association
		Bursa: Conflict of Interest and Governance of Conflict of Interest	Asia School of Business - The Iclif Executive Education Center
		ESG KPI and Target Setting Workshop	QL in-house training by Joshua Rayan Communications
	Ms. Kow Poh Gek	Recent Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and Other Amendments	COSPEC Management Services Sdn. Bhd.

		Board Oversight of Climate Risks and Opportunities	Asia School of Business - The Iclif Executive Education Center
		MAP Part II: Leading for Impact	ICDM
		AOB's Conversation with Audit Committees	Audit Oversight Board
	Ms. Chan Wai Yen, Millie	Governance in Groups	Asia School of Business - The Iclif Executive Education Center
	Ms. Cynthia Toh Mei Lee	The Audit Committee - How to navigate financial reporting oversight amidst potential landmines of misreporting?	Malaysian Institute of Corporate Governance
		ESG Oversight for Boards	Malaysian Institute of Accountants
		ESG KPI and Target Setting Workshop	QL in-house training by Joshua Rayan Communications
	Mr. Wee Beng Chuan	Environmental, Social and Governance	BoardRoom Corporate Services
		e-Invoicing: The digital way forward	KPMG Tax Services Sdn Bhd
		Sustainability Governance, Management & Reporting - Implications of the Environmental, Social & Governance ('ESG') agenda to the Board & Management	Lee Min On - Tuju Setia Berhad in house training
		The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting	MIA
		Reserved Matters for Shareholders	MIA
		Tax and Business Summit 2023	KPMG Tax Services Sdn Bhd
		AOB's Conversation with Audit Committees	Audit Oversight Board
		MFRS Updates 2023	KPMG
		KPMG National Budget Webinar	KPMG Tax Services Sdn Bhd

		KPMG Board Leadership Center Exclusive – What you need to know about the Bursa’s Amended Listing Requirements on Conflict of Interest (COI)	KPMG
	Madam Tan Ler Chin, Cindy	(Resigned on 30 September 2023)	
Explanation : for departure			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure :			
Timeframe :			

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The annual meeting calendar is circulated in advance prior to each new year to facilitate Directors' planning. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees, the Annual General Meeting and the Group's strategy planning presentation.</p> <p>The Chairman, in consultation with the Group Chief Executive Officer and the Company Secretaries, undertakes the primary responsibility for preparing the Board's agenda. The notice of Board meetings is sent via email to the Directors at least seven (7) days prior to the meeting. The same notification is sent to the relevant Management, which includes the deadlines for submission of meeting materials, i.e., at least five (5) working days prior to the meeting. Upon receipt from the Management, the Secretariat ensures that the meeting materials are circulated as soon as practicable.</p> <p>Prior to each Board meeting, each Director will be provided with Board papers contained relevant information that are accurate, clear and comprehensive to enable informed decision making. In addition, Board members can seek further advice or clarification from the Management as and when required.</p> <p>Minutes are prepared following the Board meeting and are circulated in draft form to the Board members for comments within 30 days after the meeting to ensure that the minutes accurately reflect the deliberations and decisions of the Board. The Directors will revert with comments, if any, within fourteen (14) working days after the minutes are circulated. The finalised minutes will be re-circulated with the Board papers in readiness for signing at the following meeting.</p> <p>The Company Secretaries will extract the relevant section in the minutes of meetings and communicate the same to the respective Management personnel for appropriate actions to be taken. Subsequently, the Company Secretaries will follow up with the said Management on the status of actions taken for updating the Board. Action items would stay as matters arising in the minutes of meeting until resolved.</p>

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>QL has established a Board Charter which serves as QL's corporate governance policy that defines the respective roles, responsibilities and authorities of the Board, both individually and collectively. It sets out amongst other things, the key values, principles and ethos of QL.</p> <p>In addition, the Charter is also designed to provide guidance and clarity for Directors and Management regarding the following:-</p> <ul style="list-style-type: none"> • roles and responsibilities of the Board and its Committees; and • the requirements of Directors in carrying out their stewardship role and in discharging their duties towards QL as well as the Board's operating practices. <p>Terms of Reference of the Board Committees together with the matters reserved for collective decision of the Board are attached as appendices in the Charter, which clearly set out the delegation of authority by the Board to the Committees and those key matters specifically reserved for the Board's approval.</p> <p>The Board undertakes to review the Charter regularly. During the financial year under review, the Board reviewed and approved certain revisions to the Board Charter for consistency with the Board's objectives and relevant standards of corporate governance. A copy of the revised Board Charter is available at QL's website at https://ql.com.my/corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>QL has in place Code of Business Ethics and Conduct ("Code") which is dedicated in maintaining the high standards of excellence, honesty and integrity amongst its workforce and in every business activity. It is formulated to enhance the standards of corporate governance and corporate behaviour with the intention of achieving the following aims in QL Group:-</p> <ul style="list-style-type: none">• to establish a standard of ethical behaviour for Directors, Senior Management and employees of companies in the QL Group based on trustworthiness and values that are acceptable;• to uphold the spirit of responsibility and social responsibility in line with existing rules, regulations and guidelines for administrating a company; and• to formalise and inculcate ethical values through the Code and ensure its implementation and compliance. <p>In order to reinforce ethical values as part of good corporate governance culture under its leadership, the Board reviews the Code periodically. During the financial year ended 31 March 2023, the Board has reviewed and approved the Code which cover the following overarching areas of practices:-</p> <ul style="list-style-type: none">• Providing a safe and healthy environment;• Proper use of the Group's property;• Maintaining accurate and complete records and information;• Respecting proprietary and confidential information;• Conducting business in compliance with laws;• Fair dealing with others;• Fair opportunities;• Disclosure on conflicts of interests;• Insider trading;• Anti-bribery and corruption; and• Anti money laundering.

	<p>Management has communicated the Code to all new Directors and employees during induction programme and all of them are required to acknowledge that they have read and fully understood the Code. Otherwise, new Directors and employees are required to inform the Board and respective managers or heads of department accordingly, if they have not or are unable to fulfil any section of the Code. The Code is accessible at QL's corporate website.</p> <p>Following the amendments to the listing requirements of Bursa Malaysia Securities Berhad relating to anti-corruption measures, the Board had in May 2020, adopted and approved the Anti-Bribery framework which include the Anti-Bribery policy and Whistleblower policy guided under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, for QL and its subsidiaries. The Anti-Bribery policy and Whistleblower policy were published at QL's corporate website.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of whistleblowing and is committed to maintaining the highest standards of ethical conduct within the Group. Therefore, the Whistleblower Policy has in place as an avenue for all Directors, officers, Senior Management and employees of QL Group (“Persons”) to report in good faith, any breach or suspected breach of any law or regulation, the Group’s policies and guidelines, business principles and any other wrongful activities or wrongdoings, in a safe and confidential manner without any fear of reprisal.</p> <p>A dedicated channel of reporting has been set up, of which the Executive Chairman and Group Chief Executive Officer of QL, were appointed by the Board as the Prescribed Persons as well as the Chairman of the Audit Committee and an Independent Non-Executive Director to ensure effective implementation of the Policy. The Persons can report their disclosure to the dedicated contacts as stated in the Policy. The Prescribed Persons will assess the disclosure to determine whether it is related to a wrongdoing or excluded from the scope of the Policy.</p> <p>The Board gives assurance that whistleblower will be protected from reprisal within the Company and their identity is kept confidential for any disclosure made in good faith.</p> <p>Subsequently and consequent to the new Section 17A of the Malaysian Anti-corruption Commission (Amendment) Act 2018 relating to corporate liability for corruption, which was implemented from 1 June 2020 onwards, the Board has reviewed and approved the revised Whistleblower Policy to extend the procedures for disclosure or reporting for whistleblower. A copy of the Whistleblower Policy is available at QL’s corporate website.</p>

	During financial year 2024, a lodgement relating to employee grievance and an anonymous complaint were made via whistleblowing dedicated channel and QL's ESG channel, respectively. The Management took prompt and appropriate action in accordance with the Whistleblower Policy and the outcome was reported to the Risk Management and Audit Committees. Two (2) lodgements were fully resolved.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>One of the principal responsibilities of the Board is to review and adopt strategic plans encompassing strategies on economic, environmental, social and governance (“EESG”) considerations underpinning sustainability of the Group’s business, including developing Board-approved EESG targets.</p> <p>The Board and Executive Committee review the Company’s sustainability performance in addressing the Company’s material sustainability risks and opportunities. A Sustainability Steering Committee (“SSC”), chaired by the Group Chief Executive Officer and comprises Head of Business Units and Business Functions was set up to steer the Group’s sustainability efforts. The SSC is assisted by the Sustainability Reporting Working Group to guide and monitor QL’s sustainability performance across businesses. In addition, the business units have established their own governance structures with working group to lead the implementation of sustainability initiatives within their businesses.</p> <p>Moreover, a Corporate Sustainability Senior Manager was appointed as a designated person to oversee and apply ESG (Environmental, Social and Governance) reporting framework and standards.</p> <p>In addition, sustainability progress in terms of ESG was reported to the Board on a quarterly basis.</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 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Sustainability Statement in QL's Integrated Annual Report 2024 aims to communicate QL's commitment to sustainability, activities and progress to QL's stakeholders. It provides comprehensive information on sustainability management and performance towards QL's Environmental, Social and Governance ("ESG") strategies, performance, commitments and targets.</p> <p>The Sustainability Statement is prepared in accordance with the Global Reporting Initiative Standards ("GRI Standards") and adopted the content elements of the International Integrated Reporting <IR> Framework, in line with Bursa Malaysia Securities Berhad's ("Bursa Securities") recommendation.</p> <p>During FY2024, QL has conducted a full-scale materiality assessment on the relevant material matters by engaging with both internal and external stakeholders. QL sought their views in relation to the ESG topics which are important to QL. To ensure that the material matters consider external factors, QL conducted gap analysis against S&P, MSCI and FTSE ratings. In addition, discussions were held with the Sustainability Steering Committee and key internal stakeholders to evaluate and determine the importance of the identified material matters to QL.</p> <p>Meanwhile, in order to continuously improve QL's sustainability performance and approach, QL is committed to listening to its stakeholders' valued feedback, whereby stakeholders are encouraged to direct any of their questions, comments or feedback through a dedicated channel at esg@ql.com.my.</p> <p>More detailed description of the sustainability activities and progress of QL are stated in the Sustainability Statement from page 30 to 79 of QL's Integrated Annual Report 2024.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>QL has a Sustainability Steering Committee, chaired by the Group Chief Executive Officer to support the Executive Committee which then reports to the Board in steering the Group’s sustainability efforts. Moreover, a Corporate Sustainability Senior Manager was appointed as a designated person to oversee the sustainability issues of QL Group and provide periodic insights on how sustainability matters have been integrated in the Group’s day-to-day operations.</p> <p>The Board members have been attending trainings and conferences to stay abreast and to understand the sustainability issues.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure
Explanation on application of the practice		
Explanation for departure	:	<p>The Nominating Committee through an independent consultant has conducted performance evaluation of the Board and senior management of QL in relation to sustainability matters for financial year 2024 in making decisions towards QL's material sustainability risks and opportunities.</p> <p>Whereas for the performance of senior management, the Remuneration Committee together with the Sustainability Steering Committee will establish a set of Key Performance Indicator ("KPI") to assess the performance of Directors and senior management of QL Group on QL's sustainability matters relating to ESG aspects.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	A set of KPI to assess the performance of Directors and senior management of QL Group on QL's sustainability matters relating to ESG aspects was approved by the Board for implementation on 30 May 2024.
Timeframe	:	Completed.

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	A Corporate Sustainability Senior Manager (“CSSM”) was appointed as a designated person to oversee and apply environmental, social and governance (ESG) reporting frameworks and standards such as Global Reporting Initiative Standards (GRI), Sustainability Accounting Standards Board (SASB), and UN Global Compact. The CSSM provided sustainability development roadmap, strategy, plan and managed end-to-end process of developing QL’s annual sustainability report in partnership with a cross-functional team of subject matter experts and data providers.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the Nominating Committee ("NC") conducted annual review on the Board composition in terms of appropriate size, right mix of knowledge, skills and experience of Board members as well as independence elements undertaken on all the Independent Non-Executive Directors.</p> <p>During the financial year ended 31 March 2024 ("FY2024"), the Board Effectiveness Evaluation ("BEE") was conducted by the Institute of Corporate Directors Malaysia ("ICDM"), an independent consultant engaged by the Board. The evaluation includes the review of the tenure of each Director. In FY2024, none of the Independent Non-Executive Director has exceeded their cumulative terms of nine (9) years. On 28 August 2019, the Board revised its Board Charter to limit the tenure of its Independent Directors to nine (9) years. Upon completion of the nine (9) years, the Independent Directors shall resign from the Board.</p> <p>On 30 June 2022, the Board approved and adopted the Directors' Fit and Proper policy ("DFPP"), which set out the fit and proper criteria for the appointment and re-appointment of Directors on the Boards of QL and its subsidiaries. The Board had during the financial year under review, reviewed and revised the DFPP. In accordance with the revised DFPP, all the candidates are required to make declaration in compliance with the DFPP prior to their appointment onto the Board and those directors who are seeking for election or re-election. A copy of the revised DFPP is accessible at QL's website at https://ql.com.my/corporate-governance/.</p> <p>Based on declaration made by Mr. Chia Seong Pow and Mr. Chia Song Swa in compliance with the DFPP and upon assessment and recommendation by the NC, both of them were appointed as Executive Directors of QL on 1 April 2023, while Mr. Chia Seong Fatt and Mr. Chia Mak Hooi as Alternate Directors following the restructuring of the Board.</p>

	<p>In line with the Group’s succession planning and recommendation made by ICDM subsequent to their BEE for FY2024, the NC (together with the Chairman) had reviewed the Board composition. Upon assessing the size of the Board, the Board had via NC on 29 November 2023, approved the following restructuring:-</p> <p>(a) Re-designation of Mr. Chia Song Kooi to Group Chief Executive Officer; and (b) Appointment of Mr. Chia Seong Fatt as Executive Director, while Mr. Chia Seong Pow and Mr. Chia Song Swa as Alternate Directors.</p> <p>Effective date of the abovementioned restructuring was on 1 March 2024.</p> <p>In line with the Clause 124 of the Company’s Constitution, one-third of the Directors of the Company for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest one-third shall retire from office but shall be eligible for re-election at the Annual General Meeting (“AGM”). Accordingly, below Directors were retired in accordance with Clause 124 and stood for re-election at the AGM held on 30 August 2023:-</p> <p>a) Datin Paduka Setia Dato’ Dr. Aini Binti Ideris; b) Ms. Chan Wai Yen, Millie; c) Mr. Cynthia Toh Mei Lee; and d) Mr. Wee Beng Chuan.</p> <p>All of the above retiring Directors have also made their fit and proper declaration in accordance with the DFPP. Upon assessment conducted by NC on each of their fit and proper criteria as well as outcome of the annual Board assessment, the Board endorsed the recommendation by the NC that they remain competent and committed to the role as a Director.</p> <p>Pursuant to Clause 129 of the Company’s Constitution, a Director appointed to fill a casual vacancy or as an addition to the Board shall hold office until the conclusion of the next AGM and shall be eligible for re-election. Hence, Mr. Chia Seong Pow and Mr. Chia Song Swa, whom were appointed as Executive Directors on 1 April 2023, were retired and being eligible, offered themselves for re-election at the AGM 2023.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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>On 1 April 2023, Mr. Chia Seong Pow and Mr. Chia Song Swa were appointed as Executive Directors, while Mr. Chia Seong Fatt and Mr. Chia Mak Hooi as Alternate Directors. On 30 September 2023, Madam Tan Ler Chin, Cindy resigned as Director.</p> <p>Subsequent to the above and in line with the Group's succession planning, below restructuring was undertaken with effect from 1 March 2024:-</p> <p>(c) Re-designation of Mr. Chia Song Kooi to Group Chief Executive Officer; and</p> <p>(d) Appointment of Mr. Chia Seong Fatt as Executive Director, while Mr. Chia Seong Pow and Mr. Chia Song Swa as Alternate Directors.</p> <p>Following thereto, the Board consists of eleven (11) members comprising a majority of Independent Non-Executive Directors ("INED"), not taking into consideration the Alternate Directors, as follows:-</p> <p>a) one (1) Executive Chairman;</p> <p>b) one (1) Group Chief Executive Officer;</p> <p>c) three (3) Executive Directors;</p> <p>d) six (6) INEDs; and</p> <p>e) three (3) Alternate Directors to Executive Directors.</p> <p>With the current composition, the Board believes that the Board composition is optimum and well balanced, which is consistent with the size of the Group and its operations.</p> <p>The NC upon the annual assessment carried out by the Institute of Corporate Directors Malaysia ("ICDM") for financial year 2024, was satisfied that:-</p> <ul style="list-style-type: none">• The QL Board of Directors, is led by a very capable, experienced and well-respected Chairman and supported by four (4) Board Committees;• The Board is an engaged and consensual Board working in harmony and has forged a relationship among members and Management built on trust, openness and respect. There are open discussions and consensus-driven decision-making;

	<ul style="list-style-type: none"> • Overall, the Board is well-run and able to maintain its focus to drive long term business growth as evidenced by its forays into new markets/products and acquisitions with good financial performance and organisational viability; and • The Board is confident that it can continue to rely on QL's Management to effectively manage the business, operations and investments; • The INED complied with the definition of Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and each of their tenure was within the cumulative terms of nine (9) years; and • the Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of QL as reflected by their attendance at the Board meetings and Board Committee meetings.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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>On 28 August 2019, the Board revised its Board Charter to limit the tenure of its Independent Directors to nine (9) years. Upon completion of the nine (9) years, the Independent Directors shall resign from the Board.</p> <p>During the financial year under review, none of the Independent Directors has exceeded the cumulative terms of nine (9) years.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	On 28 August 2019, the Board revised its Board Charter to limit the tenure of its Independent Directors to nine (9) years. Upon completion of the nine (9) years, the Independent Directors shall resign from the Board.

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 committed to ensuring that its members should have wide ranging experience, skill and knowledge that add value to QL and its Group. The qualifications for Board membership are the ability to make informed business decisions and recommendations; possesses an entrepreneurial talent for contributing to the creation of shareholder value; relevant experience, the ability to appreciate the wider picture of the Group’s business; ability to ask probing operational related questions; high ethical standards; sound practical sense; and total commitment to furthering the interests of shareholders and achievement of the Group’s goals. In addressing this, the Board shall consider recommendations by the Nominating Committee (“NC”) pertaining to nominees for directorship in QL.</p> <p>As part of the selection and recruitment of Directors, and in accordance to the criteria set in Directors’ Fit and Proper policy adopted by the Board during financial year 2024, the NC will consider prospective Directors’ character, experience, competence, integrity and time availability, as well as the following factors:-</p> <ul style="list-style-type: none">• industry skills, knowledge and expertise;• professionalism;• diversity;• contribution and performance; and• in the case of candidates for the position of Independent Non-Executive Directors (“INED”), the Board shall also evaluate the candidates’ ability to discharge such responsibilities/functions as are expected from INED. <p>A more detailed description of the diverse background and experience of the Board is stated in the Board of Directors’ profile from page 82 to 95 of QL’s Integrated Annual Report 2024.</p>

	In the meantime, the appointment of Senior Management was also made with due regard for diversity in skills, experience, age, cultural background and gender. All Senior Management personnel are assessed on a yearly basis.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In identifying the most suitable candidates for appointment of Directors to the Board, the Nominating Committee (“NC”) will rely on various sources of recommendations from existing Board Members, Management or major shareholders as well as other independent sources.</p> <p>With regards to the nomination and appointment of Mr. Chia Seong Pow and Mr. Chia Song Swa as Executive Directors (“ED”) of QL on 1 April 2023, the NC opined that both of their appointment was not a departure from this practice, as both of them are Alternate Directors prior to this appointment and they are the existing Head of Business Unit leading the ILF (Integrated Livestock Farming) division in Group.</p> <p>Whereas on the nomination and appointment of Mr. Chia Seong Fatt as ED of QL on 1 March 2024, his appointment was undertaken in line with the Group’s succession planning. Mr. Chia Seong Fatt is already an Alternate Director prior to his appointment as ED, the NC opined that Mr. Chia’s appointment was not a departure to this practice.</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

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of the Directors are available in the Integrated Annual Report 2023 and QL's website. These include the following information:-</p> <ul style="list-style-type: none">• Name, age, gender, nationality, qualification, position in QL;• Working experience and occupation;• Date of appointment to the Board of QL;• Details of any Board Committee to which the Director belongs;• Directorships in other companies;• Attendance of the Board of Directors' meetings held for the financial year;• Any family relationship with any director and/or major shareholder of QL;• Any conflict of interest or potential conflict of interest with QL; and• Any conviction for offences within the past five (5) years. <p>A statement elaborating the Board's recommendation to the shareholders for re-election of Datin Paduka Setia Dato' Dr. Aini Binti Ideris, Ms. Chan Wai Yen, Millie, Ms. Cynthia Toh Mei Lee and Mr. Wee Beng Chuan in accordance with Clause 124 of the Company's Constitution as well as re-election of Mr. Chia Seong Pow and Mr. Chia Song Swa under Clause 129 of the Company's Constitution, was provided in the notes accompanying the notice of Annual General Meeting dated 27 July 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee (“NC”) consists entirely of Non-Executive Directors, all of whom are independent. In financial year ended 31 March 2024, the NC was chaired by Mr. Low Teng Lum, the Senior Independent Non-Executive Director of QL. During his tenure, he led the succession planning and appointment of Directors, restructuring of Board and Board Committees and annual review of Board effectiveness through an independent consultant. Together with NC members, he undertook the following:-</p> <ul style="list-style-type: none">• annually review the Board’s composition with required mix of skills, experience and other qualities, assessment of Independent Directors (including their tenure of service), review the Group’s succession planning and boardroom diversity;• oversee the development of a diverse pipeline for Board and Management succession;• oversee training courses for Directors and other requisite qualifications of Directors;• annual assessment of the effectiveness of the Board as a whole, its Committees and the performance, commitment, ability and contribution of each individual Director; and• establish a formal and transparent procedure for the appointment of new Directors to the Boards of QL and its subsidiaries, and for the assessment of Directors and Senior Management of QL and its subsidiaries at least on an annual basis. <p>In addition to the above, more specific functions of the NC are set out in the Terms of Reference of the NC, which is available in the Board Charter and is accessible on QL’s website at https://ql.com.my/corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	During the financial year, Madam Tan Ler Chin, Cindy resigned as Director of QL. Following thereto and as at 31 March 2024, the Board comprises 4 women Directors out of the total Board of QL (excluding Alternate Directors), as follows:-												
		<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Gender</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Number of Directors</td> <td>7</td> <td>4</td> </tr> <tr> <td>Percentage (%)</td> <td>64</td> <td>36</td> </tr> </tbody> </table>			Gender		Male	Female	Number of Directors	7	4	Percentage (%)	64	36
	Gender													
	Male	Female												
Number of Directors	7	4												
Percentage (%)	64	36												
Explanation for departure	:													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
Measure	:													
Timeframe	:													

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>Since 25 February 2016, the Board established a Board Diversity Policy ("BDP") formalising its approach to boardroom diversity. The Board views that diversity of the Board's composition is important to facilitate optimal decision-making by harnessing different insights and perspectives. In pursuing the Board's gender diversity, the Nominating Committee embarked on an extensive exercise in 2018 to expand the pool of potential candidates by identifying women professionals.</p> <p>On 1 April 2018, the Board re-organised its Board composition mainly to comply with the practices in the Malaysian Code on Corporate Governance. Following the re-organisation, the percentage of women Directors has increased to approximately 36.4% of the total Board of QL (excluding Alternate Directors).</p> <p>The Board had in July 2018, reviewed the BDP to include the Board's aim to reinforce its 30% women Directors on the Board.</p> <p>The Board had also in May 2022 reviewed its BDP as well as the gender diversity policy for Senior Management to support participation of women in decision-making position on the Senior Management level. Subsequent thereto, the revised Board and Senior Management Diversity Policy is available at QL's website.</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

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the Nominating Committee (“NC”) conducts a formal and objective annual evaluation to assess the effectiveness of the Board, Board Committees and each individual Director (“Board Effectiveness Evaluation” or “BEE”).</p> <p>The Institute of Corporate Directors Malaysia (“ICDM”) was engaged by the Board to conduct the Board Effectiveness Evaluation for the financial year 2024 (“FY2024”), including tenure of each Director. The evaluation was conducted through online questionnaires and one-on-one confidential interviews.</p> <p>The questionnaire focused on evaluating the Board on an overall basis and the Directors’ individual competencies as follows:-</p> <ol style="list-style-type: none">1. Overall Board Effectiveness: Assessing 10 key effectiveness parameters for the Board on the following areas:<ul style="list-style-type: none">• Board leadership;• Board composition, skills and development;• Board Committees;• Board Governance oversight and processes;• Board agenda, meetings and information;• Board dynamics and culture;• Board and management relationship;• Board and stakeholder engagement;• Board sustainability matters; and• Board crisis management response.2. Individual Board Competency: Self vs. Peer (fellow directors) assessment of each director’s board competencies; and3. Technical knowledge: Self-assessment of technical knowledge.

	<p>The BEE report with ICDM’s findings and recommendations on the performance of the Board, the Board Committees and individual Directors for FY2024 was presented to the NC and the Board on 29 November 2023. Across all ten (10) scores, the highest average was for Board leadership and Board dynamics and culture, whereas lowest average for Board composition, skills and development and Board agenda, meetings and information. Key findings of the BEE results were highlighted as follows:-</p> <ol style="list-style-type: none"> 1. The QL Board of Directors, is led by a very capable, experienced and well-respected Chairman and supported by four (4) Board Committees; 2. The Board is an engaged and consensual Board working in harmony and has forged a relationship among members and Management built on trust, openness and respect. There are open discussions and consensus-driven decision-making; 3. Overall, the Board is well-run and able to maintain its focus to drive long term business growth as evidenced by its forays into new markets/products and acquisitions with good financial performance and organisational viability; and 4. The Board is confident that it can continue to rely on QL’s Management to effectively manage the business, operations and investments. <p>As a whole, the QL Board meets expectations of a high-performing organisation and there are no major concerns relating to QL’s BEE, although improvements could be made by the Board to further enhance its performance.</p> <p>Based on ICDM’s recommendations for areas on improvement on each of the parameter, the Board had considered and undertaken below enhancements in FY2024:-</p> <ol style="list-style-type: none"> 1. Reviewed the Board composition in accordance with Board size and skills matrix under the Group’s succession planning; 2. Refreshed the Risk Management Committee (“RMC”) by reducing the number of RMC member; 3. Enhanced the role of Senior Independent Director in the Board Charter; and 4. Updated the Terms of Reference of Nominating and Remuneration Committees.
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has remuneration policies and procedures to determine the remuneration of Directors. The policy on Directors' remuneration practiced by QL is to provide the remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the business of QL. The remuneration packages of the Executive Director ("ED") are structured to be commensurate with the experience, knowledge and professional skills of the ED and are also structured so as to link rewards with corporate and individual performance.</p> <p>In this regard, the Remuneration Committee ("RC") is tasked to review and recommend a remuneration framework, encompassing the policies, procedures and matters relating to the remuneration for Directors and Senior Management of QL as well as remuneration packages of ED and Non-ED of QL, prior to the Board's approval. The framework shall:-</p> <ul style="list-style-type: none">(a) support the Group's strategies and long term vision; and(b) provide the motivational incentives to EDs, taking into consideration factors such as best practices, stakeholders' view and the market at large and the performance of the individual. <p>Besides this, the RC also takes into consideration information by independent consultants and survey results on the remuneration practices of comparable companies, including its financial performance in determining the remuneration packages of its Directors.</p>

	The Board had in July 2018, approved the Remuneration Policy for Directors and Senior Management and the said policy was published onto QL’s website. The policy was reviewed by RC and approved by the Board during the financial years 2021 and 2024. Further in November 2021 and 2023, RC reviewed the Executive Directors’ Remuneration Framework.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Remuneration Committee ("RC") which comprises solely of Independent Non-Executive Directors.</p> <p>The Board is satisfied that the RC has effectively and efficiently discharged its roles and responsibilities with respect to its remuneration functions, including but not limited to, formulating or reviewing the remuneration policies, basis and remuneration for all Directors of the Company.</p> <p>As mentioned under Practice 7.1 of this report, the RC particularly assists the Board in recommending to the Board the remuneration framework and the remuneration packages of Executive Directors and Non-Executive Directors of QL. Based on the annual performance assessment undertaken on the Directors, the RC will recommend to the Board specific adjustments in remuneration and/or reward payments if any, reflecting their contributions for the year; and which are competitive and consistent with QL's objectives, culture and strategy.</p> <p>None of the Executive Directors participated in any way in determining their individual remuneration. The Board as a whole determines the remuneration of Non-Executive Directors, with individual Directors abstaining from making decisions in respect of their individual remuneration.</p> <p>The Terms of Reference ("TOR") of the RC has been reviewed and approved by the Board during the financial year ended 31 March 2024.</p> <p>The TOR of the RC describes the roles and responsibilities in relation to the remuneration matters is stipulated in the Board Charter, which is available on QL's corporate website at https://ql.com.my/corporate-governance/.</p>

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The remuneration breakdown of individual Directors which includes fee, allowance, salary, bonus, benefits-in-kind and other emoluments for the financial year 2024 is set out in the table 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	Chia Song Kun	Executive Director	164	0	0	0	0	0	164	302.18	14	1,895.55	2,577.11	22.7	88.29	4,899.83
2	Chia Song Kooi	Executive Director	140	0	0	0	0	0	140	294.67	1.6	1,317.24	2,537.95	22.7	60.05	4,234.21
3	Chia Seong Fatt^	Executive Director	50	0	0	0	0	0	50	188	0	923.94	1,499.81	24.87	43.03	2,679.65
4	Chia Mak Hooi^^	Executive Director	44	0	0	0	0	0	44	74	0	734.28	1,259.18	30.31	102.59	2,200.36
5	Cheah Juw Teck	Executive Director	116	0	0	0	0	0	116	176.68	12.8	770.90	2,133.10	28	109.15	3,230.63
6	Chia Lik Khai	Executive Director	116	0	0	0	0	0	116	128	0	1,174.83	602.79	32.07	196.52	2,134.21
7	Chia Seong Pow^^^	Executive Director	102	0	0	0	0	0	102	199.47	1.2	944.25	1,282.66	30.31	43.98	2,501.87
8	Chia Song Swa^^^^	Executive Director	102	0	0	0	0	0	102	134.4	0	730.47	626.01	22.7	34.02	1,547.60
9	Low Teng Lum	Independent Director	162	6	0	0	0	0	168	162	6	0	0	0	0	168
10	Datin Paduka Setia Dato' Dr. Aini Binti Ideris	Independent Director	122	6	0	0	0	0	128	122	6	0	0	0	0	128
11	Kow Poh Gek	Independent Director	138	6	0	0	0	0	144	138	6	0	0	0	0	144
12	Chan Wai Yen, Millie	Independent Director	122	6	0	0	0	0	128	122	6	0	0	0	0	128
13	Cynthia Toh Mei Lee	Independent Director	122	7	0	0	0	0	129	122	7	0	0	0	0	129
14	Wee Beng Chuan	Independent Director	138	6	0	0	0	0	144	138	6	0	0	0	0	144
15	Tan Ler Chin, Cindy (Resigned on 30 September 2023)	Independent Director	65	5	0	0	0	0	70	65	5	0	0	0	0	70

Note:

- ^ Mr. Chia Seong Fatt was appointed as the Alternate Director to Mr. Chia Seong Pow on 1 April 2023. He was subsequently appointed as Executive Director on 1 March 2024 under the Group's succession planning.
- ^^ Mr. Chia Mak Hooi was appointed as the Alternate Director to Mr. Chia Song Swa on 1 April 2023. He was subsequently appointed as the Alternate Director to Mr. Chia Lik Khai on 1 March 2024 under the Group's succession planning.
- ^^^ Mr. Chia Seong Pow was appointed as Executive Director on 1 April 2023. He was subsequently appointed as the Alternate Director to Mr. Chia Seong Fatt on 1 March 2024 under the Group's succession planning.
- ^^^^ Mr. Chia Song Swa was appointed as Executive Director on 1 April 2023. He was subsequently appointed as the Alternate Director to Mr. Cheah Juw Teck on 1 March 2024 under the Group's succession planning.
- * Fee is the Directors' fees and Executive Committee (EXCO) Members' fees received from QL and its subsidiaries.
- ** Allowance includes meeting allowance and general allowance received from QL and its subsidiaries.
- # Benefits-in-kind include car, private mileage, petrol and driver received from QL and its subsidiaries.
- @ Other emoluments include Employees Provident Fund received from QL and its subsidiaries.

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the opinion that it is not to the advantage of the Company or best business interest for such disclosure considering the highly competitive market for talents in the industry, which may heighten the rate of attrition and correspondingly salary cost.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will monitor the market practice in respect of such disclosure for future consideration.	
Timeframe	:	On-going.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Audit Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year under review, the Audit Committee ("AC") comprises four (4) members, all of whom are Independent Non-Executive Directors. The composition of the AC is as follows:-</p> <ul style="list-style-type: none"> • Low Teng Lum (Chairman/Senior Independent Non-Executive Director) • Kow Poh Gek (Member/Independent Non-Executive Director) • Cynthia Toh Mei Lee (Member/Independent Non-Executive Director) • Wee Beng Chuan (Member/Independent Non-Executive Director) <p>The Chairman of the AC, Low Teng Lum, is not the Chairman of the Board.</p> <p>The AC is guided by its Terms of Reference ("TOR"), which set out the composition, quorum, frequency of meeting as well as the specific functions and authority. The TOR is available under Appendix E to the Board Charter and is accessible on QL's website at https://ql.com.my/corporate-governance/.</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 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	:	In line with the recommendation of the Malaysian Code on Corporate Governance, the Terms of Reference of the Audit Committee ("AC") has been revised to include a cooling-off period of at least three (3) years before a former partner of the external audit firm can be appointed as a member of the AC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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>QL, through the Audit Committee ("AC"), has put in place policies and procedures to assess the suitability, objectivity and independence of the external auditors, as well as policy governing the circumstance under which contracts for provision of non-assurance services can be entered into by the external auditors. These policies and procedures are stated in the AC's Terms of Reference.</p> <p>The AC discusses the nature and scope of audit and reporting obligations with the external auditors before commencement of audit engagement. It is also the practice of the AC to respond to auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.</p> <p>In addition, the AC also met with the external auditors without the presence of the Executive Directors and Management two (2) times in the financial year 2024, to review any concerns/issues affecting their audit, including the level of cooperation rendered by Management relating to their access to financial information and accounting records. Such meeting/engagement with the external auditors would enable the AC to evaluate its suitability, objectivity and independence to safeguard the quality and reliability of audited financial statements for the financial year ended 31 March 2024.</p> <p>Annually, the AC reviews and evaluates all matters in relation to appointment or re-appointment, resignation or dismissal of external auditors to ensure that their independence and objectivity as statutory auditors are not compromised. In this regard, the KPMG in Malaysia Transparency Report 2022 for the financial year ended 31 December 2022 was tabled to the AC on 29 November 2023 by the external auditors which served as a guidance for AC to conduct their assessment on the external auditors. In November 2023, the external auditors had declared their independence throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statements of QL for the financial year 2024.</p>

	A more detailed activities of the AC during the financial year 2024, including the evaluation of the independent audit process, are set out in the AC Report of QL's Integrated Annual Report 2024.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 – Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee comprises wholly of Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Audit Committee ("AC") are equipped with skill, knowledge and experience from various industries, including accounting expertise. Coupled with their vast working experience, the AC members are financially literate and are able to understand matters under the purview of the AC.</p> <p>The AC reviews the integrity and reliability of the quarterly financial statements and audited financial statements prior to recommending the same to the Board. Such review includes the appropriateness of the accounting policies applied, its changes and impact as well as the significant judgements and assumptions made by the Management affecting the financial statements and conformance with the approved accounting standards and compliance with the regulatory requirements.</p> <p>The Board, through the Nominating Committee, reviews the terms of office of the AC members and assesses the performance of the AC and its members at least once in a financial year. Through the Board effectiveness evaluation for the financial year 2024 undertaken by an independent expert, Institute of Corporate Directors Malaysia (ICDM), the Board is satisfied with the AC's performance and concurred that they have carried out their duties in accordance with the Terms of Reference of the AC with their contribution to the overall effectiveness of the AC.</p> <p>The AC members are encouraged to attend at least one (1) training in a financial year to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules. During the financial year 2024, all of them attended various training programmes, seminars and briefings, details of which are set out in Practice 1.5 of this CG report.</p>

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

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges their responsibility in maintaining a sound system of internal control covering financial and operational controls, compliance and risk management to safeguard shareholders’ investments and the Group’s assets. In terms of risk management, the Board is responsible for overseeing the risk management framework of the Group and review the effectiveness of the risk management process. The Board sets the tone from the top and appetite towards managing key risks, nurtures a risk conscious culture and embeds risk management into the Group’s processes and structure.</p> <p>The Board delegates its role on risk management to the Risk Management Committee to oversee the implementation and compliance of a robust risk management process and the relevant internal controls system.</p> <p>There is an on-going review process by the Board to ensure the adequacy and integrity of the risk management and internal control system. However, the Board recognises that the review of the Group’s system of risk management and internal controls is a concerted and continuous process, designed to manage rather than eliminate the risk of failure to achieve business objectives. As such, internal controls can only provide reasonable and not absolute assurance against material misstatements or loss.</p> <p>The Board has received assurance from the Executive Committee (“EXCO”) and Chief Financial Officer that the Group’s risk management and internal control system is adequate and operates effectively, in all material aspects providing reasonable assurance that risks are managed within tolerable ranges. The EXCO consists of the Executive Chairman, Group Chief Executive Officer, Business Pillars’ CEOs, Deputy CEOs, Chief Operating Officers (COOs) and Head of Business Units (HOBUs).</p>

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Features of risk management and internal controls had been included in the Statement on Risk Management and Internal Control.</p> <p>The Board has put in place an Enterprise Risk Management (“ERM”) Framework that is principally aligned with ISO 31000 : 2018. The ERM Framework provides the foundation for managing risks across the Group covering the aspects of economic, environment, social and governance (EESG) risks where internal controls are designed to address and manage the risks identified. Applying the ERM Framework and relevant practices set out in the Malaysian Code on Corporate Governance 2021 ensures that there is an on-going process of identifying, evaluating, and managing risk exposure. The Group’s ERM Framework enhances the Group’s ability to make better decisions, improve performance and capitalise on opportunities which are essential to achieve the Group’s vision of being a preferred global agro-based enterprise by maintaining and implementing relevant controls or translating the principal risks of the business into upside opportunities.</p> <p>The key elements of the Group’s internal control processes include Code of Business Ethics and Conduct, Delegation of Responsibilities, Authority Limits, Standard Operating Procedures, Budgetary Process, Annual Budget and Periodic Performance Review, Anti-Bribery Framework, Whistle-blower policy, Quality Assurance, Control and Monitoring, Food Safety Standards, Safety, Health and Environment, Human Capital Management, Quarterly Board and Board Committee Meetings, Physical Safeguard and Insurance, Information and Communications Systems.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 – Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Risk Management Committee ("RMC") was established by the Board in November 2017 and is tasked by the Board to identify and implement the appropriate systems for overseeing the Group's principal risks, including establishment of an effective risk management and internal control framework. The composition, authority as well as the duties and responsibilities of the RMC are set out under its Terms of Reference, which has been duly approved by the Board and the same was attached in QL's Board Charter.</p> <p>Restructuring of the Board was undertaken during the financial year under review, including RMC. Following the change, the RMC comprised seven (7) members, majority of whom are Independent Non-Executive Directors.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by an Audit Committee (“AC”) to oversee the internal audit function.</p> <p>The Group outsourced its internal audit function to an independent professional consulting firm.</p> <p>To ensure that the internal audit function is effective and is able to function independently, the AC has carried out the following:-</p> <ul style="list-style-type: none"> • Reviewed and approved the proposed establishment of an in-house internal audit function in addition to the outsourced internal audit; • Reviewed the internal audit resource plan; • Reviewed and approved the Internal Audit Terms of Reference (i.e. Internal Audit Charter); • Reviewed and approved the tender process for outsourcing of internal audit services; • Reviewed and approved the Annual Internal Audit Plan including the progress status; • Assessed the overall performance of the outsourced internal auditor to ensure their effectiveness in meeting audit objectives; • Reviewed and deliberated the internal audit findings and observations arising from audits and considered their recommendations to Management for improvement in internal control process; and • Examined the adequacy and appropriateness of the Management’s action plans and responses to the audit findings and recommendations.
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 Group outsourced its internal audit function to an independent professional consulting firm with global presence in approximately 151 countries with more than 364,000 people who are committed to delivering quality in assurance, advisory and tax services.</p> <p>The engagement partner is Mr. Nik Shahrizal Sulaiman, a chartered accountant (ICAEW) with relevant experience in the areas of governance, risk and controls. The staff involved in the reviews have the relevant training in the area of internal audit, of which some are members of the Institute of Internal Auditors Malaysia.</p> <p>The internal audit reviews were conducted using the firm’s risk-based Internal Audit methodology, which are guided by industry good practices including the Institute of Internal Auditors framework. The areas of coverage are driven by a risk assessment process and presented to the Audit Committee for approval.</p> <p>The firm has an internal policy that requires their personnel to declare their professional independence and disclose any potential conflict of interest. During the course of the internal audit engagement for the financial year ended 2024, the firm did not highlight any conflict of interest matters with regards to its personnel.</p> <p>The activities undertaken by the internal auditors are based on the Professional Services Firm’s Internal Audit methodology, which is aligned to Institute of Internal Auditors (IIA) standards.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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>QL recognises the importance of communicating with its shareholders and does this through various platforms including the Integrated Annual Report, Annual General Meeting ("AGM") and announcements via Bursa Malaysia Securities Berhad ("Bursa Securities").</p> <p>In addition to the above, QL has also set up a website to enable an active dialogue with its investors and shareholders with the intention of giving investors and shareholders a clear and complete picture of QL's business and financial performance. QL via its website, includes a Corporate Governance section which provide policies of QL, Board Charter including Terms of Reference of the Board Committees, Corporate Governance reports and Statement on Risk Management and Internal Control (SORMIC) for stakeholders' better understanding of QL.</p> <p>Furthermore, QL's investor relations activities serve as an important communication channel with shareholders, investors and the investment community, both in Malaysia and internationally. The stakeholders are encouraged to channel their concerns to the Investor Relation personnel ("IR") whose name, contact number and e-mail address are provided at page 81 of QL's Integrated Annual Report 2024. Besides, a dedicated section for IR function is allocated in QL's website. This section includes all announcements made by QL to Bursa Securities, share price information, financial information, Integrated Annual Reports, minutes of general meetings including slides presented during the meetings as well as questions and answers raised by shareholders and QL's responses to MSWG questions.</p> <p>Meanwhile, in order to continuously improve QL's sustainability performance and approach, QL is committed to listening to its stakeholders' valued feedback, whereby stakeholders are encouraged to direct any of their questions, comments or feedback through a dedicated channel at esg@ql.com.my.</p> <p>Additionally, a press conference was held immediately after the AGM with the presence of the Executive Chairman, Group Chief Executive Officer and Executive Director.</p>

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

Intended Outcome

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

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Integrated Annual Report 2023 of QL was issued in accordance with the International Integrated Reporting Council International <IR> Framework and is accessible at QL's website at https://ql.com.my/investor-relations/annual-reports/ .	
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>Notice of the 26th Annual General Meeting (“AGM”) of QL dated 27 July 2023 was issued to shareholders prior to the AGM held on 30 August 2023, giving at least 28 days as per recommended practice, well in advance of the 21 days requirement under the Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This provides the shareholders with sufficient time to consider the resolutions that will be discussed and decided at the AGM.</p> <p>The notice of AGM outlines the resolutions to be tabled in the AGM together with explanatory notes and background information to enable the shareholders to make informed decisions in exercising their voting rights.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All the Directors of QL including Chairmen of the Board Committees attended QL's 26th Annual General Meeting ("AGM") held on 30 August 2023 to engage directly with the shareholders and provide adequate response to questions raised by the shareholders during the AGM. Besides the Directors, Senior Management and External Auditors of QL were invited to attend the AGM.</p> <p>At the commencement of the AGM, the Group Chief Executive Officer was invited by the Chairman to give a presentation of QL Group's business performance review and outlook, which covered the following areas:-</p> <ul style="list-style-type: none"> a) Performance review of FY2023 vs FY2022; b) Group ESG (Environmental, Social and Governance) highlights for FY2023; c) Operational highlights for FY2023; d) Summary of 1st quarter FY2024 financial results; and e) Overall outlook for FY2024. <p>Thereafter, the Group Chief Financial Officer was invited by the Chairman to share with the shareholders on QL's responses to questions submitted in advance of the AGM by the Minority Shareholder Watchdog Group (MSWG).</p> <p>During the AGM, shareholders were given opportunity to raise questions on the Group's activities and prospects as well as to communicate their expectations and concerns to QL. Appropriate answers and/or clarifications were provided by the Board members, Committee Chairman or Senior Management in order to allow the shareholders to make informed voting decisions at 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

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The 26th Annual General Meeting (“AGM”) of QL held on 30 August 2023 was conducted physically.</p> <p>The Board decided to hold the AGM physically for the following reasons:-</p> <p>(a) the Board believes that physical general meetings provide more opportunities for shareholders to interact face-to-face with the Board, Senior Management and other shareholders, which enhances the quality and depth of engagement and communication;</p> <p>(b) physical meetings reduce the risk of potential technical issues, disruptions or cyberattacks that could affect the smooth conduct of virtual or hybrid general meetings and compromise the security and integrity of the meeting and voting process; and</p> <p>(c) the Board is also mindful of the accessibility and convenience of some shareholders, especially those who are not familiar or comfortable with using technology or do not have reliable internet access or devices to participate in virtual or hybrid general meetings.</p> <p>QL had taken the following measures to ensure that shareholders were able to participate, engage and made informed voting decisions at the AGM:-</p> <p>(a) the AGM was held at an easily accessible venue to encourage shareholders' attendance;</p> <p>(b) QL allowed shareholders who were unable to attend the AGM in person to appoint proxies to attend, speak and vote on their behalf at the AGM, in accordance with the provisions of QL's Constitution;</p>

	<p>(c) QL adopted electronic poll voting at the AGM for greater transparency and efficiency; and</p> <p>(d) QL published the minutes of the AGM, including slides presented during the meeting as well as questions and answers raised by shareholders and QL’s responses to MSWG questions, on QL’s corporate website within a reasonable timeframe.</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>: QL had in years 2020, 2021 and 2022, conducted its AGM virtually through live streaming from the broadcast venue and online remote voting via remote participation and voting facilities (“RPV”) (collectively referred to as “virtual AGMs”). RPV enabled remote shareholders’ participation and online remote voting by leveraging on technology in accordance with Section 327(2) of the Companies Act, 2016 and Clause 72 of the Company’s Constitution, through a dedicated online platform.</p> <p>The virtual AGMs allow shareholders to attend, participate, and pose questions prior to the AGM via email or through the real time submission of typed texts through a text box within the online meeting platform and vote remotely at the virtual AGMs.</p> <p>QL conducted poll voting on all the resolutions proposed at its virtual AGMs, whereby poll administrator was appointed to conduct poll voting electronically and an independent scrutineer to verify the poll results. Shareholders who joined the virtual AGMs through live streaming were given sufficient time to cast their votes remotely via RPV facilities.</p> <p>Subsequent to the issuance of the Malaysian Code on Corporate Governance (“MCCG”) on 28 April 2021, Tricor Investor & Issuing House Services Sdn. Bhd. (“TIH”) confirmed that TIH has implemented an Information Technology policy and Information Security policy, endpoint controls and data classification for cyber hygiene practices of the staff. In addition to this, the TIH Online is hosted in a secure cloud platform and the data center is certified by ISO27001.</p>
<p>Timeframe</p>	<p>: Others.</p> <p>QL will consider to adopt this Practice when the infrastructure and technical support are in place to support a smooth broadcast of a hybrid general meeting and interactive participation by shareholders. This may include a reliable platform with secure network, stable connectivity, and a contingency plan in case of any technical issues.</p>

Intended Outcome

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

Practice 13.4

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	<p>At the commencement of QL's 26th Annual General Meeting ("AGM"), the Group Chief Executive Officer was invited by the Chairman to give a presentation of QL Group's business performance review and outlook, which covered the following areas:-</p> <ul style="list-style-type: none">a) Performance review of FY2023 vs FY2022;b) Group ESG (Environmental, Social and Governance) highlights for FY2023;c) Operational highlights for FY2023;d) Summary of 1st quarter FY2024 financial results; ande) Overall outlook for FY2024. <p>Thereafter, the Group Chief Financial Officer was invited by the Chairman to share with the shareholders on QL's responses to questions submitted in advance of the AGM by the Minority Shareholder Watchdog Group (MSWG).</p> <p>During the AGM, shareholders were given opportunity to raise questions on each resolution tabling during the AGM, the Group's activities and prospects as well as to communicate their expectations and concerns to QL. Appropriate answers and/or clarifications were provided by the Board members, Committee Chairman or Senior Management in order to allow the shareholders to make informed voting decisions at the meeting.</p> <p>Tricor Investor & Issuing House Services Sdn. Bhd. ("TIH") was appointed as the poll administrator to conduct the poll voting electronically and SKY Corporate Services Sdn. Bhd. as an independent scrutineer to verify the poll results. Prior to the polling process, TIH briefed the shareholders/proxies on the polling procedures. Sufficient time was allocated for the shareholders/proxies to cast their votes during the AGM.</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 13.5

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

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

Application	:	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of QL's 26 th Annual General Meeting ("AGM") held on 30 August 2023 detailing the meeting proceedings including questions raised by shareholders and MSWG (Minority Shareholder Watchdog Group) together with the responses by QL, was published at QL website at https://ql.com.my/investor-relations/annual-general-meeting/ on 26 September 2023, no later than 30 business days after the completion of the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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