

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5099
COMPANY NAME : CAPITAL A BERHAD
FINANCIAL YEAR : December 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 PURSUANT TO CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors (the Board or Directors) of Capital A Berhad (Capital A or the Company) is responsible for the oversight of the overall management of the Company and its subsidiaries (collectively known as the Group) and retains full and effective control over the affairs of the Group.</p> <p>The duties, powers and functions of the Board are governed by the Constitution of the Company, the Companies Act, 2016, Capital Markets and Services Act 2007, Malaysian Code on Corporate Governance 2021 (MCCG), Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) and other regulatory guidelines and requirements.</p> <p>The Board is guided by the Board Charter in discharging its duties and responsibilities effectively. The Board Charter is available on the Company's website at www.capitala.com.</p> <p>The Chairman is responsible for providing leadership to the Board and ensuring the smooth and effective functioning of the Board while the day-to-day operation of the business is delegated to the Chief Executive Officer (CEO) and Deputy CEO to ensure that the Company operates within a framework of prudent and effective controls.</p> <p>The Board has established the following Board Committees to assist in the oversight of various areas of its duties:-</p> <ul style="list-style-type: none">• Audit Committee (AC)• Risk Management and Sustainability Committee (RMSC)• Nomination and Remuneration Committee (NRC)• Safety Review Board (SRB) <p>collectively referred to as Committees.</p>

	Each of the Committees operates within its respective Terms of Reference (TOR) that also clearly defines its respective functions and authorities.	
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>Datuk Kamarudin bin Meranun, a Non-Independent Executive Director, is the Chairman of the Board.</p> <p>The key responsibilities of the Chairman, among others, are as follows:-</p> <ul style="list-style-type: none"> (i) To lead the Board in setting the values and standards of Capital A, and oversee the Board in the effective discharge of its role (ii) To steer effective, productive and comprehensive discussions among Board members and Management on key issues pertinent to the business and operations of the Group (iii) To ensure constructive relations are maintained between the Board and Management (iv) To ensure effective communication with shareholders and stakeholders (v) To instil good corporate governance practices, leadership and effectiveness of the Board <p>The Chairman, with the assistance of the CEO, Deputy CEO and the Company Secretaries, sets the agenda for each Board meeting based on the annual meeting calendar, which is circulated to Board members prior to each meeting.</p> <p>The Chairman leads the discussion at Board meetings, allowing sufficient time for deliberation on key issues and complex matters. He encourages active participation and allows views, including dissent, to be freely expressed.</p> <p>The roles and responsibilities of the Chairman are clearly specified in the Board Charter.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman and CEO are held by two (2) different individuals to ensure balance of power and authority.</p> <p>The Board of Directors is chaired by Datuk Kamarudin bin Meranun, while the position of CEO is held by Tan Sri Anthony Francis Fernandes who also serves as an Executive Director of the Company.</p> <p>The CEO provides overall leadership and has overall responsibility for the operational activities of the Group and implementation of the Board's policies, strategies and decisions.</p> <p>The key roles and responsibilities of the Chairman and CEO are set out in the Board Charter of the Company which is available on the Company's website at www.capitala.com.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: The Chairman of the Board, Datuk Kamarudin bin Meranun, is not a member of the AC, NRC, RMSC or SRB of the Company, and does not participate in any of the Committee meetings by way of invitation or in any other capacity.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) qualified and competent Company Secretaries. Both Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified and possess the required experience to act as Company Secretaries under Section 235(2)(a) of the Companies Act, 2016.</p> <p>All Directors have unrestricted access to the advice and services of the Company Secretaries for the purposes of the Board's affairs and the Group's business.</p> <p>The roles and responsibilities of the Company Secretaries include:-</p> <ul style="list-style-type: none">(i) To advise on measures to be taken and requirements to be observed by the Company and its Directors arising from new statutes and guidelines issued by Bursa Malaysia, the Securities Commission Malaysia (SC) or the Companies Commission of Malaysia (CCM)(ii) To attend all Board, Committee and general meetings (save for SRB meetings, which are handled by the SRB) and ensure that accurate and proper records of the proceedings and resolutions passed are maintained in the statutory records at the registered office of the Company(iii) To advise the Directors on their obligations and duty to disclose their interests in the Company's securities, as well as any conflicts of interest in transactions involving the Company
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and Board Committee meetings for each financial year are scheduled in advance before the end of the preceding financial year, to enable the Directors to plan and coordinate their own schedules.</p> <p>An agenda and Board reports containing information relevant to the business for consideration at the Board and Board Committee meetings are circulated in advance to enable the Directors to obtain any additional information or explanation needed to discharge their duties and responsibilities competently and in a well-informed manner.</p> <p>To encourage a paperless environment, the Company grants digital access to the Directors via a dedicated Google Drive for meeting documents.</p> <p>Upon the conclusion of each meeting, the Company Secretary will circulate the minutes to the Management and Directors for review to ensure the minutes reflect the meeting proceedings accurately. The minutes of the meeting will be confirmed and signed by the Chairman at the following meeting.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is guided by its Board Charter which sets out the responsibilities of the Board in discharging its fiduciary duties. The Board Charter is reviewed as and when necessary and upon any new regulations or laws that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the Company's corporate website at www.capitala.com.</p> <p>The roles and responsibilities of the Board, the Chairman, the CEO and individual Directors, and the matters reserved for the Board, are set out in the Board Charter.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has put in place a Code of Conduct and Ethics which outlines the Company's values and expected standard of conduct in carrying out its business fairly, impartially, ethically and with the utmost regard to safety. It ensures the Company's Directors, employees, agents and representatives carry out their respective functions with honesty and impartiality while complying with applicable laws and regulations. It also outlines prohibited activities/misconduct involving gifts, gratuities, bribes, dishonest behaviour and sexual harassment.</p> <p>The Code of Conduct and Ethics promotes prudent management of conflicts of interest to ensure objectivity in carrying out the Company's duties.</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 Company has a Whistleblowing Policy which encourages the reporting of any unethical or unlawful behaviour or practices. The policy can be found on the Company’s website and provides a formal communication channel where all stakeholders can communicate their concerns in cases where the Company’s business conduct is deemed to be contrary to its common values.</p> <p>The reporting procedure is set out in the policy.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has overall responsibility for sustainability and setting the Group's strategic direction taking into account sustainability considerations, including matters involving climate strategy.</p> <p>In fulfilling its responsibilities related to sustainability, the Board and RMSC are supported by the Sustainability Working Group (SWG) comprising heads of department and lines of business across the Group. The SWG is chaired by the Chief Sustainability Officer, who takes the lead in managing sustainability targets by collaborating closely with various departments and internal functions within the Group. The Chief Sustainability Officer reports on progress made to the RMSC and/or Board on a quarterly basis.</p> <p>During the financial year, the SWG and the Board discussed the following matters:</p> <ul style="list-style-type: none">(a) Sustainability strategy, targets and initiatives(b) Sustainability performance and updates(c) ESG assessment outcomes <p>In April 2024, the Company produced a standalone Sustainability Report which complies with the Global Reporting Initiative (GRI) reporting standards and the MMLR of Bursa Malaysia.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that the Group’s sustainability strategies and risk management processes are communicated effectively to all internal and external stakeholders via the following:-</p> <ul style="list-style-type: none"> (a) Sustainability Statement (b) Corporate website (c) Meetings and discussions (d) Media releases (e) Townhalls by senior management (f) Investor roadshows (g) Social media <p>A comprehensive list of engagements with various stakeholder groups covering sustainability strategies, priorities, targets and progress is set out in the Sustainability Report 2024.</p> <p>The Group welcomes valuable ideas and comments from our stakeholders and looks forward to continuously improving towards a more sustainable future through the designated email address at sustainability@airasia.com</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Board and Management continuously undertake training to keep abreast with and understand sustainability issues which are relevant to the Company and its stakeholders. The RMSC, Chief Sustainability Officer and Management provide periodic update to the Board on key sustainability issues including climate-related risks and opportunities. During the financial year ended 31 December 2024, most of the Directors attended the Mandatory Accreditation Programme (MAP) Part II.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Board performance evaluations are conducted annually to assess each Director’s professional competency, attributes and personality. The NRC has assessed and is satisfied that the overall results of the Board performance evaluation for the financial year was satisfactory.</p> <p>The evaluation included an assessment of the performance of the Board in addressing the Group’s material sustainability risks and opportunities. Based on the results of the performance evaluation, the NRC is satisfied that the Board members are knowledgeable and have deep understanding of the sustainability issues that are relevant to the Group.</p> <p>The Board also assessed senior management’s contribution to the Group’s risk management initiatives, including the management of sustainability risks and opportunities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Chief Sustainability Officer, Ms Yap Mun Ching, is the designated person responsible for managing the Group's sustainability priorities. She is supported by a team of sustainability analysts.</p> <p>She also chairs the Sustainability Working Group (SWG), a cross-functional committee comprising heads of department and sustainability representatives from all lines of business.</p> <p>The SWG identifies, assesses, evaluates, manages and reports on current and emerging sustainability risks and opportunities relevant to the Group. The SWG also implements approved sustainability initiatives across the Group and monitors the Group's sustainability performance.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is responsible for overseeing and reviewing the Board's composition to ensure it is refreshed periodically for it to operate in an effective manner.</p> <p>The Board has established a Directors' Fit and Proper Policy which sets out the fit and proper criteria for appointment and re-appointment of Directors on the Boards of the Group.</p> <p>The NRC has reviewed, and the Board has recommended, the re-election of Datuk Kamarudin bin Meranun, Dato' Fam Lee Ee and Brig Gen (R) Fadzillah binti Abdullah, who were due for retirement by rotation and casual vacancy.</p> <p>During the financial year, the NRC conducted its annual assessment on the effectiveness of the Board, Board Committees, individual Directors, and the terms of office and performance of the AC and its members. The NRC was satisfied that the Board composition fulfilled the criteria required and that the Directors and Board Committees possess the relevant expertise in fulfilling their roles.</p> <p>In making its assessment and recommendations to the Board, the NRC considers criteria such as diversity in skills, experience, age, cultural background and gender to ensure a balanced composition of the Board in line with the Group's business strategies.</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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company complies with the provisions of the MMLR of Bursa Malaysia whereby at least two (2) or one third (1/3) of the Board, whichever is the higher, are independent directors.</p> <p>The Board is of the view that its current size and composition are appropriate and effective, taking into account the nature and scope of the Company's operations. The Board is also of the view that its current composition fairly represents the required mix of relevant skills, knowledge and industry experience for the effective discharge of its responsibilities.</p> <p>As at the financial year end, the Board of the Company comprised six (6) members, two (2) of whom are Executive Directors including the CEO, three (3) are Independent Directors and one (1) Non-Independent Non-Executive Director.</p> <p>Nonetheless, the Board is mindful of the recommendation of the MCCG that at least half (1/2) of the board should comprise independent directors; and intends to seek suitably qualified persons to be appointed as Independent Directors.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board, through its NRC, will continue to place emphasis on sourcing suitable candidate(s) for appointment as Independent Director(s) to meet the requirement of Practice 5.2 of the MCCG.
Timeframe	:	By end of 2025

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	:	The Board has in place a policy which limits the tenure of an Independent Director to nine (9) years in line with Practice 5.3 of the MCCG. If the Board intends to retain an Independent Director beyond nine (9) years, it will provide justification and seek shareholders' approval through a two-tier voting process. As at 31 December 2024, none of the Independent Directors had served on the Board for a cumulative term of more than nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management is 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 Company has implemented procedures for the nomination and election of Directors through the NRC, which are made on personal merit and measured against objective criteria with due regard for the benefits of diversity in the boardroom. The NRC assesses candidates based on the diversity in skills, knowledge and experience required by the Company. The Company acknowledges the benefits of having a diverse Board.</p> <p>In line with its Board Diversity Policy, the selection of candidates to join the Board is in part dependent on the pool of candidates with the skills, knowledge and experience required. The NRC will review the nominees for directorship by going through their profiles and interview the shortlisted candidates to ensure they are suitable and of sufficient calibre for recommendation to the Board for approval.</p> <p>Capital A's diverse Board includes and makes good use of differences in skills, regional and industry experience, background, race, ethnicity, age and other attributes of the Directors. Additionally, Capital A maintains a good mix of diversity in its senior management. Ultimate decisions on Board appointments will be based on merit and the contributions the candidate could bring to the Board.</p> <p>The Board strongly views diversity in composition to be important to facilitate optimal decision-making by harnessing different insights and perspectives of Directors from a wide variety of backgrounds, experience and skills.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a formal and transparent process for NRC to identify candidates who are suitably qualified to become Board members, including Independent Directors, and makes recommendations to the Board on the appointment of such individuals taking into consideration their competencies, commitment, contribution and performance.</p> <p>In identifying candidates for appointment as Directors, the NRC relies on various sources, from recommendations by existing Board members, Management or major shareholders as well as independent external referrals and search firms.</p> <p>When identifying suitable candidates for appointment or assessing the Board's composition, the NRC will consider candidates on merit against objective criteria and with due regard to the benefits of diversity on the Board and the needs of the Board to maintain an optimum mix of skills, knowledge and experience of its members.</p> <p>The ultimate decision as to who is nominated shall be the responsibility of the full Board after considering the recommendations of the NRC based on merit and contributions the candidate can bring to the Board.</p> <p>During the financial year, the NRC, through internal sources, sought suitable candidates to fill the vacancy for an Independent Director and recommended the appointment of Brig Gen (R) Fadzillah binti Abdullah to the Board on 1 November 2024.</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 5.7

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 Datuk Kamarudin bin Meranun, Dato' Fam Lee Ee and Brig Gen (R) Fadzillah binti Abdullah, who are due for re-election at the forthcoming Annual General Meeting of the Company, scheduled to be held on 13 June 2025, are disclosed in the Profiles of Directors in the Annual Report 2024.</p> <p>A statement of support for the re-appointment of Directors who are up for re-election can be found in the notes accompanying the Notice of Annual General Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 NRC is chaired by Dato' Fam Lee Ee, a Senior Independent Non-Executive Director of the Company.</p> <p>Dato' Fam Lee Ee has led the conduct of the NRC in an effective and objective manner.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As at 31 December 2024, the Company had one (1) woman director on its Board in compliance with Paragraph 15.02 (1) (b) of the MMLR of Bursa Malaysia.	
		The Board has established a Board Diversity Policy which ensures a broad dimension of diversity to guarantee diverse viewpoints. The Board Diversity Policy is available on the Company's website at www.capitala.com . The Board is mindful of the recommended best practice of having at least 30% women directors.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The NRC and the Board are actively seeking women to join the Board. The selection of candidates will be based on suggestions from existing Board members, senior management, major shareholders, external search firms or other independent sources. The ultimate decision on the appointment of a candidate as a Director of the Company will be based on merit in the context of the skills, experience and contributions the chosen candidate will bring.	
Timeframe	:	Within two (2) years	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's policy and initiatives on encouraging gender diversity on the Board and in senior management is disclosed in various sections of the Annual Report 2024.</p> <p>The Board acknowledges the importance of gender diversity and recognises the benefits that it can bring. The Board's prime focus in appointing new Directors is the strength of the Board members and the contributions they would bring to the Company. The overriding aim in any new appointment would be to select the best candidate available to achieve a balanced composition of the Board and ensure that Board decisions are made objectively and in the best interests of the Company taking into account diverse perspectives and insights.</p> <p>The Company also seeks to maintain strong women representation in its management team. The Company is committed to sustaining an inclusive and high-performing culture taking into account gender diversity of the Board and senior management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>For the financial year ended 31 December 2024, the Board did not engage an independent expert to facilitate objective and candid Board evaluation.</p> <p>The NRC conducts the annual performance evaluations covering the Board, Board Committees and individual Directors, including Independent Directors.</p> <p>The annual evaluation, which is internally facilitated, involves individual Directors and Committee members completing separate evaluation questionnaires regarding Board and Committee processes, their effectiveness, and areas where improvements could be considered. The evaluation process also involves a peer and self-review assessment.</p> <p>Based on the results of the evaluation, the NRC was satisfied that all the Directors had devoted sufficient time to discharge their responsibilities during the financial year.</p> <p>The NRC was also satisfied that the Board and Board Committees comprised the right composition of members, provided useful recommendations in assisting the Board in its decision-making and, consequently, the Board meetings were more efficient and effective. The members of the Committees have sufficient and relevant expertise in fulfilling their roles. The NRC also reviewed and assessed the independence of the Independent Directors of the Company as required under the MMLR of Bursa Malaysia.</p>

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

Measure	:	The Board will consider the necessity of engaging an independent expert to facilitate the annual board evaluation.	
Timeframe	:	by end of 2025	

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 take 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 adopted a formal and transparent Remuneration Policy Statement to attract and retain Directors and staff.</p> <p>The Company maintains transparent procedures in determining the remuneration policy for its Directors, CEO and senior management. The NRC is responsible for reviewing and recommending to the Board the compensation payable to the Directors, CEO and senior management in connection with their individual contributions to the Company's overall performance, or any loss or termination of their office or appointment, and the compensation arrangements relating to their dismissal or removal for misconduct, if any.</p> <p>Executive Directors play no part in decisions on their own remuneration. The remuneration packages of Non-Executive Directors are determined by the Board as a whole, with the individual Directors concerned abstaining from the discussions. This is to ensure that compensation is competitive and consistent with the business strategy and long-term objectives of the Group.</p> <p>The aforesaid policy and procedures will be periodically reviewed and updated to remain competitive, appropriate and aligned with prevalent market practices.</p> <p>The Remuneration Policy Statement is available on the Company's website at www.capitala.com.</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 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 deal with its authority and duties and are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The role of the NRC is clearly stated in its TOR, which is accessible on Capital A's website at www.capitala.com.</p> <p>The NRC is responsible for ensuring that members of the Board are fairly rewarded for their individual contributions to the Company's and the Group's overall performance, and that the levels of remuneration are sufficient to attract and retain talents to run the Company and the Group successfully.</p> <p>The NRC ensures the remuneration of Non-Executive Directors and Independent Directors of the Company are linked to their responsibilities as members of the Board and Committees and contributions to the effective functioning of the Board.</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 a named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonuses, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors' remuneration packages are reviewed periodically to support long-term sustainability and shareholder value, consistent with the Company's business strategy.</p> <p>The remuneration of the Independent Non-Executive Directors is approved by the shareholders at the Annual General Meeting of the Company.</p> <p>Detailed disclosure on a named basis of the remuneration of the Directors of the Company for the financial year ended 31 December 2024 is as follows:-</p>

N o	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits -in-kind	Other emolum ents	Total	Fee	Allowance	Salary	Bonus	Benefits -in-kind	Other emolum ents	Total
1	Datuk Kamarudin bin Meranun	Executive Director	-	-	9,820	-	-	9,236	19,056	-	-	9,820	-	-	9,236	19,056
2	Tan Sri Anthony Francis Fernandes	Executive Director	-	125	8,220	-	-	8,463	16,808	-	125	8,220	-	-	8,463	16,808
3	Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar	Non-Executive Non-Independent Director	436	62	-	-	-	-	498	436	62	-	-	-	-	498
4	Dato' Fam Lee Ee	Independent Director	456	62	-	-	-	-	518	456	62	-	-	-	-	518
5	Dato' Mohamed Khadar bin Merican	Independent Director	442	60	-	-	-	-	502	442	60	-	-	-	-	502
6	Surina binti Shukri (demised on 29 February 2024)	Independent Director	55	-	-	-	-	-	55	55	-	-	-	-	-	55
7	Brig Gen (R) Fadzillah binti Abdullah (Retired)	Independent Director	60	8	-	-	-	-	68	60	8	-	-	-	-	68

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges that disclosures on the remuneration of senior management on a named basis provide transparency and enable stakeholders to assess whether the remuneration is commensurate with their individual performance.</p> <p>The Board is of the view that disclosure of senior management's remuneration would not be in the Group's best interest as talent poaching is common in the industry and the Group would like to ensure employee retention efforts are safeguarded.</p> <p>The Board will ensure that the remuneration of senior management is commensurate with their level of duties and responsibilities and the performance of the Company.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	<p>The disclosure of the salary of the top five (5) senior management personnel is made on an aggregate basis in the Audited Financial Statements for the financial year.</p> <p>The Board will review on an annual basis such disclosures.</p>
Timeframe	:	Others

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	-	-	-	-	-	-	-	-

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	-	-	-	-	-	-	-	-

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC is chaired by Dato' Mohamed Khadar bin Merican, who is not the Chairman of the Board.</p> <p>As at 31 December 2024, the AC comprised three (3) members, a majority of whom are Independent Non-Executive Directors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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	:	None of the members of the AC is a former key audit partner. The TOR of the AC states the requirement that a former key audit partner of the Company's external auditors must observe a cooling-off period of at least three (3) years before she/he can be considered for appointment to 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>The Company, through the AC, has maintained a formal and transparent relationship with the external auditors to meet their professional requirements. The AC meets the external auditors at least twice (2) a year, without the presence of senior management whenever necessary.</p> <p>The AC reviews the audit plans, scope of audit report as well as the audit and non-audit fees, performance and appointment of the external auditors.</p> <p>The Board has delegated to the AC the responsibility to perform an annual assessment on the quality of audit which encompasses the performance and calibre of the external auditors and their independence, objectivity and professionalism.</p> <p>The external auditors have also provided assurance to the AC of their independence via the Audit Planning Memorandum.</p> <p>The AC is satisfied with the suitability and independence of the external auditors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

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>The members of the AC are financially literate and have the necessary skills and knowledge to meet their responsibilities and to discharge their duties.</p> <p>The AC Chairman, Dato' Mohamed Khadar bin Merican, is a member of the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants.</p> <p>The NRC has carried out its annual assessment on the composition and performance of the AC and each of its members for the financial year ended 31 December 2024. Based on the evaluation, the Board is satisfied that the AC has carried out its duties and responsibilities.</p> <p>Seminars, conferences and training programmes attended by AC members during the financial year ended 31 December 2024 are disclosed in the Corporate Governance Overview Statement in the Annual Report 2024.</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 its responsibility for implementing and maintaining a sound system of risk management and internal control in the Company and the Group.</p> <p>The Board is assisted by the RMSC in overseeing the Group's risk management framework and policies as well as to oversee the processes used to identify, evaluate and manage risk.</p> <p>In fulfilling its responsibilities in risk management, the RMSC is assisted by the Risk Management Department (RMD). The primary responsibilities of the RMSC are as follows:</p> <ul style="list-style-type: none"> ● to oversee and recommend the Enterprise Risk Management (ERM) strategies, frameworks and policies of the Group ● to implement and maintain sound ERM frameworks, which identify, assess, manage and monitor the Group's strategic, financial, operational and compliance risks ● to implement and monitor a Business Continuity Plan (BCP) with procedures and systems to restore critical business functions in the event of any unplanned disaster ● to develop and inculcate a risk-aware culture within the Group <p>The RMSC meets on a quarterly basis to evaluate and deliberate on the risk management activities presented by the RMD and recommend appropriate measures to mitigate the Group's risk exposures.</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 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the RMSC, oversees the Group’s risk management framework and policies as well as the processes used to ensure effectiveness of risk identification, management and monitoring to safeguard the interests of shareholders, employees, customers and other stakeholders, and meet their expectations.</p> <p>The management team upholds the role of ensuring that policies and procedures on risk management and internal control are in place to manage these risks on behalf of the Board. The CEO, Deputy CEO and Chief Financial Officer provide further assurance with regard to the adequacy and effectiveness of the Group’s risk management and system of internal control.</p> <p>Further details on the management and reporting of risks as well as the controls in place to mitigate and manage those risks are provided in the Statement on Risk Management and Internal Control in the Annual Report 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established a RMSC, which consists of three (3) Non-Executive Directors with a majority of Independent Directors, to assist the Board to undertake and evaluate key areas of risk exposures.</p> <p>The primary responsibilities of the RMSC in relation to risk management and internal controls are as follows:</p> <ul style="list-style-type: none">● to oversee and recommend ERM strategies, frameworks and policies of the Group● to implement and maintain sound ERM frameworks which identify, assess, manage and monitor the Group's strategic, financial, operational and compliance risks● to implement and monitor a Business Continuity Plan (BCP) with systems and procedures to restore critical business functions in the event of unplanned disaster● to develop and inculcate a risk-aware culture within the Group <p>The TOR of the RMSC is available on Capital A's website at www.capitala.com.</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 AC is responsible for ensuring the integrity and effective operations of the internal audit function. In this respect, the Group has a well-established in-house Group Internal Audit Department (GIAD) to assist the AC in carrying out its functions.</p> <p>During the financial year, the AC reviewed the annual audit plan, the internal audit reports as well as audit findings and recommendations by the GIAD to redress weaknesses and/or non-compliance and the Management’s responses thereto.</p> <p>A summary of activities carried out by the GIAD during the financial year ended 31 December 2024 is set out in the Audit Committee Report in the Company’s Annual Report 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose: –

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

Application	:	Applied
Explanation on application of the practice	:	<p>On 13 January 2025, the GIAD confirmed its organisational independence, with the Head of GIAD and all internal auditors signing the Annual Code of Ethics and Conflict of Interest Declaration that they were and had been independent, objective and in compliance with the Code of Ethics and Conflict of Interest as per the International Professional Practice Framework (IPPF) in carrying out their duties for the financial year.</p> <p>The GIAD has 23 personnel comprising the Head of IA, 19 internal auditors, and three (3) personnel specialising in fraud and investigation. The GIAD continues its commitment to equip its internal auditors with adequate knowledge and proficiency. About RM50,926 was spent on training in the areas of auditing skills, technical skills and personal development; as well as inhouse, online and external training. As at 31 December 2024, the average training days per staff stood at six (6) days.</p> <p>Mr Ong Kean Siang, the Head of GIAD, is a Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), Certified Fraud Examiner (CFE), Certified Risk Management Assurance (CRMA) provider, is Certified in Risk and Information Systems Control (CRISC), and holds a Bachelor's in Accounting (Hons) from the University of Malaya. All the department personnel have minimum tertiary education from various backgrounds. Most of the personnel have relevant professional qualifications such as the CIA, CFE and CISA.</p> <p>The GIAD is guided by its Internal Audit Charter that provides independence and reflects the roles, responsibilities, accountability and scope of work of the department in line with the IPPF on Internal Auditing issued by the Institute of Internal Auditors. For any significant gaps identified in the governance processes, risk management processes or controls during its engagements, GIAD provides recommendations to Management on how to improve the design and effectiveness of controls where applicable.</p>

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of regular and effective communication with shareholders and investors.</p> <p>The annual reports, circulars to shareholders, quarterly results and other public announcements are accessible to shareholders and the public through Bursa Securities' website and the Company's website. This enables shareholders and investors to have an overview of the Group's performance and operations.</p> <p>The Company uses its website to provide shareholders easy access to relevant information. To facilitate stakeholders' understanding of the Company with respect to its business and policies on governance, the Company has placed various documents pertaining to the organisation, Board and senior management, corporate governance, policies, charters, TORs as well as other corporate information on its website for easy reference.</p> <p>The Annual General Meeting (AGM) also serves as a key forum for direct interaction and dialogue with shareholders. It provides shareholders the opportunity to clarify issues with the Management of the Company and to gain a better understanding of the Company's performance. The Board, senior management and external auditors are also available to provide appropriate explanations and clarifications during the AGM.</p> <p>Contact details of the investor relations (capitala_ir@airasia.com) function is available on the website to enable shareholders to reach the Investor Relations team directly should they have any enquiries or feedback.</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	:	
Explanation for departure	:	<p>The Company has adopted integrated reporting for the 2024 Annual Report.</p> <p>The Group's Integrated Annual Report 2024 has been prepared in accordance with the guiding principles and content elements of the International Integrated Reporting ("IR") Framework, which is maintained under the auspices of the IFRS Foundation. The Group is committed to continuously enhancing its integrated reporting practices and making incremental improvements in line with the IR Framework and stakeholder expectations.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The notice of the Company’s Seventh AGM held on 13 June 2024 was sent on 30 April 2024. The notice for the Eighth AGM, which is scheduled to be held on 13 June 2025, will be sent out on 30 April 2025. The notice period for the AGM in 2024 and 2025 is more than twenty-eight (28) days.</p> <p>The additional time given to shareholders enables them to consider the resolutions and make informed decisions in exercising their voting rights at the AGM, as well as to make the necessary arrangements to attend and participate personally or through a corporate representative or proxy.</p> <p>Each item of the special business included in the Notice of AGM is accompanied by an explanatory statement on the proposed resolution to enable shareholders to make an informed decision in exercising their voting rights at 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 13.2

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 the Company attended the Company's Seventh AGM and Extraordinary General Meeting (EGM) held on 13 June 2024 and 14 October 2024 respectively. The Chairmen of the Board Committees, senior management and external auditors were in attendance to respond to questions posted by shareholders.</p> <p>The minutes of meetings, including the Company's responses to questions raised by shareholders, were subsequently made available on the Company'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

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

Practice 13.3

Listed companies should leverage technology to facilitate: –

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Seventh AGM of the Company on 13 June 2024 was held virtually through live streaming and remote online voting using the Remote Participation and Voting facilities (RPV) provided by Tricor Investor & Issuing House Services Sdn. Bhd. (Tricor) via its TIIH Online website.</p> <p>All members of the Board were present at the broadcast venue, and the shareholders and proxies were invited and encouraged to participate and vote remotely at the Seventh AGM via the RPV. The results of the votes were scrutinised by an independent scrutineer.</p> <p>Tricor has in place cyber security and cyber hygiene protocols to ensure data privacy and prevention of cyber threats.</p> <p>The Company's forthcoming AGM will be held on 13 June 2025 at a physical venue. Shareholders who are unable to attend in person are granted the right to appoint proxies to vote in their place. Shareholders can appoint any persons as their proxies who, in turn, are allowed to attend, vote and raise enquiries (if any) in their capacity during the meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>At the AGMs of the Company, there will be a brief presentation on the Group's performance for the year and future prospects. The Executive Chairman, all Committee Chairmen and the CEO will be present to hear shareholders' views and answer their questions. Shareholders are encouraged to participate in the proceedings and engage with the Board and senior management.</p> <p>In ensuring that general meetings support meaningful engagement between the Board, senior management and shareholders, the Board provides shareholders with sufficient opportunity to pose questions prior to and during the general meeting(s). The Board and senior management endeavour to answer all questions from shareholders or proxies during the general meeting(s). If some questions cannot be answered during the general meeting(s) due to time constraints, answers to those questions will be emailed to the respective shareholders or proxies as soon as possible after the general meeting(s).</p> <p>The responses to questions from shareholders or proxies are reviewed by the senior management, CEO and Board, where applicable, to ensure that all relevant questions receive a meaningful response.</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.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: The Seventh AGM and the EGM of the Company on 13 June 2024 and 14 October 2024 were held on a fully virtual basis. The Administrative Notes which set out the details of the fully virtual meetings were published on the Company's corporate website to facilitate the process for shareholders to register, participate and vote remotely. The RPV facilities enabled shareholders to attend, participate, pose questions and vote remotely without physically attending the meetings. In ensuring that general meetings support meaningful engagement between the Board, senior management and shareholders, the Board provides shareholders with sufficient opportunity to pose questions prior to and during the general meeting(s). The Board and senior management will endeavour to answer all questions from shareholders or proxies during the general meeting(s) and all such questions are made visible to all meeting participants during the meeting itself. If some questions cannot be answered during the general meeting(s) due to time constraints, answers to those questions will be emailed to the respective shareholders or proxies as soon as possible after the general meeting(s). The responses to questions from shareholders or proxies are reviewed by the senior management, CEO and Board, where applicable, to ensure that all relevant questions receive a meaningful response.
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

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the AGM and EGM of the Company held in 2024 were published on the Company’s website not later than thirty (30) business days after the respective general meetings, in accordance with Practice 13.6 of the MCCG.
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 TO 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.

Not Applicable.
