

CORPORATE GOVERNANCE REPORT

STOCK CODE : 3689
COMPANY NAME : FRASER & NEAVE HOLDINGS BHD
FINANCIAL YEAR : September 30, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board provides entrepreneurial leadership, sets strategic directions and oversees the business affairs of the Fraser & Neave Holdings Bhd ("FNHB") Group and management effectiveness. The Board also ensures that proper processes are in place for evaluating the adequacy of internal controls, risk management, financial reporting and compliance; and sets the Group's values and standards. The Group has Vision and Mission Statements outlining its primary goals and purposes, which guide employees towards achieving its strategic objectives. The Board is guided by a Board Charter in discharging its duties and responsibilities effectively. The Board has delegated certain functions to management and the Board Committees, namely the Group Executive Committee ("EXCO"), Audit Committee ("AuditCom"), Sustainability & Risk Management Committee ("SRMCom"), Remuneration Committee ("RemCom"), Nominating Committee ("NomCom"), and Share Buy-Back Committee. The delegation of authority to the Board Committees, the Chief Executive Officer ("CEO") and senior management are set out in the terms of reference ("TOR") of the Board Committees, the Board Chart of Authority ("COA") and the Management COA respectively. The Board Charter and TOR of the Board Committees are available on the Company's website at www.fn.com.my. As set out in the Board Charter, the Board assumes, among others, the following responsibilities: • promotes together with senior management, good corporate governance culture and integrity within the Group, which reinforces ethical, prudent and professional behavior including zero tolerance for corruption;

	• reviews, adopts and monitors the implementation by management of the Group's strategic and financial plans; • ensures that the Group's strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability; • oversees and evaluates the conduct of the Group's business to ensure that the business is properly managed and management's performance can be assessed; • ensures the integrity of the Company's financial and non-financial reporting; • approves, reviews and monitors the Group's risk management strategy, internal controls and reporting systems, including those in relation to anti-bribery and anti-corruption, evaluates their effectiveness and identifies and rectifies significant deficiencies; • reviews and monitors the adequacy, effectiveness and integrity of the Group's management information systems, internal control systems and anti-corruption system for ensuring compliance with applicable laws, regulations, rules, directives and guidelines; • sets the Group's risk appetite and risk tolerance, including those in relation to anti-bribery and anti-corruption in alignment with the Group's vision and mission; • approves strategy for cyber risk management, including policies and procedures governing cyber risk; • approves strategy for bribery and corruption risk management and has primary oversight of the implementation of the Group's anti-corruption system, including policies and procedures governing bribery and corruption risk; • ensures that senior management has the necessary skills and experience, and there are measures in place to provide for orderly succession of the Board and senior management; and • oversees the development and implementation of a shareholder communication policy for the Company to ensure effective communication with its shareholders and other stakeholders. The Board COA clearly sets out the key matters reserved for the Board's deliberation and decision to ensure the direction and control of the Group's businesses are in its hands. The key matters reserved for the Board for decision include the following matters of the Group: • adoption of the Company's strategic plans; • approval of annual business plan and budget; • approval of financial statements and accounting policies; • declaration of interim dividends and recommendation of final dividends by the Company; • acceptance of banking facilities and approval of debt programmes and derivative instruments; • issuance of corporate guarantee; • Group funding and restructuring proposals; • foreign exchange covers/translation policy; • revaluation of fixed assets;
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	• capital expenditures, operating expenditures, cash/non-cash donations that exceed the authority limit of the CEO and the EXCO; • sale and acquisition of land, properties, equities and businesses; and • related party transactions (“RPTs”) relating to brand licensing, i.e. disposal and acquisition of trademark and other RPTs that exceed the authority limit of the AuditCom. In the financial year ended 30 September 2023 (“Financial Year 2023”), the Board carried out the following activities: • discussed and strategised the direction and goals of the Group; • approved annual business plan and budget; • reviewed and approved the last quarter financial results and audited financial statements for the Financial Year 2022; • reviewed and approved quarterly financial results for the Financial Year 2023; • approved press releases relating to financial results; • approved audit and non-audit fees; • reviewed and recommended the re-appointment of KPMG PLT as the auditors of the Company; • recommended a final dividend for shareholders’ approval and approved an interim dividend; • approved AuditCom Report, Corporate Governance Overview Statement, NomCom Report, Statement on Risk Management and Internal Control, Statement on Directors’ responsibility for preparation of financial statements and Sustainability Report for disclosure in annual report; • approved circular to shareholders on recurrent related party transactions and statement on share buy-back; • recommended an increase in Directors’ fees and benefits for shareholders’ approval; • recommended the appointment of Mr. Michael Chye Hin Fah as a Director for shareholders’ approval; • approved the Company’s subscription of additional equity interest in Awana Citra Sdn. Bhd., a wholly-owned subsidiary of the Company; • approved capital expenditure for the Group’s dairy farming project; • reviewed and approved revisions to the Board COA, Management COA, Enterprise-Wide Risk Management Policy, Risk Appetite and Risk Tolerance Statements; • received minutes of Board Committee meetings on a quarterly basis; • reviewed evaluation results of the Board, Board Committees, the Board Chairman and individual Directors for the Financial Year 2023; • received updates on the Group’s sustainability and risk management related matters; • received updates on operations and ongoing projects; • received quarterly updates on movement of staff in middle and
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	senior management level; • received tax updates and monthly treasury reports; and • received summaries of dealings in the Company's shares notified by principal officers of the Company and directors of the Company's major subsidiaries.	
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	:	The Chairman of the Board, Y.A.M. Tengku Syed Badarudin Jamalullail plays a key role in ensuring the effective functioning of the Board and instilling good corporate governance practices. The Chairman's roles and responsibilities are specified in the Board Charter, which is available on the Company's website at www.fn.com.my. The main roles of the Chairman include the following: • provides leadership to the Board for effective discharge of its duties and responsibilities; • leads the Board in establishing and monitoring good corporate governance practices within the Group; • chairs Board meetings and ensures the efficient organisation and conduct of the meetings; • determines the agenda for, and frequency of Board meetings (in consultation with the CEO where appropriate); • promotes constructive and respectful relations between Directors, and between the Board and management; • chairs general meetings, and ensures a smooth, open and constructive dialogue between the Board and shareholders; and • ensures appropriate steps are taken to provide effective communication between the Board and stakeholders.
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	:	The distinct and separate roles and responsibilities of the Chairman and the CEO are provided in the Board Charter, which is available on the Company's website at www.fn.com.my. The Chairman of the Board is primarily responsible for ensuring the Board's effectiveness and conduct by focusing on strategy, governance and compliance; promoting constructive and respectful relations between Directors, and between the Board and management; and ensuring a smooth, open and constructive dialogue between the Board and shareholders. The CEO of the Company, Mr. Lim Yew Hoe is responsible for the day-to-day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions. The CEO together with management team manages the business of the Group in accordance with the strategic plans, instructions and directions of the Board.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	The Board of Directors is satisfied that the Board Chairman continues to be objective and does not assert undue influence on the Board and Board Committees of the Company in the decision-making process. His experience, knowledge and contributions are a tremendous asset to the Group in providing oversight to the Group's strategic progress. Further, each of the NomCom and the RemCom comprises less than 50% of the total number of Directors on the Board, which will then undertake a robust discussion and constructive assessment on the observations and recommendations of the aforesaid Board 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 will review the matter on an annual basis
Timeframe	:	Within 2 years

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	:	The Company Secretary, Mr. Timothy Ooi has a legal qualification and is qualified to act as company secretary under the Companies Act 2016. He has attended relevant continuous professional development programmes as required by the Companies Commission of Malaysia. The roles and responsibilities of the Company Secretary are set out in the Board Charter, which is available on the Company's website at www.fn.com.my. The main roles of the Company Secretary include: • advises the Board on statutory and regulatory requirements of the relevant acts, rules and regulations; • facilitates compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the relevant acts and regulations; • assists the Board in promoting high standards of corporate governance within the Group; • facilitates communication between the Board and management; • acts as secretary to the Board Committees and the Company's subsidiaries; and • organises and attends meetings of the Board, Board Committees and shareholders; ensures that meetings are properly convened, deliberations at meetings are well documented and effectively communicated to relevant management for appropriate actions, minutes of meetings and records of resolutions passed are maintained accordingly at the registered office. During the Financial Year 2023, the Company Secretary also assisted in conducting an induction programme for Mr. Michael Chye Hin Fah. The Board was satisfied with the performance and support rendered by the Company Secretary to the Board in discharging its functions during the Financial Year 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	:	Board meetings and meetings of Board Committees for each financial year are scheduled in advance for Directors to plan their schedule ahead. Additional or special meetings may be convened as and when necessary to enable the Board and Board Committees to deliberate and decide on any urgent proposals/matters. As provided in the Board Charter, a formal agenda together with meeting papers are to be forwarded to all Directors five business days before Board meetings and meetings of Board Committees for Directors to be prepared to deal with matters arising from such meetings and to enable them to make informed decisions. Urgent papers may be presented at meetings under the item "Any Other Matters", subject to the approval of both the Chairman of the Board or Board Committees and the CEO. Also, all meeting papers are shared with Directors via electronic means. For effective conduct of meetings, meeting agenda is organised by taking into consideration the complexity of the proposals/matters to be deliberated. An indication as to whether the matters are for approval, discussion or notation purpose with time allocated for each agenda item is also included in the meeting agenda. Meeting papers are reviewed by the CEO or relevant Heads of Departments prior to circulation to ensure that they contain comprehensive and accurate information for effective deliberation and decision-making process at meetings. When necessary, management team and external advisers are invited to attend meetings to provide insights, professional views, advice and explanations on specific items on the meeting agenda. All key deliberations and decisions at Board meetings and meetings of Board Committees are duly recorded in the respective minutes of meetings. The Company Secretary will inform the relevant management of decisions/recommendations made by the Board or Board Committees for appropriate actions to be taken. Status of matters arising from previous meetings will be presented at the next

	meetings for update/discussion until completion. After meetings, minutes are circulated for Directors' review before tabling for confirmation at the next meetings. Minutes of Board Committees are presented at Board meetings for notation.	
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	:	The Board Charter clearly defines the respective roles and responsibilities of the Board, Board Committees, Chairman of the Board, Non-Executive Directors, Senior Independent Director, CEO and Company Secretary. The Board Charter also outlines the procedures and practices for effective functioning of the Board. The key matters reserved for the Board's deliberation and decision are set out in the Board COA. The Board Charter is available on the Company's website at www.fn.com.my. The Board conducts regular review of the Board Charter and the Board COA to ensure that they remain consistent with the Board's objectives and in line with the applicable rules, laws and regulations. The Board COA were reviewed and revised during the Financial Year 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

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	:	Directors, officers, employees and business associates of the Group are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with laws and regulations and the Group's policies including those relating to anti-bribery and anti-corruption. Business partners of the Group share the responsibilities in applying the fundamental principles of integrity, respect and excellence in all aspects of the Group business practices. They are refrained from all improper conduct, dishonest or unethical behaviour in their business dealings with all parties including employees of the Group. In addition, they are also committed to compliance with all laws and regulations of the countries where they have business dealings and the Group's code of conduct. The Group has in place a Code of Business Ethics and Conduct ("Code") which sets out the standards and ethical conduct expected of all employees in the course of their employment with the Group. The Code has provisions governing, among others, protection of company's assets, confidential information, accuracy and completeness of accounting records and reports, discrimination and harassment, product quality, anti-competitive behaviour and conflict of interest. The Group takes a "zero-tolerance" approach to all forms of bribery and corruption and is committed to uphold all applicable laws in relation to anti-bribery and anti-corruption. As guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009, the Board has established a system with relevant policies and procedures to manage bribery and corruption risks of the Group, which include an Anti-Bribery and Anti-Corruption Policy and a Code of Business Practices for Third Parties.

	A Fraud Control Policy is also in place to protect the revenue, assets and reputation of the Group from loss or damage due to fraud. The policy defines a process focusing on the prevention, detection and management of fraud and applies to any irregularity or suspected irregularity involving employees as well as shareholders, consultants, vendors, contractors, external agencies and employees of such agencies and/or any other parties with a business relationship with the Group. The Group adopts a “zero tolerance” stance towards fraud. Where fraud is suspected, investigations will be conducted and where fraud has been established, appropriate actions will be taken in line with the existing policies and procedures. The aforesaid codes and policies of the Group are published on the Company’s website at www.fn.com.my.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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	:	The Group has adopted its Whistleblowing Policy with a well-defined process to provide an independent feedback channel through which staff may, in confidence and in good faith, raise concerns about possible improprieties in matters of financial reporting and other matters. Allegations of improprieties which are reported via whistleblowing channels such as a dedicated hotline and email account are appropriately followed up and the outcome(s) will be reported at AuditCom meetings. The Board will periodically review the Whistleblowing Policy, which is available on the Company’s website at www.fn.com.my.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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	:	The Board has the overall responsibility for sustainability management of the Group and ensuring sustainability principles guide the Group’s long-term business direction. The SRMCom assists the Board in overseeing the Group’s sustainability matters, among others, ensuring sustainability risks and opportunities are properly addressed and approving strategic initiatives and policies for sustainability agenda. At the management level, the Sustainability Management Committee, translates the Group’s overall direction into specific policies and goals for sustainability development. The Committee is headed by the CEO and comprises relevant senior management staff. The Committee discusses relevant sustainability issues during monthly management meetings. Management regularly reports the Group’s sustainability matters including progress towards sustainability targets, material sustainability risks and related mitigation actions to the SRMCom for deliberations at its quarterly meetings.	
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 4.2

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	:	The Company discloses the Group's sustainability strategies, priorities, targets and performance in its annual sustainability reports. The said information is also shared with stakeholders through the Company's website and internal communication channels.	
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	:	During the Financial Year 2023, Directors attended two training programmes on sustainability related topics, which were conducted by external consultants. The training was arranged by the Company for Directors and senior management as part of the ongoing initiatives to enhance the Board’s effectiveness in overseeing the Group’s sustainability and its underlying ESG issues. Directors also attended other relevant training to stay abreast with sustainability issues. In addition, the SRMCom and management update the Board on the Group’s sustainability matters at Board meetings.	
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 4.4

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	:	The Board Evaluation for the Financial Year 2023 included assessment on the roles of the Board relating to strategic management of the Group's sustainability agenda. Among others, the Board's effectiveness in the following sustainability or ESG practices were assessed: • ensuring ethical behaviour and proper compliance standards; • integrating sustainability considerations in corporate strategy, governance and decision-making; • taking proactive and effective measures in addressing material ESG risks and opportunities; and • understanding sustainability reporting standards and ensuring appropriate corporate disclosure policies and procedures. The Board scored an average rating of 4.28 out of 5 points (FY2022: 4.15 out of 5 points) for questions relating to the above areas. Sustainability-related key performance indicators ("KPIs"), which carry a total of 15% weightage of total scoring; have been included as part of annual KPIs of senior management to ensure accountability to the Group's sustainability commitments. Under the shared sustainability KPIs, there are four sustainability targets, namely (i) energy and climate change, (ii) water stewardship, (iii) occupational health and safety and (iv) talent management. These sustainability KPIs are aligned with the Company's commitment to sustainability.
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	:	The Director of Communications, Corporate Affairs & Sustainability ("CCS") has been identified as the designated person to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the Group's operations. The Director of CCS is one of the key senior management, who reports to the CEO and has the following key responsibilities relating to sustainability matters: • ensuring effective implementation of sustainability strategies and initiatives across the Group; • monitoring ESG related regulatory developments; and • providing regular updates on the Group's sustainability matters to the SRMCom and Sustainability Management Committee.

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	:	The Board through the NomCom conducts an annual review of its composition and annual evaluation to ensure that the Board has the optimum size, mix of skills and other relevant attributes, which are essential for the Board to discharge its roles and responsibilities effectively. The NomCom assesses retiring Directors' eligibility for re-election at the Company's annual general meetings ("AGMs") by considering the following: • results of the annual Directors' self/peer assessments based on the respective Directors' contributions, objectivity, participation, independence, integrity, knowledge, abilities and commitment; • Directors' fitness and probity based on the criteria as set out in the Group's Fit and Proper Policy, which is available on the Company's website at www.fn.com.my; and • independence of Independent Directors based on the criteria including the tenure limit of nine years as set out in the Company's Policy on Independence of Director, which is available on the Company's website. In November 2023, premised on satisfactory assessment results, the Board endorsed the NomCom's recommendation to seek shareholders' approval for re-election of the Directors who are due for retirement and have offered themselves for re-election at the Company's AGM to be held in January 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	:		
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Intended Outcome

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

Practice 5.2

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	:	The Board recognises the importance of independence and objectivity in its decision-making process. The Board currently comprises eleven Non-Executive Directors; six of whom are independent and five are non-independent including the Chairman and four nominees of the controlling shareholder, Fraser and Neave, Limited. Representation of Independent Directors on the Board remained at 55% throughout the Financial Year 2023. Based on the Independent Directors' yearly confirmations of their independence and results of Directors' self/peer assessments for the Financial Year 2023, the Board was satisfied that the Independent Directors continued to exercise independent and objective judgement and acted in the interests of the Company and its stakeholders during the Financial Year 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

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	:	Not applicable - Step Up 5.4 adopted	
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

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.

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: Based on the Company's Policy on Independence of Directors, the tenure of an Independent Director shall not exceed a cumulative of nine years and shall not be further extended unless the Independent Director is re-designated as Non-Independent. As it is not contemplated that any Independent Director will continue to serve on the Board as a Non-Independent Director, the Board, through the NomCom, shall be entitled to commence a search for replacement of an outgoing Independent Director prior to the end of the anticipated nine-year term. The Policy on Independence of Directors is available on the Company's website at www.fn.com.my .

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	:	The Board acknowledges the importance of Board diversity to the effective functioning of the Board. The Board has adopted a Board Diversity Policy, which is available on the Company's website at www.fn.com.my. Differences in thought, perspective, knowledge, skills, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender will be considered in determining the optimum Board composition. A Board Skills Matrix has been used as reference for the Directors' continuing development and succession planning. The current Board as a whole possesses a diverse set of skills, experience and expertise, which are necessary to govern the Group and in relation to the following: • food and beverage business; • financial and accounting; • legal practice, human resource and labour relations; • strategy and analytics; • sales and marketing; • information technology; • supply chain management and logistics; and • corporate governance, risk management and internal controls. In assessing the suitability of Directors for appointment to the Board, the NomCom will take into consideration the skills, knowledge, expertise and experience, professionalism, integrity, competencies, commitment, contribution, performance, gender, nationality, age and cultural background of candidates. The RemCom will consider and approve the appointment of senior management in Job Grade 13 and above, excluding the CEO. The Board shall approve the appointment of the CEO based on the

	recommendations of the RemCom and the NomCom. For appointment of senior management, the RemCom also assesses potential candidates based on the aforesaid criteria. The Board Charter sets out the expectation on the Directors' commitment to the Company. Board members are expected to commit sufficient time to carry out their role as Directors and members of the Board Committees in which they are a member. Under the existing practice, Directors will inform the Board immediately after accepting new directorships in other companies so long as their number of directorships in public listed companies is not more than five in compliance with the Listing Requirements of Bursa Securities. The Board is satisfied with the level of time commitment given by all Directors in discharging their roles and responsibilities. Directors' attendance at the respective meetings of the Board and Board Committees held during the Financial Year 2023 is set out in the Corporate Governance Overview Statement of the Annual Report 2023. The Board has adopted a Fit and Proper Policy for the Group, which serves as a guide to the Board, the NomCom and the boards of directors of the Company's subsidiaries in their review and assessment of candidates for appointment/re-election/re-appointment to the Board or boards of the Company's subsidiaries. The candidates are assessed based on the process and criteria as set out in the policy to determine their fitness and probity. The Fit and Proper Policy is available on the Company's website at www.fn.com.my.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

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	:	The NomCom assists the Board in ensuring the existence of the right mix of skills, knowledge, experience, qualities, gender, nationality, age and other attributes that are relevant and contribute to the effective functioning of the Board. When a vacancy on the Board arises, the NomCom will meet to agree on the profile of the position to be filled and the search process, which includes soliciting recommendations from existing Directors and/or engaging external searches for candidates. The NomCom will then shortlist candidates, and conduct interviews together with the other Directors. An invitation will be extended to the selected candidate to join the Board, and upon acceptance, the Board will approve the appointment and make the necessary announcement to Bursa Securities.	
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	:	The NomCom assesses eligibility of Directors for re-election/appointment/re-appointment to the Board in terms of character and integrity, competency, commitment, contribution and ability to act in the best interests of the Company by considering the following: • results of the annual Directors' self/peer assessments; • Directors' fitness and probity based on the criteria set out in the Group's Fit and Proper Policy, which is available on the Company's website at www.fn.com.my; and • independence of Independent Directors based on the criteria set out in the Company's Policy on Independence of Director, which is available on the Company's website. In November 2023, premised on satisfactory assessment results, the Board endorsed the NomCom's recommendation to seek shareholders' approval for re-election of the retiring Directors who have offered themselves for re-election at the Company's 62nd AGM to be held in January 2024. The following information is disclosed in the Company's Annual Report 2023: • The Board's statement justifying the recommendation as set out in the Explanatory Notes to the Notice of the 62nd AGM; and • Details relating to the retiring Directors as set out in various sections including Profile of Board of Directors and Corporate Governance Overview Statement.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NomCom is chaired by Y.Bhg. Datuk Kamaruddin bin Taib, an Independent Director.	
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

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	:	Women representation on the Board remained at 36% throughout the Financial Year 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

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	:	As disclosed in the Corporate Governance Overview Statement of the Annual Report 2023, the Board recognises Board diversity including gender diversity as an essential measure of good corporate governance and an attribute of a well-functioning board. The Board has adopted a Board Diversity Policy, which is available on the Company's website at www.fn.com.my. The Board is of the view that while selection of candidates for appointment to the Board will be based on a range of diversity perspective including gender, merit and contribution that the selected candidates will bring to the Board should be prioritised in deciding appointments to the Board. The Board has maintained its women representation at 36% throughout the Financial Year 2023. The Group recognises the importance of promoting diversity and inclusion at all levels of its workforce. The Group's employment policies have included a non-discrimination clause to create an equal opportunity without regard to race, religion, age, nationality, gender, political beliefs, marital status, disability, and any other unrelated criteria to employment requirement. In recent years, the Group has made good progress towards gender equality in its workforce. 27% of employees in the Group are female within the range of management and 46% of managerial positions are held by female employees.
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	: Applied
Explanation on application of the practice	The Board through the NomCom conducts an annual evaluation to determine the effectiveness of the Board as a whole, Board Committees, the Board Chairman and individual Directors (“Board Evaluation”). The Board Evaluation includes assessment of the independence of the Independent Directors. The Board Evaluation for the Financial Year 2023 (“BE FY2023”) was carried out by Aon Solutions Singapore Pte Ltd, an independent consultant, through questionnaires and an online survey system. The BE FY2023 was based on the following areas: • the Board – (i) Board composition, (ii) Board processes, (iii) information management, (iv) ESG, (v) managing company’s performance, (vi) Chief Executive Officer performance management and succession planning, (vii) Director development and management and (viii) risk management and internal control; • Board Committees – structure, responsibilities, right mix of capabilities, experience, skills and process; • the Board Chairman – provision of leadership for the Board to ensure Board effectiveness especially in implementing good corporate governance practices and conduct of meetings of the Board and shareholders; and • Directors (self/peer assessment) – contribution, objectivity, participation, independence, integrity, knowledge, abilities and commitment. The BE FY2023 results and all related comments by Directors were summarised and discussed at the NomCom meeting and the Board meeting held in August 2023 respectively. Evaluation results of the Directors were sent to the Board Chairman and the respective Directors.

	Based on the findings of the BE FY2023, the Board and Board Committees, the Board Chairman and individual Directors had been effective in their overall discharge of functions and duties. The Board and the NomCom are satisfied that the Board composition in terms of size, mix of skills and relevant attributes and independence is adequate. The Board recognises the need to prioritise the following key areas identified for improvement: • staying abreast of new challenges and risks, in particular those associated with ESG aspects and the Group's new businesses; • structuring Directors' compensation to align Directors' interests with long-term value creation for the Company; • ensuring continuous refresh and development of the Board for provision of leadership and guidance to management; and • building the Group's Human Capital for the future.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board has in place policies and procedures to determine appropriate levels of remuneration to attract and retain talent in the Board and senior management to drive the Company's long-term objectives. The Directors' Remuneration Policy and Senior Management's Remuneration Policy are reviewed periodically. The policies are available on the Company's website at www.fn.com.my. The RemCom assists the Board mainly in establishing formal and transparent remuneration policies and procedures to attract and retain Directors. The RemCom is also entrusted with the role of determining and recommending suitable policies in respect of salary packages for Executive Directors, CEO and senior executives. The current salary packages comprise a combination of basic salary and a variable performance incentive based on level of responsibilities and overall contributions to the Company's long-term objectives. The remuneration for Non-Executive Directors is based on a standard fixed fee, with the Chairman receiving a double amount in recognition of his additional responsibilities. An additional fee is also paid to Non-Executive Directors sitting on Board Committees. A meeting allowance is paid for attendance at meetings of the Board and Board Committees as well as general meetings. The Company has in force a Directors and Officers Insurance Policy essentially covering the acts of Directors and Officers and a Personal Accident Insurance Policy for Directors. The competitiveness of total remuneration for Directors and senior executives is assessed against companies in the food and beverage industry, companies with good governance practices, companies of similar asset size and/or companies in which the Company's Directors are on board.

	Fees and benefits payable to Directors are subject to yearly approval by shareholders at the Company's AGM. Based on the Directors' Remuneration Policy, Directors' fees and meeting allowances are reviewed every two years. The last review of Directors' remuneration was conducted by an independent consultant, Aon Malaysia Sdn Bhd in October 2022. Following shareholders' approval at the Company's AGM in 2023, Directors' fees were increased and meeting allowances were adjusted by taking into account the prevalent market rates and the duties, responsibilities and commitment of the Board, Board Committees, the Board Chairman and Chairmen of Board Committees, respectively.	
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	:	The RemCom comprises five Non-Executive Directors; three of whom are Independent Directors. The primary functions of the RemCom are to assist the Board in the following: • establishing remuneration policies and procedures; • reviewing remuneration packages of Directors and senior executives and performance evaluations of senior executives; • reviewing proposals on overall bonus and salary increment and establishment of long-term incentive plans for the Group; and • administering the share grant plan and any other incentives plans to be established by the Company. The RemCom's authority, duties and responsibilities are defined in the terms of reference, which is available on the Company's website at www.fn.com.my.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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	:	Details of remuneration paid to Directors of the Company for the Financial Year 2023 are as follows:

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	Y.A.M. Tengku Syed Badarudin Jamalullail	Non-Executive Non-Independent Director	194,400	33,500	0	0	42,045	0	269,945	0	0	0	0	0	0	0
2	Mr. Hui Choon Kit	Non-Executive Non-Independent Director	125,163	33,500	0	0	600	0	159,263	0	0	0	0	0	0	0
3	Mr. David Siew Kah Toong	Independent Director	125,038	30,500	0	0	600	0	156,138	0	0	0	0	0	0	0
4	Mdm. Tan Fong Sang	Non-Executive Non-Independent Director	117,000	31,500	0	0	600	0	149,100	0	0	0	0	0	0	0
5	Y.Bhg. Datuk Kamaruddin bin Taib	Independent Director	110,763	27,000	0	0	600	0	138,363	0	0	0	0	0	0	0
6	Puan Aida binti Md Daud	Independent Director	95,400	20,000	0	0	600	0	116,000	0	0	0	0	0	0	0
7	Puan Faridah binti Abdul Kadir	Independent Director	100,800	22,500	0	0	600	0	123,900	0	0	0	0	0	0	0
8	Y.Bhg. Datuk Mohd Anwar bin Yahya	Independent Director	101,763	23,000	0	0	600	0	125,363	0	0	0	0	0	0	0
9	Y.Bhg. Dato' Ng Wan Peng	Independent Director	99,000	23,000	0	0	600	0	122,600	0	0	0	0	0	0	0
10	Mr. Kosit Suksingha	Non-Executive Non-Independent Director	113,400	28,000	0	0	600	0	142,000	0	0	0	0	0	0	0
11	Mr. Michael Chye Hin Fah (<i>appointed</i>	Non-Executive Non-	80,596	26,500	0	0	425	0	107,521	0	0	0	0	0	0	0

	<i>on 17 January 2023)</i>	Independent Director														
12	Mrs. Tongjai Thanachanan (Alternate Director to Mr. Kosit Suksingha)	Non-Executive Non-Independent Director	0	2,000	0	0	600	0	2,600	0	0	0	0	0	0	0
13	Y.Bhg. Dato' Jorgen Bornhoft (retired on 17 January 2023)	Non-Executive Non-Independent Director	27,709	0	0	0	175	0	27,884	0	0	0	0	0	0	0
14	Total	Choose an item.	1,291,032	301,000	0	0	48,645	0	1,640,677	0	0	0	0	0	0	0
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure												
Explanation on application of the practice	:													
Explanation for departure	:	Total remuneration of the Group’s top five senior management for the Financial Year 2023 in bands of RM200,000 are set out below: <table><tr><th>Range of Total Remuneration</th><th>No. of staff</th></tr><tr><td>RM2,000,001 & above</td><td>1</td></tr><tr><td>RM1,800,001 to RM2,000,000</td><td>1</td></tr><tr><td>RM1,600,001 to RM1,800,000</td><td>0</td></tr><tr><td>RM1,400,001 to RM1,600,000</td><td>1</td></tr><tr><td>RM1,200,001 to RM1,400,000</td><td>2</td></tr></table> Disclosing the senior management’s remuneration in detail would be disadvantageous to the Group, given the competition for talent in the market and sensitive nature of remuneration packages. As guided by the Senior Management’s Remuneration Policy, remuneration packages of senior management are always benchmarked against the industry to ensure that the remuneration packages are competitive and commensurate with individual duties, responsibilities and performance as well as the Group’s performance. -	Range of Total Remuneration	No. of staff	RM2,000,001 & above	1	RM1,800,001 to RM2,000,000	1	RM1,600,001 to RM1,800,000	0	RM1,400,001 to RM1,600,000	1	RM1,200,001 to RM1,400,000	2
Range of Total Remuneration	No. of staff													
RM2,000,001 & above	1													
RM1,800,001 to RM2,000,000	1													
RM1,600,001 to RM1,800,000	0													
RM1,400,001 to RM1,600,000	1													
RM1,200,001 to RM1,400,000	2													
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.														

Measure	:	The Board will continue to monitor development in the market in respect of the disclosure of senior management's detailed remuneration and evaluate the related implications for future consideration.	
Timeframe	:	Within 1 year	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The AuditCom comprises four Non-Executive Directors, three of whom including the Chairman of the AuditCom, Mr. David Siew Kah Toong are Independent Directors. Mr. Siew is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	None of the Board members or AuditCom members was a former key audit partner of the Company’s external auditors. The AuditCom’s TOR contains a provision which requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the AuditCom.	
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

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	:	The AuditCom conducts an annual assessment of the Company's external auditors to ensure that the external auditors are independent of the activities they audit, and reviews their contracts for provision of non-audit services. The areas of assessment include technical competencies, adequacy of specialist support and partners/director accessibility and time commitment, independence and objectivity, audit scope and planning, audit and non-audit fees and audit communications to the AuditCom. Feedback based on the assessment areas is obtained from the AuditCom, CEO and senior management. In support of the assessment on independence, the external auditors provide the AuditCom with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. Premised on the assessment result, the AuditCom makes recommendation for re-appointment of external auditors accordingly. The AuditCom has conducted an evaluation of the external auditors, KPMG PLT for the Financial Year 2023. In facilitating the assessment of KPMG PLT, assessment forms were sent to the aforesaid participants for their feedback. Following review of the assessment result at its meeting in November 2023, the AuditCom recommended the re-appointment of KPMG PLT for shareholders' approval at the AGM to be held in January 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	:		
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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	:	All members of the AuditCom, who are financially literate, possess an appropriate level of expertise and experience to enable them to discharge their duties and responsibilities pursuant to the AuditCom's TOR. The profiles of the AuditCom members are disclosed in the Profile of Board of Directors in the Annual Report 2023. The AuditCom is mindful of the need to continuously enhance their skills and knowledge in order to carry out their roles and duties effectively. The training programmes attended by the AuditCom members for the Financial Year 2023 are set out in the Corporate Governance Overview Statement of the Annual Report 2023. The AuditCom assists the Board, among others, to oversee the Group's accounting and financial reporting process, external and internal audit functions; review any related party transactions and recurrent related party transactions and the relevant procedures to ensure compliance with the Listing Requirements of Bursa Securities. A summary of the activities of the AuditCom during the Financial Year 2023 is set out in the AuditCom Report of the Annual Report 2023. The Board through the NomCom assessed the AuditCom's performance for the Financial Year 2023. The Board was satisfied with the AuditCom's performance based on the evaluation results for the Financial Year 2023.
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

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	:	The Board acknowledges its responsibility to maintain a sound risk management and internal control system to manage and mitigate significant risks across the Group and to safeguard stakeholders' interests and the Group's assets. The Board has established an effective risk management and internal control framework within the Group, details of which are set out in the Statement on Risk Management and Internal Control of the Annual Report 2023. The Board, through the SRMCom and the AuditCom, continually reviews and ensures the adequacy and effectiveness of the Group's risk management and internal control systems. The SRMCom, at its quarterly meetings, reviews the implementation of the risk management framework as well as deliberates on the business risks and the mitigating controls to address the risks identified. The AuditCom reviews and assesses the adequacy of the internal control systems based on reports presented by management, external auditors and internal auditors during its 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

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	:	The Statement on Risk Management and Internal Control in the Company's Annual Report 2023 provides an overview of the Group's risk management and internal control framework as well as the adequacy and effectiveness of the 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

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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	:	The AuditCom oversees the Internal Audit function, which is primarily responsible in assessing and improving the effectiveness of the risk management, internal control system and governance processes within the Group. Further details on the Internal Audit function and its activities are set out in the AuditCom Report of the Annual Report 2023. The AuditCom continually evaluates the Internal Audit function to ensure its activities are performed independently and with impartiality and due professional care. Based on the Internal Audit Charter, the Internal Audit function shall maintain a quality assurance and improvement programme to evaluate the conformance of internal audit activities to the International Standards for the Professional Practice of Internal Auditing (“IIA Standards”) and the Code of Ethics. The said programme includes Internal Audit function’s annual self-assessment and assessment by a qualified independent consulting firm at least once every four years. During the Financial Year 2023, the AuditCom reviewed results of the Internal Audit team’s annual quality assurance self-assessment. The assessment results were satisfactory, indicating that the internal audit activities had conformed to the IIA Standards and Code of Ethics. The AuditCom also assessed the performance of the Internal Audit function through a half-yearly auditee survey conducted by the Internal Audit team and a yearly internal stakeholders’ satisfaction survey conducted by the Group Human Capital Department. Based on the survey findings, the Internal Audit function had been effective in performing its duties.
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	:	The Internal Audit function has been maintaining its independence and objectivity in carrying out its activities in accordance with the Internal Audit Charter. The Charter sets out the objectives, independence and objectivity, authority, responsibility and deliverables of the Internal Audit function, which are consistent with the IIA Standards issued by the International Internal Audit Standards Board. The Head, Internal Audit reports directly to the AuditCom Chairman and administratively to the CEO on matters relating to the administration of the Internal Audit Department. The Internal Audit Department is headed by Mr. Albert Loh, who holds a Bachelor of Commerce (Accounting & Finance) from the University of Western Australia. He is a Certified Practicing Accountant (CPA Australia) and a professional member of the Institute of Internal Auditors, Malaysia. Currently, the Internal Audit Department comprises nine personnel with relevant qualifications and experience. All the internal audit staff had confirmed via an annual declaration that they were free from any relationships or conflict of interests, which could impair their objectivity and independence.
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	:		
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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	:	The Company observes the Corporate Disclosure Guide issued by Bursa Securities as well as the disclosure requirements of the Listing Requirements of Bursa Securities. The Company also acknowledges the importance of timely and equal dissemination of material information to shareholders, investors and the public at large. The Board and management continuously communicate with stakeholders, disclose and disseminate comprehensive and timely information through various channels of communications: (a) announcements and disclosures to Bursa Securities, which include quarterly financial results, any material information that may affect investors' decision-making and annual reports; (b) briefing sessions with fund managers, investment analysts and media; (c) general meetings of shareholders, which serve as the primarily platform for a direct two-way interaction between shareholders, the Board and senior management team of the Company; and (d) the Company's corporate website, which provides information relating to among others, annual reports, quarterly financial reports, analysts briefing materials, corporate information, announcements released to Bursa Securities, Board Charter, TORs of Board Committees and policies of the Group. Shareholders and the public can also direct their queries through the email contacts provided in the corporate website. The Board has in place a Shareholder Communication Policy, which is available on the Company's website at www.fn.com.my.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has to properly plan for adoption of the integrated reporting as it involves substantial expertise and resources, and will consider such adoption at an appropriate time.	
	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Company has incorporated some elements of integrated reporting approach in its annual reports since 2018. Aligning with the principles of the integrated reporting framework, the Company’s annual reports set out the organisation’s strategy, governance and performance in creating value for stakeholders based on the six capitals, i.e. human capital, financial capital, intellectual capital, manufactured capital, social and relationship capital and natural capital. Through the continuous improvements that have been instituted into the reports, the Board and management have been taking reasonable steps to ensure that the current reporting in the Company’s annual reports provides a fairly comprehensive information to stakeholders.	
Timeframe	:	Others	Target: one year

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	:	The Company endeavours to issue its notice of AGM to shareholders at least 28 days prior to the AGM, well in advance of the 21-day requirement under the Companies Act 2016, the Listing Requirements of Bursa Securities and the Company’s Constitution. This allows additional time for shareholders to make necessary arrangement to attend and participate in the AGM, to consider the proposed resolutions and make informed decisions at the AGM. The Company has been practising the issuance of the AGM notice 28 days ahead of the AGM date for its AGMs from 2018 onwards. The notice of the AGM held on 17 January 2023 was issued on 19 December 2022.	
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	:	All Directors are committed to attend the Company’s AGMs, which remain the principal forum for dialogue with shareholders. 10 out of 11 Directors attended the Company’s virtual AGM in January 2023. Management was also present at the AGM 2023 with the Company’s external auditors to respond to shareholders’ questions. The Board Chairman and management addressed various shareholders’ questions relating to mainly the Group’s financials, operations, business prospects and corporate governance at the meeting.	
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 13.3

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	:	The Company has historically held physical AGMs to enhance engagement with shareholders, although AGMs in 2021 and 2022 were conducted virtually due to the COVID-19 pandemic. It has been observed that compared to virtual AGMs, physical AGMs offer shareholders a superior experience as they are not dependent on shareholders' technological readiness. Physical AGMs provide several advantages, including better interaction opportunities, clearer communication, a stronger sense of connection or engagement, and improved networking possibilities.
		-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company consistently holds its AGMs at the same location, namely Sime Darby Convention Centre, Kuala Lumpur, which is easily accessible by shareholders. Shareholders have the option to appoint a proxy to attend and vote on their behalf at general meetings. The Company has adopted electronic voting for the conduct of polls on all resolutions since its AGM in 2017 for a more efficient voting process and accurate results. The Company is also considering the use of technology to facilitate the voting in absentia and remote shareholders' participation at future general meetings, potentially adopting a hybrid format.
Timeframe	:	Within 3 years

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	In 2023, the Company conducted a physical AGM to enhance engagement with shareholders. The procedures for registration, appointment/rovoation of proxy and voting at meeting were outlined in the Company's Administrative Details for the AGM 2023, as set out in the Annual Report 2023. The Company had appointed Boardroom Share Registrars Sdn. Bhd. ("Boardroom") as poll administrator to conduct the electronic polling process and Asia Securities Sdn Berhad as independent scrutineer to verify the poll results at the meeting. Boardroom presented a guide on the electronic voting procedures before the Chairman declared the start of the 10-minute voting session upon conclusion of deliberations of all business of the meeting. Prior to the Q&A session, the CEO shared his presentation covering the highlights of the Group's financial performance for FY2023, key developments and initiatives, key capex projects and business outlook. Directors and senior management were present at the AGM 2023 to provide responses to shareholders' questions. During the Q&A session of about 1.5 hours, questions received from shareholders including the Minority Shareholders Watch Group before the meeting and the Company's replies were presented. The Chairman and management also addressed questions raised during the meeting.
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 13.5

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	:	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	:	The minutes of the AGM 2023 held on 17 January 2023 together with the CEO's presentation were published on the Company's website at www.fn.com.my on 17 February 2023, which is within 30 business days after 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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