

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8532
COMPANY NAME : PERTAMA DIGITAL BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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	:	<p>The Board of Directors ("Board") is responsible in setting up and implementing a good corporate governance culture within Pertama Digital Berhad ("Pertama Digital") and its group of companies ("Group").</p> <p>In addition, it formulates, oversees and reviews the Group's strategic direction, core values and management to ensure that the Group operates with integrity and in compliance with all applicable laws, rules and regulations. In managing and directing the business and affairs of the Group, the Board must exercise its duty of reasonable care, skill and diligence, and endeavour to exercise its power for a proper purpose, avoid conflict and self-dealing.</p> <p>The Group's vision and mission are clearly articulated on its official website, accessible at www.pertamadigital.com. Furthermore, all strategic plans have been thoroughly discussed between the management team and the Board and such discussions are documented in the minutes of Pertama Digital's Board meetings. The Board sits not only on a quarterly basis, but also as and when it is required for the Board to exercise its functions; during the financial year in review, there were eight (8) meetings held in total.</p> <p>The roles and responsibilities of the Board are set out in the Board Charter, which serves as a reference point for the Board activities. The Board Charter provides guidance for the Directors and management personnel regarding the responsibilities of the Board, Board Chairman and management team, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Group as well as boardroom activities. The Board Charter is accessible at www.pertamadigital.com.</p> <p>Matters reserved for the Board's deliberation are also being clearly spelled out in the Board Charter, whilst the management</p>

	<p>team, including the Executive Directors, is responsible for managing the day-to-day running of the business activities in accordance with the direction and delegation of the Board.</p> <p>The management team meets regularly to discuss and resolve operational issues. The Board also regularly reviews the performance of the management team and suggests any improvement plans, whenever needed.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year ended 31 December 2023 ("FY 2023"), the Board is chaired by Datuk Ahmad Nazri Bin Abdullah, the Non-Independent Non-Executive Chairman with effect from 19 June 2023.</p> <p>The Board, notwithstanding that the Chairman is a Non-Independent Non-Executive Director, is of the opinion that the element of independence is adequate to provide assurance that there is a balance of power and authority of the Board. In addition, the Chairman does not hold the position of the Chief Executive Officer who is involved in the day-to-day management of the Group's business and has no relationship that could materially interfere with his judgment.</p> <p>The Chairman is responsible for the Board's effectiveness and conduct, implementing the Group's policies, business plans and executive decision making and is assisted by the Executive Directors. The Chairman also promotes an open environment for debate and ensures effective contributions from Non-Executive Directors. Together with the other Non-Executive Directors, he leads the discussion on the strategies and policies recommended by the management team.</p> <p>It is clearly spelt out in the Group's Board Charter whereby the Chairman of the Board is primarily responsible for:</p> <ul style="list-style-type: none">● The leadership of the Board to facilitate the effective contribution of all Directors at the Board meetings, and ensuring that no member dominates any discussions and appropriate interaction amongst the Board members are forthcoming.● Representing the Board, chairing the general meeting of shareholders and ensuring effective communication with shareholders and all stakeholders. The efficient organisation and conduct of the Board's functions, including establishing the agenda for the Board meetings and chairing the Board meetings.● Ensuring the Board's Decisions have been implemented.● Ensuring that the Directors receive accurate, timely and clear information in the form and quality appropriate to enable them to discharge their duties.

	<ul style="list-style-type: none"> • Ensuring that new Directors receive full, formal, and tailored induction upon joining the Board. The letter of appointment should set out the director's expected commitments. • Ensuring that the Directors continually update their skills, knowledge, and familiarity with Pertama Digital's requirement to fulfil their role both on the Board and on the Board Committees. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The positions of Chairman and Chief Executive Officer were and are held by different individuals.</p> <p>Chairman: Datuk Ahmad Nazri Bin Abdullah</p> <p>Group Chief Executive Officer: Akhtar Saifullah (resigned on 31/10/2023)</p> <p>(Current) Acting Chief Executive Officer: Mohd Reza Bin Mohd Hatta (appointed on 1/2/2024)</p> <p>Pertama Digital is and strives to continue to be in compliance with the recommended guidelines, including its Board Charter which clearly defines and segregate roles of the Chairman and Chief Executive Officer, to ensure an appropriate balance of power and authority, increased accountability and enhanced capacity of the Board for independent decision-making.</p> <p>The Chairman is not related to the Chief Executive Officer, and is responsible for leading the Board in the oversight and supervision of the Group's management; whilst the Executive Directors together with the Chief Executive Officer are responsible for the day-to-day operations of the Group, making a strategic business decision and implementing the Board's policies and decisions.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman is not a member of the Audit Committee, Nomination and Remuneration Committee. This is to ensure checks and balance as well as that objectivity will not be influenced by the Chairman who also sits on Board Committees.</p> <p>The Audit Committee comprises the following members:</p> <ol style="list-style-type: none">1. Wong Yoke Nyen (Chairman)2. Dato' Dr. Suhazimah Binti Dzazali (Member)3. Tun Dato' Seri Zaki Bin Tun Azmi (Member) <p>The Nomination and Remuneration Committee comprises the following members:</p> <ol style="list-style-type: none">1. Dato' Faisal Zelman Bin Abdul Malik (Chairman)2. Dato' Dr. Suhazimah Binti Dzazali (Member)3. Yang Teramat Mulia Tunku Syed Razman Tunku Syed Idrus (Member)4. Wong Yoke Nyen (Member)5. Datuk Wira Shahrul Nazri Bin Abdul Rahim (Member)
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by appointed external Company Secretaries who are qualified to act as Company Secretary under Section 235 of the Companies Act 2016.</p> <p>The Board consistently receives updates on new guidelines, regulatory issues, and directions from the Company Secretaries. The Company Secretaries, in collaboration with the management team, support the Board and Board Committees in managing the meeting agendas and timely information dissemination to the Directors.</p> <p>Additionally, the Board recognises the Company Secretaries' competence and ongoing professional development, evidenced by participation in educational programs, conferences, and training, and is satisfied with the support provided to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As stated in the Guidance to Practice 1.6 of the Malaysian Code on Corporate Governance ("MCCG"), the meeting materials should be circulated at least five (5) business days in advance of the Board meeting. In relation to circulation of meeting minutes, the Chairman of the Board should agree with board members and company secretary.</p> <p>However, the circulation of meeting materials (including the meeting minutes) was at least two (2) business days prior to the Board meeting during the FY 2023, to ensure the completeness and accuracy of information to be circulated to the Board.</p> <p>Notwithstanding the departure, the Board has full access to all information within the Group as a full Board to enable them to discharge their duties and responsibilities and is supplied on a timely basis with information and reports on financial, regulatory and audit matters by way of Board papers for informed decision making and meaningful discharge of its duties.</p> <p>Pertama Digital will comply with the Guidance provided in MCCG.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Pertama Digital shall endeavour to comply with the five (5) business days' circulation recommendation in the next scheduled meetings, save for any special meetings to be held on a short notice.
Timeframe	:	Within 1 year

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board prioritises corporate governance as key to Pertamina Digital's success and is fully committed to implementing it in interactions with shareholders and stakeholders. A Board Charter is established to effectively guide the Board in its roles and responsibilities, delineating the functions assigned to the Board, Board Committees, Directors and management team, with specified matters reserved.</p> <p>The Board Committees, operating within specific terms, handle certain responsibilities, though the Board retains overall fiduciary accountability. The Board Charter undergoes regular reviews to ensure compliance with legislation, best practices, and alignment with the Board's objectives.</p> <p>The Board Charter can be found at www.pertamadigital.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established a Code of Business Conduct (“CBC”), which incorporates the essence of Practice 3.1 of MCCG.</p> <p>The CBC has adequate provisions that mandates the adoption of certain practices to maintain a corporate culture which promotes ethical conduct with the objective to enhance the confidence of shareholders, other stakeholders and public towards the Group’s commitment of maintaining integrity, objectivity and fairness in conducting business. The CBC applies to all companies, Directors and employees within the Group.</p> <p>The CBC is accessible at www.pertamadigital.com.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The 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	:	Aligned with its core value of integrity, the Board has established a Whistleblowing Policy for the Group. This policy encourages and provides avenues for the Group employees to report any suspected or actual misconduct, corruption, fraud, waste, or abuse involving the Group's resources. It clearly outlines the purpose, definition, and procedures of whistleblowing, aiming to foster integrity, transparency, and adherence to legal and ethical standards within the Group. The policy can be found at www.pertamadigital.com .	
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 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board was briefed by the Management on the plans and strategies of the Company and the Group during the Board meetings. Furthermore, the Board was also made aware of updates on the Group’s business from time to time.</p> <p>The Board considers governance of sustainability when exercising its duties, including, among others, the development and implementation of the Group’s strategies, business plans, major plans of action and risk management.</p> <p>This is done on a continuous basis and is spearheaded by the Management of Pertama Digital.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Notwithstanding the Group’s awareness on the applicable sustainability considerations in developing its business plans, major plans or actions and risk management, the Group has yet to establish any formal framework in ensuring all sustainability related issues are addressed and managed accordingly.	
		Pertama Digital will aim to meet and comply with the requirements of the latest ESG requirements provided by Bursa Malaysia.	
<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 formulate and implement the formal sustainability framework.	
Timeframe	:	Within 1 year	

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Notwithstanding the Board's deep interest in and acknowledgment of the importance of sustainability in Group's business plans and actions, the Group has yet to establish any formal framework in ensuring all sustainability related issues are addressed and managed accordingly. Pertama Digital will aim to meet and comply with the requirements of the latest ESG requirements provided by Bursa Malaysia.
<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 formulate and implement the formal sustainability framework. The Board is also striving towards ensuring their knowledge and awareness of the sustainability issues and governing frameworks are updated.
Timeframe	:	Within 1 year

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's assessment and evaluation for the FY 2023 included assessment on the Board's evaluation and understanding on Environmental, Social and Governance (ESG) and sustainability issues that are relating to the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee ("NRC") is delegated with the responsibility to assess the adequacy and appropriateness of the Board composition, identify and recommend suitable candidates for the Board membership and also to assess the performance of the Directors, succession plans and Board diversity.</p> <p>The NRC had on 15 April 2023, reviewed the Board composition and assessed the suitability of the Directors who were subject to re-election at the forthcoming Annual General Meeting and satisfied that the retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors and recommended the retiring Directors be re-elected, subject to the approval of the shareholders. This can be seen from the agenda and minutes of the 38th Annual General Meeting held on 22 June 2023, which are accessible at www.pertamadigital.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>For the FY 2023, the Board comprised nine (9) members, of:</p> <ul style="list-style-type: none">(a) one (1) Executive Director;(b) three (3) Non-Independent Non-Executive Directors (including Chairman); and(c) five (5) Independent Non-Executive Directors, <p>with a mixture of suitably qualified and experienced professionals.</p> <p>Pertama Digital complies with the Main Market Listing Requirements whereby at least two (2) or one-third (1/3) of the Board, whichever is higher, are Independent Directors. Pertama Digital also complies with the MCCG recommendation whereby at least half of the Board is Independent Director. The current composition of Board members is optimal and effective in ensuring a good separation of powers and a check and balance mechanism.</p> <p>The Board had appointed two (2) new Executive Directors with effect from 1 February 2024. Hence, the Board currently comprises eleven (11) members.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	None of the current Independent Directors has served on the Board for more than nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

<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	: Not Adopted
Explanation on adoption of the practice	:

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the Directors' Fit and Proper Policy, which sets out the Group's approach to the assessment of the fitness and propriety of persons who hold, or who are to be appointed or elected to Directors positions. This policy is available on the Group's website at www.pertamadigital.com.</p> <p>In accordance with its Terms of Reference, the appointments of new Board members or senior management will be reviewed and deliberated by the NRC before making recommendation to the Board for approval. The NRC will undertake a comprehensive evaluation and assessment of the candidates in accordance with the criteria as set out in the Directors' Fit and Proper Policy. The NRC also takes into account the Group's business and matches the capabilities and contribution expected for a particular appointment.</p> <p>In the selection of the Board candidates, the NRC takes into account the mix of skills, competencies, experience, integrity, personal attributes and time commitment required to effectively discharge his/her role as a Director. The NRC shall ensure that the Board has the right balance of skills, experience, independence and business knowledge necessary to discharge its responsibilities in keeping with the highest standards of corporate governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>In accordance with the established Directors' Fit and Proper Policy, the Board is dedicated to ensuring that the appointment of Directors is grounded in a framework of objectivity and meritocracy.</p> <p>This commitment involves a comprehensive evaluation based on a diverse range of criteria, which includes, but is not limited to, skills, experience, age, cultural background, and gender. Pertama Digital has always been in compliance of the process in evaluating the candidates; the NRC is entrusted by the Board to assess the adequacy of the Board composition in terms of skills, experiences, contributions and merits, and should there be any need to add or vary the composition, it is NRC's obligation to source for the right candidates upon taking into consideration not only the recommendations from the existing Board members, management team or major shareholders but also from trustworthy independent sources.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to providing shareholders with comprehensive and transparent information to support informed decision-making regarding the appointment and reappointment of Directors.</p> <p>Proper disclosures are made in accordance with the Main Market Listing Requirements for all new Directors' appointments, after the said appointments have been evaluated by the NRC and subsequently approved by the Board. It is also the responsibility of the NRC to identify and assess the retiring Directors in rotation, and subsequently recommend for re-election (with justification), which is subject to the shareholders' approval during the general meeting.</p> <p>Details of the retiring Directors were disclosed in the Profiles of Directors in the 2023 Annual Report including their age, gender, position in Pertama Digital, qualification, working experience, expertise, any position in the Board Committee, any conviction of offence in the past five (5) years and any conflict of interest. Any shareholdings of the retiring Directors were also disclosed in the Analysis of Shareholdings of the 2023 Annual Report.</p> <p>Such transparency ensures that all actions and decisions are made in alignment with the best interests of Pertama Digital and its Group, reinforcing its dedication to good corporate governance and the maintenance of trust among all stakeholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Pertama Digital has announced that the Board has approved the merging of Nomination Committee and Remuneration Committee into a single committee i.e. the NRC with effect from 20 November 2023, to enhance the efficiency of the Board Committees in discharging their duties and responsibilities.</p> <p>The NRC is chaired by Dato’ Faisal Zelman Bin Abdul Malik, an Independent Non-Executive Director.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The main priority for the Group when appointing possible candidates for the Board is based on their suitability and expected contribution without having any gender bias. In maintaining the effectiveness of the Board, a continuous evaluation of the Board members is carried out on an annual basis.	
		Notwithstanding the departure from the MCGG recommendation, Pertama Digital has been in compliance with the Main Market Listing Requirements whereby at least one (1) woman Director is appointed to the Board (currently Dato' Dr. Suhazimah Binti Dzazali, representing the percentage of 9.09% of the Board size.	
<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 Board Composition to comply with the 30% recommendation.	
Timeframe	:	Within 1 year	

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Despite the absence of a written policy on gender diversity, Pertama Digital placed emphasis and priority in its 2023 Annual Report on the suitability, merit and experience of any candidates for directorship and senior management posts without any gender bias. The Group is committed to fostering an inclusive and diverse workplace, which eliminates gender restrictions.</p> <p>The Board and NRC work together in annually reviewing the Board composition and are dedicated to ensure its compliance with the requirements and recommendations.</p> <p>Candidates for the Directorship and senior management posts and relevant committees should not be based on gender bias but merit and experience.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will establish a gender diversity policy, in line with the MCCG recommendation.	
Timeframe	:	Within 1 year	

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	<p>Annually, the NRC includes in its agenda the task of conducting the performance evaluations of the Board as a whole, Board Committees and individual Directors ("Evaluation"), by way of self evaluation and assessment method, by using a self and peer assessment approach.</p> <p>The purpose of this Evaluation is to gauge each Director's performance and understanding of their role in a public listed company. It seeks to gather their insights into the Group's strengths and weaknesses, identify any challenges encountered, and evaluate the support provided by Management in fulfilling their directorial duties. From the results of the Evaluation, including the mix of skills and experience possessed by Directors, the NRC will consider and recommend the list of Directors to be re-elected and re-appointed at the forthcoming annual general meeting, to meet current and future requirements of the Group.</p> <p>The criteria used by the NRC in evaluating the performance includes contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, which are provided in a set of questionnaires. Based on the Evaluation results, the NRC is satisfied that the Directors have the relevant set of skills and due care has been exercised by the Board and Board Committees members in carrying out their fiduciary duties.</p> <p>Additionally, all Independent Directors are subject to an evaluation of their independence, in line with the Main Market Listing Requirements. It was concluded that all Independent Directors have satisfied the independence criteria and each of them is able to provide independent judgement and act in the best interest of Pertama Digital.</p>

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

Intended Outcome

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

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

Practice 7.1

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board has established a Group Director Remuneration Policy to set out the structure/ guideline for determining remuneration for Non-Executive directors and Executive Directors. This policy is published on the Company's website at www.pertamadigital.com.</p> <p>The Directors' remuneration package, especially the Non-Executive Directors, is under the purview of the NRC, whereby the package determination is properly assessed and evaluated based on the scopes, experience and levels of responsibilities undertaken by the Directors as well as other factors listed down in the policy. The remuneration package will be a matter to be recommended by NRC and deliberated by the Board, with the Director concerned abstaining from deliberations and vote. The policy also provides a separate remuneration structure for the Executive Directors and Non-Executive Directors.</p> <p>The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the Annual General Meeting based on recommendations of the Board.</p> <p>However, the Board has yet to establish a written remuneration policy for senior management.</p> <p>Pertama Digital aims to establish a written remuneration policy for senior management.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	The Board will establish a comprehensive remuneration policy covering the senior management and recommend the same for the Board's approval to ensure the payment of equitable, competitive remuneration not only to the Directors but also to the senior management of the Group which is based on individual performance, company's benchmark, industry practices and performance of the Group as a whole.	
Timeframe	:	Within 1 year	

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	:	Pertama Digital has announced that the Board has approved the merging of Nomination Committee and Remuneration Committee into a single committee i.e. the NRC, with effect from 20 November 2023 to enhance the efficiency of the Board Committees in discharging their duties and responsibilities. The updated Terms of Reference for the NRC can be found at www.pertamadigital.com .	
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

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	:	<p>Details of the Directors' remuneration paid or payable to all Directors during the FY 2023 are provided in this Corporate Governance Report.</p> <p>For clarity, the quoted amount is only for the period from 1 January 2023 until 22 June 2023, due to the non-approval given by the shareholders during the 38th Annual General Meeting for any payment of Directors' remuneration from 23 June 2023 until the upcoming 39th Annual General Meeting.</p>

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	Datuk Ahmad Nazri Bin Abdullah (appointed on 22 June 2023)	Non-Executive Non-Independent Director	0.5	1	-	-	-	-	1.5	0.5	1	-	-	-	-	1.5
2	Sabri Bin Ab. Rahman	Executive Director	-	5	-	-	-	-	5	-	5	812.69	-	-	-	817.69
3	Chan Kah Hong (appointed on 1 February 2024)	Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Mohd Reza Bin Mohd Hatta (appointed on 1 February 2024)	Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Tun Dato' Sri Zaki Bin Tun Azmi	Non-Executive Non-Independent Director	28.47	5	-	-	-	-	33.47	28.47	5	-	-	-	-	33.47
6	Yang Teramat Mulia Tunku Syed Razman Tunku Syed Idrus	Independent Director	17.2	4	-	-	-	-	21.2	17.2	4	-	-	-	-	21.2
7	Tan Sri Dr. Nik Norzrul Thani Nik Hassan Thani	Non-Executive Non-Independent Director	17.2	5	-	-	-	-	22.2	17.2	5	-	-	-	-	22.2
8	Dato' Dr. Suhazimah Binti Dzazali	Independent Director	-	5	-	-	-	-	5	17.2	5	-	-	-	-	22.2
9	Wong Yoke Nyen	Independent Director	-	5	-	-	-	-	5	-	5	-	-	-	-	5

10	Datuk Wira Shahrul Nazri Bin Abdul Rahim (<i>appointed on 23 August 2023</i>)	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Dato' Faisal Zelman Bin Abdul Malik (<i>appointed on 23 August 2023</i>)	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Datuk Ng Bee Ken (<i>retired on 22 June 2023</i>)	Independent Director	17.2	5	-	-	-	-	22.2	17.2	5	-	-	-	-	22.2
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	Details of the remuneration paid or payable to the top five (5) senior management during the FY 2023 are provided in this Corporate Governance Report. Remunerations of the current Chief Financial Officer (Chan Kah Hong) and Chief Strategy Officer and Acting Chief Executive Officer (Mohd Reza Bin Mohd Hatta) are not included given their recent appointments on 1 February 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	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Saifullah Akhtar (Resigned on 31 October 2023)	Chief Executive Officer	1,150,001-1,200,000	50,001-100,000	300,001-350,000	0-50,000	0-50,000	1,550,001-1,600,000
2	Sivabalan A/L Poobalasingam (Contract ended on 9 November 2023)	Chief Financial Officer	800,001-850,000	50,001-100,000	0-50,000	0-50,000	250,001-300,000	1,100,001-1,150,000
3	Khairul Amanda Binti Sabri (Resigned on 31 October 2023)	Chief Operating Officer	650,001-700,000	0-50,000	100,001-150,000	0-50,000	0-50,000	800,001-850,000
4	Chiou Thien Ling (Contract ended on 23 September 2023)	Chief People Officer	350,001-400,000	0-50,000	100,001-150,000	0-50,000	0-50,000	550,001-600,000
5	Chan Kah Hong	Senior Financial Adviser (prior to his appointment as the Chief Financial Officer on 1 February 2024)	100,001-150,000	0-50,000	0-50,000	0-50,000	0-50,000	100,001-150,000

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	Chairman of the Audit Committee is not the Chairman of the Board as illustrated below: Chairman of Audit Committee: Wong Yoke Nyen Chairman of Board: Datuk Ahmad Nazri Bin Abdullah	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established the Terms of Reference of the Audit Committee, which stipulates that a former partner of the external audit firm of the listed company shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee, as recommended in the MCCG.</p> <p>The said Terms of Reference can be found at www.pertamadigital.com.</p> <p>Currently, none of the Audit Committee members are former partners of the external audit firm which requires them to observe such policy.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Terms of Reference of the Audit Committee clearly sets out the responsibilities and duties of members of the Audit Committee, which includes deliberating matters pertaining to the appointment and performance of the external auditor.</p> <p>In absence of any written or formal policies and procedures during the financial period under review, assessment of the suitability, objectivity and independence of the external auditor was being discussed by the Audit Committee during its meetings especially whenever the Audit Committee sits to deliberate on the presented Audit Strategy Memorandums.</p> <p>The Audit Committee is responsible for reviewing the audit, recurring audit related and non-audit services provided by the external auditors. The Audit Committee has been explicitly accorded the power to communicate directly with both the external auditors and internal auditors. The terms of engagement for services provided by the external auditors are reviewed by the Audit Committee prior to submission to the Board for approval. The effectiveness and performance of the external auditors are reviewed annually by the Audit Committee during the meetings, taking into consideration:</p> <ol style="list-style-type: none">1. Adequacy of the experience and resources.2. Ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the audit plan.3. Nature of the non-audit services and fees paid for such services.4. Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or appointment tenure. <p>Annual appointment or re-appointment of the external auditors is via shareholders' resolution at the annual general meeting on the recommendation of the Audit Committee and the Board. The external auditors are being invited to attend the annual general meeting to respond and reply to the shareholders' enquiries on</p>

	<p>the conduct of the statutory audit and the preparation and contents of the audited financial statement.</p> <p>As at the date of this Corporate Governance Report, the Board has approved the adoption of an External Auditors' Policy which provides more detailed terms pertaining to the Audit Committee's power in doing such evaluation.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

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	:	Collectively, all members of the Audit Committee have a mixture of the relevant experiences and expertise which contributed to their ability in carrying out their duties in accordance with the Terms of Reference of the Audit Committee. Qualifications and experiences of the individual Audit Committee members are disclosed in the Directors' profiles of the 2023 Annual Report.	
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	:	<p>The Board is entrusted with the overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders’ investments and the Group’s assets. The internal control system is designed to assess current and emerging risks, and respond appropriately to the risks of the Group.</p> <p>As an effort to enhance the system of internal control, the Board together with the assistance of the outsourced Internal Audit firm adopted on-going monitoring and reviewed the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the Audit Committee and the Board to strengthen and improve current management and operating style in pursuit of best practices.</p> <p>The details of the risk management and internal control of the Group is further elaborated in the Statement on Risk Management and Internal Control of the 2023 Annual Report.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Notwithstanding the rooms for improvement, the Group essentially has put in place an initial process for identifying, evaluating, reporting, managing, monitoring and reviewing the major strategic, business and operational risks within the Group.</p> <p>Both the Audit Committee and Board review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports regularly. Risk management is firmly embedded in the Group's management system as the Board believes that risk management is critical for the Group's sustainability and the enhancement of shareholder value.</p> <p>In the Statement on Risk Management and Internal Control ("SORMIC") which is part of the Annual Report, the Board outlines the established risk management and internal control framework for the Group, emphasising the distinct roles of the Board, management team and other key teams in managing the risks and internal controls within the Group. Further reference can be made to the SORMIC which contains key features of the risk management and internal controls of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The Group outsources the internal audit function to GovernAce Advisory & Solutions Sdn. Bhd., to assist the AC as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that seek to add value and improve the Group's operations.</p> <p>The internal auditors perform their work in accordance with the principles of the international internal auditing standards covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.</p> <p>The internal audit firm prepares audit plans for presentation to the Audit Committee for approval wherein the scope of work encompasses management and operational audit of functions in the Group. Any subsequent changes to the internal audit plan shall be reviewed and approved by the Audit Committee. The scope of the internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.</p> <p>The Audit Committee and Board agreed that the internal audit review was done in accordance with the audit plan and the coverage is adequate, noting the new appointment for the FY 2023. The Audit Committee and Board are satisfied with the performance of the internal auditor and have in the interest of greater independence and continuity in the internal audit function, decided to continue with the outsourcing of the internal audit function for the next financial year.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has outsourced its internal audit functions to GovernAce Advisory & Solutions Sdn. Bhd. to carry out a gap analysis on the Group's corporate governance compliance with the MCCG recommendations during the FY 2023.</p> <p>None of the internal auditors had any relationship or conflict of interest that could impair their objectivity and independence at discharging the internal audit function.</p> <p>For the FY 2023, one (1) audit cycle was carried out by the internal auditor team which consists of four (4) team members led by Mr. Ryan Chong Chee Seng, who is a Director of the firm with the following qualifications:</p> <ol style="list-style-type: none">1. Bachelor of Commerce (Accounting & Taxation), Curtin University of Technology , Perth, Western Australia2. Quality Assessor, The Institute of Internal Auditors Inc.3. Chartered Accountant (CA), Malaysian Institute of Accountants (MIA)4. Certified Internal Auditor (CIA), The Institute of Internal Auditors Inc.5. Chartered Member, The Institute of Internal Auditors Malaysia (CMIIA)6. Fellow Certified Practising Accountant (FCPA), CPA Australia7. ASEAN Chartered Professional Accountant (ASEAN CPA)8. GRI Certified Sustainability Professional <p>The Audit Committee had evaluated and reviewed the internal audit function and was satisfied that the internal audit activities was carried out in accordance with the recognised framework, which includes the standards in the International Professional Practices Framework issued by the Institute of Internal Auditors.</p>

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the need for transparency and accountability to Pertama Digital's shareholders as well as regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Group. Pertama Digital and the Group ensures that timely releases of the quarterly financial results, press releases and corporate announcements are made to its shareholders and investors, which are clear, unambiguous, succinct, accurate and contain sufficient and relevant information.</p> <p>In line with its Shareholders' Communication Policy, the Group engages with its stakeholders through several effective and transparent channels:</p> <p>(a) Corporate Website (www.pertamadigital.com): A primary source for detailed information on the Group's operations and updates.</p> <p>(b) Bursa Announcements (www.bursamalaysia.com): Regular disclosures and official announcements, ensuring regulatory compliance and transparency.</p> <p>(c) Annual Report: Comprehensive insight into financial performance, strategic achievements, and corporate governance.</p> <p>(d) General Meetings (Annual and Extraordinary): Platforms for direct shareholder engagement, discussion, and decision-making.</p> <p>These channels collectively ensure regular, transparent communication, maintaining stakeholder trust and aligning with the Group's commitment to transparency and accountability.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The 38th Annual General Meeting of Pertama Digital was held on 22 June 2023 and the Notice for the AGM was issued on 28 April 2023, which fulfilled the minimum 28 days’ notice period to be given to shareholders prior to the date of the Annual General Meeting, which is in line with the recommendation of the MCCG and as per the requirement of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.	
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 attended the Extraordinary General Meeting held on 13 March 2023.	
		All Directors attended the 38th Annual General Meeting except for Yang Teramat Mulia Tunku Syed Rahman Bin Tunku Syed Idrus, an Independent Non-Executive Director, due to his prior engagement for a State event fulfilling his responsibility as the Tunku Besar Tampin.	
		Notwithstanding the absence, the Board in entirety has properly addressed and responded to the shareholders' questions. The 38th Annual General Meeting was conducted by way of a hybrid basis and online remote voting using the Remote Participation and Voting Facilities in order to enable and encourage the shareholders' attendance and participation regardless of their locations. The shareholders were given the opportunity to participate in the questions and answers session, where they had the chance to raise questions or seek more information during the meeting or posted the questions through the online system even prior to the meeting date.	
Explanation for departure	:	All relevant questions and answers were addressed by the Chairman of the Board and the management team during the Extraordinary General Meeting and the 38th Annual General Meeting.	
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	:	Applied
Explanation on application of the practice	:	<p>The Extraordinary General Meeting held on 13 March 2023 was held on a virtual basis and the 38th Annual General Meeting was conducted by way of a hybrid basis and online remote voting using the Remote Participation and Voting Facilities in order to enable and encourage the shareholders' attendance and participation via online or physical attendance and voting, regardless of their locations.</p> <p>An online platform at https://web.vote2u.my was prepared by Pertama Digital for online attendees, and a physical meeting venue was prepared at Jasmin & Orchid Room at One World Hotel, City Centre, First Avenue, Lebuhraya Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan for physical attendees.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Pertama Digital adheres to the recommended Practice 13.4 of MCCG, with the Chairman ensuring meaningful engagement between the Board, senior management, and shareholders during the general meetings.</p> <p>Prior to any general meetings, meeting notices (and supporting documents for any extraordinary general meetings) which provide the agenda (and additional information, if any) will be sent in advance to the shareholders so that all shareholders are aware and shall be able to scrutinize the agendas and information prior to the meeting date.</p> <p>At the commencement of all general meetings, the Chairman of the Board will inform the shareholders of their rights to a poll voting. Separate resolutions are proposed for substantially separate issues at the meeting. The meeting outcome will be announced to Bursa Securities on the same meeting day.</p> <p>The shareholders were also given the opportunity to participate in the questions and answers session, where they had the chance to raise questions or seek more information during the meeting or posted the questions through the online system even prior to the meeting date. In the event that an answer cannot be readily given at the meeting, the Chairman of the Board will undertake to provide a written reply to the shareholders.</p> <p>The external auditors also will be invited to attend the general meetings to respond and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Similar to the explanation under Practices 13.3 and 13.4, the Extraordinary General Meeting was held on a virtual basis and the 38th Annual General Meeting was conducted by way of a hybrid basis and online remote voting using the Remote Participation and Voting Facilities in order to enable and encourage the shareholders' attendance and participation via online or physical attendance and voting, regardless of their locations.</p> <p>Prior to any general meetings, meeting notices (and supporting documents for any extraordinary general meetings) which provide the agenda (and additional information, if any) will be sent in advance to the shareholders so that all shareholders are aware and shall be able to scrutinize the agendas and information prior to the meeting date.</p> <p>At the commencement of all general meetings, the Chairman of the Board will inform the shareholders of their rights to a poll voting. Separate resolutions are proposed for substantially separate issues at the meeting. The meeting outcome will be announced to Bursa Securities on the same meeting day.</p> <p>The shareholders were also given the opportunity to participate in the questions and answers session, where they had the chance to raise questions or seek more information during the meeting or posted the questions through the online system even prior to the meeting date. During the meeting, all questions were presented in front of the shareholders and the Board and management team took turns in answering the relevant questions. In the event that an answer cannot be readily given at the meeting, the Chairman of the Board will undertake to provide a written reply to the shareholders.</p>

	The external auditors attended the 38th Annual General Meeting to respond and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statements.	
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 38th Annual General Meeting are published on the Company's website at www.pertamadigital.com within thirty (30) business days after the Annual General Meeting.
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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