

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0091  
**COMPANY NAME** : PROPEL GLOBAL BERHAD  
**FINANCIAL YEAR** : June 30, 2024

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>the Board</b>") of Propel Global Berhad ("<b>Propel Global</b>" or "<b>Company</b>") is primarily responsible for reviewing the strategic plan, adequacy of the internal control and risk management systems of the Company and its subsidiaries ("<b>the Group</b>") in place, whilst overseeing the conduct and performance of the Group's businesses and management team in the pursuit of the long-term success of the Group and deliver sustainable value to its stakeholders.</p> <p>The Board is guided by a Board Charter which was approved by the Board on 25 May 2022. The Board Charter will be reviewed and updated periodically to ensure it remains relevant and consistent with the prevailing regulations as well as in line with the Main Market Listing Requirements ("<b>MMLR</b>") of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") and the Malaysian Code on Corporate Governance 2021 ("<b>MCCG</b>").</p> <p>The Board assumes the following specific duties:</p> <ul style="list-style-type: none"><li>a) Review and adopt a strategic plan for the Group;</li><li>b) Oversee the conduct of the Group's business to evaluate whether the business is being properly managed;</li><li>c) Identify principal risks and ensure the implementation of appropriate systems to manage these risks;</li><li>d) Implement succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;</li><li>e) Develop and implement an investor relations program or shareholders communications policy for the Group; and</li><li>f) Review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.</li></ul>

	<p>In addition, the Board reserves full decision-making powers on the following matters:</p> <ul style="list-style-type: none"> <li>a) Conflict of interest issues relating to a substantial shareholder or a Director;</li> <li>b) Material acquisitions and disposition of assets not in the ordinary course of business;</li> <li>c) Investments in Capital projects;</li> <li>d) Authority levels;</li> <li>e) Treasury policies;</li> <li>f) Risk management policies; and</li> <li>g) Key human resource issues.</li> </ul> <p>The Board Charter is available for reference on the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a>.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board is currently chaired by the Executive Chairman, En. Mohamad Reza Bin Abdul Mutalib, of the Company who has been entrusted with the responsibility of instilling good governance practices and providing leadership to the Board.  The roles and responsibilities of the Chairman of the Board are clearly stated in the Board Charter, which is available on the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of the Chairman and the Group Chief Executive Officer ("GCEO") are separated and held by different individuals with clear distinction of responsibilities between them to ensure that there is a balance of power and authority, such that no one individual has unfettered powers of decision making.</p> <p>The Executive Chairman of the Board is En. Mohamad Reza Bin Abdul Mutalib, who has been entrusted with the responsibility of instilling good governance practices and leadership of the Board whilst the GCEO is Ms. Lee Sze Yeen, an Executive Director who is the head of management with overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Executive Chairman of the Board, En. Mohamad Reza Bin Abdul Mutalib, is not a member of the Audit Committee ("AC") and Nomination and Remuneration Committee ("NRC").
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by a suitably experienced and competent Company Secretary, Ms. Leong Oi Wah, qualified and licensed under the Companies Act 2016 who is also a member of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”).</p> <p>During the financial year ended (“FYE”) 30 June 2024, the Company Secretary had discharged her duties and responsibilities accordingly by managing all the Board and committee meetings logistics, attending and recording minutes of the meetings. The notice and agenda were circulated to all Directors at least 7 days in advance. All pertinent issues discussed and decisions made at the Board meetings were recorded by the Company Secretary. The Acting Chairman of the Board signed on the minutes upon confirmation by the Board and Board Committees at the next Board meeting.</p> <p>All members of the Board have direct and unrestricted access to the independent professional advice and services of the Company Secretary on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and the Group.</p> <p>The Company Secretary constantly keeps herself abreast of the evolving capital market, statutory and regulatory changes and the development in corporate governance through attending relevant webinars, training and professional development programmes organised by Companies Commission of Malaysia, MAICSA, Bursa Securities and other professional bodies.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretary in discharging her functions, duties and responsibilities.</p> <p>The roles and responsibilities of the Company Secretary are clearly stated in the Board Charter, which is available on the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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



## 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.</p> <p>The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Management requires further clarification, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible on the matters tabled.</p> <p>Prior to Board meetings, the Directors are furnished with a full agenda and comprehensive Board papers. Board papers and relevant reports are sent to the Directors 7 days prior to and in advance before the respective meetings of the Board and Board Committees are held. This enables the Directors to have sufficient time to peruse meeting materials and issues arising, and where necessary, to obtain further explanation.</p> <p>The Board papers include, but not limited to, the following:</p> <ul style="list-style-type: none"><li>a) Quarterly financial report and analytical review on the Group's quarterly results;</li><li>b) Minutes of meetings of all Committees of the Board;</li><li>c) A current review of the operations and future prospects of the Group;</li><li>d) Reports on Related Party Transactions and Recurrent Related Party Transactions;</li><li>e) Directors' share-dealings;</li><li>f) Reports from Internal and External Auditors; and</li><li>g) Annual operational and capital budgets.</li></ul> <p>Upon conclusion of the meetings, the Company Secretary would use her best endeavours to circulate the meeting minutes in a timely manner. The draft minutes are circulated to the Board and the Board Committees' members for perusal. The minutes are then confirmed by the relevant chairman at the next meeting. The Directors are updated</p>

	<p>by the Management on the follow-up of its decisions and recommendations by Management.</p> <p>Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during normal office hours.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is guided by a Board Charter which was approved by the Board on 25 May 2022. The Board Charter will be reviewed and updated periodically to ensure it remains relevant and consistent with the prevailing regulations as well as in line with the MMLR and the MCCG.</p> <p>The Board Charter clearly defines the respective roles and responsibilities of the Board, Board Committees, Chief Executive Officer, Board Committees and Company Secretary. It further defines the key matters that are reserved for the decision of the Board.</p> <p>A copy of the Board Charter is published on the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company has adopted the Code of Conduct and Ethics which governs the professional conduct of its Directors and employees and outlines their responsibilities to the Group in performing their duties.</p> <p>The Code of Conduct and Ethics, which includes rules and guidance on anti-bribery and corruption and whistleblower protection, sets out the broad standards of conduct and basic principles to guide the Board in carrying out its duties and responsibilities to the highest standard of personal and corporate integrity. It also outlines minimum standards expected of employees in dealing with conflicts of interest, supplier relationships, competitors, external businesses or activities, transactions with the Group, use of the Group's real and intellectual, use and disclosure of the Group's confidential information, compliance of national and international laws and regulations, compliance of all relevant health &amp; safety requirements, maintenance of business records and illegal or questionable payments.</p> <p><b>Anti-Bribery and Corruption Policy</b></p> <p>The Company adopts a clear "zero tolerance" policy against all forms of bribery and corruption and is committed to conducting business professionally and upholding high standard of ethics and integrity. In this regard, the Anti-Bribery and Corruption Policy which was approved by the Board on 25 May 2022 was implemented to ensure compliance with and adherence to all applicable laws including, amongst others, the Malaysian Anti-Corruption Act 2009 and any of its amendments that may be made by the relevant authority from time to time.</p> <p>The Anti-Bribery and Corruption Policy will be reviewed and updated periodically as and when necessary to ensure relevance and effectiveness.</p> <p>The Anti-Bribery and Corruption Policy is published on the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a>.</p>

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company acknowledges the importance of providing a safe and trusted channel for the employees to escalate their issues or complaints and information on fraud, wrongdoing such as bullying and harassment, or non-compliance with any rules or procedures. In this regard, the Board has implemented the Whistleblower Policy which was approved on 25 May 2022 to accept anonymous reports.</p> <p>The Whistleblower Policy outlines the scope and procedures a concern may be properly raised, distinguishes a concern from a personal grievance and allows the whistle blower the opportunity to raise a concern outside their management line and in confidence. The identity of the whistle-blower is kept confidential and protection is accorded to the whistle-blower against any form of reprisal or retribution. Any concerns raised will be investigated and a report and update are provided to the Board through the Audit Committee.</p> <p>The Whistleblower Policy will be reviewed and updated periodically as and when necessary to ensure relevance and effectiveness.</p> <p>The Whistleblower Policy is published on the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a>.</p> <p>There were no whistleblowing reports received during the financial year 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with good governance practices, the Board under the leadership and direction of GCEO oversees the management and implementation of material economic, environmental and social risks and opportunities presented in our business activities.</p> <p>The Board takes into consideration sustainability issues when it oversees the planning, performance and long-term strategy of the Company and views the commitment to do so as part of its broader responsibility to all its various stakeholders and the communities in which it operates. The Group strives to achieve a sustainable balance between meeting its business goals, preserving the environment to sustain the ecosystem and the welfare of its employees and the communities in which it operates. The Group’s efforts to promote sustainable initiatives for the communities in which it operates, the environment and the employees are set out in the Sustainability Statement in the Annual Report 2024 of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's business sustainability is spearheaded by the Board, who is primarily responsible for the overall sustainability performance of the Group by reviewing and adopting strategies which support long term value creation taking into account the economic, environmental and social considerations.</p> <p>The Board believes that engagement, consultation, and seeking regular feedback are key steps in driving sustainability at the Company. The collective views, opinions and insight from the stakeholders help the Board make informed decision, while aligning the stakeholders' expectation with the Company sustainability priorities and business approach.</p> <p>Details pertaining to the engagement with the stakeholders are available in the Sustainability Report in the Annual Report 2024 of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company Secretary regularly updates the Board on the changes of the MMLR upon receiving the circulars from Bursa Securities, which are relevant to the Company and provide advice on corporate disclosures and compliances which includes understanding of sustainability issues. The Board through its NRC ensures all directors have sufficient diversity and skillset which include their experience in sustainability that fit the Company's objectives and strategic goals. In addition to the above, the Directors' periodic updates of the Group's sustainability matter by GCEO in the Board meeting has also enhanced the Directors' awareness and knowledge of the sustainability issues relevant to the Group. Where necessary, the Company will upskill the Board and Senior Management on sustainability issues including climate-related topics, such as internal workshops and training or external collaboration with expert organisations.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NRC will annually evaluate the effectiveness of the Board, its Committee and also the performance of the Directors. They are responsible for assessing the suitability of any proposed candidate as a board member and to submit their recommendations to the Board.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board’s various committees will be assessed on an annual basis.</p> <p>The Board in discharging its role effectively is committed to ensure that the Directors have sufficient understanding and knowledge of sustainability issues that are relevant to the Group and its business.</p> <p>The annual performance evaluation includes sustainability agenda in the performance of its duties in order to promote accountability and identify issues that may require intervention. This also applies to the Senior Management, where sustainability is included in their performance evaluation.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Directors are subject to retirement by rotation. One-third (1/3) or the number nearest to one-third (1/3) of the Directors shall retire from office and be eligible for re-election at the Annual General Meeting (“AGM”).</p> <p>The tenure of each Director will be reviewed by the NRC and annual re-election of a director will be contingent on satisfactory evaluation of the Director’s performance and contribution to the Board.</p> <p>In accordance with the Board Charter of the Company, each Director shall retire from office at least once in every three (3) years and the Directors to retire each year are the Directors who have been longest in office since their last re-election.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Presently, the Board consists of five (5) Directors, comprising two (2) Executive Directors and three (3) Non-Executive Directors of whom two (2) are independent.</p> <p>Although the Board has not adopted the best practice to have at least half of the Board to comprise of Independent Directors, the Company has proven that the performance of the Group has not been compromised by a lack of majority Independent Directors in the composition of the Board. In fact, the success of the Company has not been in doubt due to the professional and knowledgeable contributions of the Executive Chairman and GCEO of the Company.</p> <p>Directors, regardless if they are independent or not, have the fiduciary duties to act in the best interests of the Company. This has always been the governing principle adhered to by all of the Directors of the Company. Moreover, the independent and diverse perspectives of Board members' decisions have effectively contributed to the success of the Group. Meetings of the Board and Board Committees have always been conducted in an open and participative manner. Dissenting views are allowed to be freely expressed and thorough deliberations made on agenda matters to ensure the quality of decision-making. As additional safeguard, for matters in which Directors are interested, they have always abstained from the decision-making.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as disclosed in the Board Charter. However, upon completion of the nine (9) years, the Independent Director may continue to serve on the Board subject to his/her re-designation as a Non-Independent Director.</p> <p>However, if the Board, based on the recommendation of the NRC, agrees that a particular Director’s independence is not impeded by the mere fact that he/she has served the Company in excess of the nine (9) cumulative years, the Board may seek the approval of the shareholders at the annual general meeting of the Company to retain the independent status of such a Director until his or her 12th year on the Board as Independent Director.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a Board Diversity Policy to leverage differences in perspective, knowledge, skill, industry experience, background, age, ethnicity, race and gender to achieve optimum composition of the Board. In identifying suitable candidates for appointment of directors, other than recognizing the recommendations from the existing Board members and major shareholders, the Board (through NRC) will also explore independent sources to identify the qualified candidates.</p> <p>New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board's performance of its duties and to give sufficient time and attention to the affairs of the Company.</p> <p>The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed. Upon the appointment of a new Director, the Company Secretary shall advise the Director of his/her principal duties and responsibilities and explain the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all newly appointed Directors are provided with appropriate briefings on the Company's affairs and up-to-date Corporate Governance materials published by the relevant bodies.</p> <p>The Board Diversity Policy is available for reference on the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NRC.</p> <p>Selection of candidates for appointment of new Directors may be recommended by existing Directors, Management, and major shareholders. The Board (through NRC) will also explore independent sources to identify the qualified candidates. NRC will assess the suitability of the candidates, such as the required mix of skills, experience, character, ability to dedicate sufficient time to fulfil his/her responsibilities as a member of the Board, as well as other qualities, and core competencies which the new Directors bring to the Board.</p> <p>In its review of the potential candidates, the NRC also considered the following additional criteria:-</p> <ul style="list-style-type: none"><li>• Prevailing government policies such as gender diversity;</li><li>• Overall composition of the Board;</li><li>• Board dynamics; and</li><li>• The combination of skills possessed by existing Directors to ensure the selected candidate would help close any possible gaps in the Board.</li></ul> <p>The NRC is authorised to obtain any outside legal or other professional advice in identifying suitably qualified candidates for appointment of new directors including the advice of independent consultants, to obtain reliable and updated information about remuneration in the marketplace. The committee shall have full authority to commission any reports or surveys, which it deems necessary to help it fulfil its obligations.</p>
<b>Explanation for departure</b>	:	

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

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NRC will review and assess the eligibility of the Retiring Directors seeking re-election at the AGM, taking into consideration the results of the annual evaluation assessment. Having satisfied with their performance, the NRC and in turn, the Board then recommends to the shareholders, the re-election of the Retiring Directors at the forthcoming AGM.</p> <p>The details of the Directors seeking re-election at the AGM including their qualification, working experience, directorship in other public listed company, relationship with any director or major shareholder and conflict of interests with the Company are set out in the Profile of Directors section as disclosed in the Annual Report.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NRC is chaired by Ms Elain Binti Lockman, an Independent Non-Executive Director of the Company.</p> <p>The profile of Ms Elain Binti Lockman is set out in the Directors' Profile in the Annual Report 2024 of the Company.</p> <p>The members of the NRC are Non-Executive Directors with a majority of them being Independent Directors. The Terms of Reference of the NRC is available for reference on the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board currently consists of five (5) Directors, two (2) of whom are female Directors representing 40% of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a Board Diversity Policy to leverage differences in perspective, knowledge, skill, industry experience, background, age, ethnicity, race and gender to achieve optimum composition of the Board.</p> <p>The Company recognises that board diversity enhances decision-making capability and quality of the Board's performance. With a view to achieving a sustainable and balanced development, the Company perceives increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its business directions.</p> <p>The Company recognises that the Directors are appointed by shareholders, not the Board or the Company. The rights to appoint Directors is one of the most important rights exercisable by shareholders and it is not sought to be restricted by the Board Diversity Policy.</p> <p>In identifying suitable candidates for appointment of directors, other than recognizing the recommendations from the existing Board members and major shareholders, the Board (through NRC) will also explore independent sources to identify the qualified candidates.</p> <p>The ultimate decision on director's appointment will be based on merit and competence to serve the Board and shareholders.</p> <p>A summary of the diversity policy is disclosed in the Annual Report 2024 of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	



<b>Timeframe</b>	:		
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## 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The NRC will assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Directors. The criteria used to evaluate Executive Directors and Non-Executive Directors covers amongst others competency, fit and proper, contribution and performance, calibre and personality, independence of Independent Non-Executive Directors and time commitment of individual Directors.  The evaluation will be conducted using the following forms/checklists:  a) Self-Evaluation for each of the directors; b) Board and Board Committees Assessment to assess the performance of the Board of Directors and Board Committees; c) Independent Directors' Assessment; and d) Fit & Proper declaration and assessment.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company aims to establish remuneration levels that attract and retain Directors essential for the successful operation of the Company. This determination considers various factors, including their roles, workloads, and responsibilities, aligning remuneration packages with the Company's strategy and long-term objectives.</p> <p>The NRC sets remuneration for Directors and Senior Management by assessing compensation levels for similar positions among other Malaysian public listed companies.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has a NRC that assists the Board to fulfil its responsibilities in relation to the assessment of the Board effectiveness and to provide recommendations to the Board in relation to the remuneration of the Directors and Senior Management personnel.</p> <p>The NRC has a detailed Terms of Reference in writing, which includes the NRC's:</p> <ul style="list-style-type: none"> <li>• Functions and Duties</li> <li>• Authority and Rights</li> <li>• Composition</li> <li>• Meeting procedures</li> </ul> <p>The NRC comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The NRC is chaired by Ms Elain binti Lockman, who is an Independent Non-Executive Director.</p> <p>The Terms of Reference of NRC is available on the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Details of the remuneration received by the Directors from the Group for the financial year ended 30 June 2024 are set out in the Corporate Governance Overview Statement in the 2024 Annual Report.

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	Mohamad Reza Bin Abdul Mutalib	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	-	120.0	840.0	-	12.5	116.4	1,088.9
2	Lee Sze Yeen	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	-	-	870.0	-	31.6	601.5	1,503.1
3	Dato' Tan Yee Boon	Independent Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	100.0	7.5	-	-	-	232.7	340.2
4	Elain Binti Lockman	Independent Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	88.5	7.5	-	-	-	77.5	173.5
5	Shamsul Bin Saad	Non-Executive Non-Independent Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	48.0	7.5	-	-	-	77.5	133.0
6	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
7	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
8	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
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is of the view that, given that the disclosure of the remuneration of the top five (5) Senior Management may give rise to recruitment and talent retention issues for the Group to effectively compete for talents and hence, the Group may lose high calibre personnel who have been contributing to the Group's performance.</p> <p>The Board vide the NRC shall ensure that the remuneration of Senior Management is fair and commensurate with the performance of the Company and the contribution made by the Senior Management.</p> <p>The aggregate remuneration of the top five (5) Senior Management (excluding Executive Directors) of approximately RM2,133,796 represents 10.47% of total staff cost.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.



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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The AC is chaired by Ms Elain Binti Lockman, an Independent Non-Executive Director of the Company, who is a separate person from the chair of the Board. The Executive Chairman of the Board is En. Mohamad Reza Bin Abdul Mutalib.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company recognises the need to uphold the independence and has incorporated in the Terms of Reference of AC the requirement for a former audit partner of external audit firm and/or affiliate firm of the Group to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.</p> <p>None of the current AC members are former key audit partners of the external auditors of the Company.</p> <p>The Terms of Reference of AC sets out that a former partner of the external audit firm and/or affiliate firm (including those providing advisory services, tax consulting etc) of the Group who have not observed a cooling off period of at least three (3) years cannot be appointed as a member of the Audit Committee.</p> <p>The Terms of Reference of AC is published on the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC reviews the performance, suitability and independency of the external auditors on an annual basis, and recommends to the Board on their re-appointment.</p> <p>The Audit Committee has also monitored and reviewed the performance and independence of TGS TW PLT and is satisfied that the external auditor has remained independent throughout the conduct of the audit process and their services rendered have met the quality expected.</p> <p>The AC is further assured by TGS TW PLT by their representation and assurance during their meeting that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Collectively, the AC members are financially literate and are able to understand the Company's business and matters under the purview of the AC including the financial reporting process.  The members of the AC will undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to maintaining sound, effective and efficient internal control system and risk management framework that provide reasonable assurance to safeguard the Group’s assets and shareholders’ interests. This includes ensuring operational effectiveness and efficiency, financial reporting reliability and compliance with applicable laws and regulations.</p> <p>Recognising the importance of risk management and internal control, the Company has established a sound risk management framework and internal controls system to safeguard shareholders’ investments and the Group’s assets.</p> <p>The Internal Audit Function (“IAF”) of the Group is outsourced to an independent professional service provider. To ensure independence, the IAF reports their findings and recommendations to the AC on a quarterly basis. The AC by reviewing the IAF and by inquiring with Management, will then inform the Board on the adequacy and effectiveness of the Group’s system of internal control, risk management processes and compliance framework.</p> <p>Further information on the risk management framework and internal control systems are disclosed in the Statement on Risk Management and Internal Control of the Company’s 2024 Annual Report.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The features of the Group's risk management and internal control framework, and the adequacy and effectiveness of this framework are set out in the Statement on Risk Management and Internal Control of the Company's 2024 Annual Report.  The Board will continue to develop and improve on its risk management practices which are consistent with good corporate governance.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of the internal audit function and is committed to articulating, implementing and reviewing the Group's system of internal control. The internal audit function has been outsourced to an independent professional service provider to assist the AC in discharging their responsibilities and duties.</p> <p>To ensure independence, the Internal Auditors report directly to the AC but works closely with the Management when conducting the internal audit reviews. This reporting relationship promotes independence and objectivity that ensures adequate consideration is given to audit observations, recommendations and Management's planned corrective actions.</p> <p>The outsourced internal auditors carried out internal control reviews on the financial and operating activities of the Group based on an annual plan that was presented and approved by the AC. The internal audit reviews and reporting works are carried out in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and the Committee of Sponsoring Organizations ("COSO") Framework for Internal Controls.</p> <p>The Board is of the opinion that the Group's internal control and risk management system is adequate and accord with the guidance provided by the internal control guidance adopted by Bursa Securities.</p> <p>Further information on the internal audit function is disclosed in the Statement on Risk Management and Internal Control in Annual Report 2024 of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>An outsourced independent professional service provider, CGRM Infocomm Sdn Bhd, was appointed to assist the AC and the Board in performing their duties by independently assessing the adequacy and effectiveness of the internal control system established by the management.</p> <p>The Executive Director-in-charge is Ms Stella Lee, who is a Certified Internal Auditor and Chartered Member of the Institute of Internal Auditors with many years of internal audit and business management experience.</p> <p>Depending on the complexity and scope, a team of 2 to 3 personnel will be assigned to conduct the internal audit reviews of the Group according to the AC approved risk-based internal audit plan. As a minimum, the internal audit team members possess a bachelor's degree with some of them being ACCA or CPA qualified professionals.</p>
<b>Explanation for departure</b>	:	  
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value. The Board, in its best efforts, always keeps the shareholders and various stakeholders informed of the Group's business, operations and financial performance and ensure that the communication with them is accurate, timely, factual, informative, consistent, transparent and timely.</p> <p>The AGM is the main forum of dialogue and interaction with shareholders as it provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. It is also an avenue for the Chairman and Board members to respond personally to all queries and provide clarification on issues and concerns raised by the shareholders. Both individuals and institutional shareholders are encouraged to meet and communicate with the Board at the AGM, to participate in the question &amp; answer session, and to vote on all resolutions set out in the notice.</p> <p>Other than the forum of the AGM, the Company communicates regularly with shareholders and investors through annual reports, quarterly financial reports and various announcements made via Bursa LINK as the Board acknowledges the importance of accurate and timely dissemination of information to its shareholders, potential investors and the public in general. Shareholders and Investors can obtain the Company's latest announcements in the dedicated website of Bursa Malaysia Securities Berhad at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> or via the Company's website at <a href="http://www.propelglobal.com.my">www.propelglobal.com.my</a>.</p> <p>The Company's website serves as one of the convenient ways for shareholders and stakeholders to gain access to corporate information, news and events relating to the Group. Under the "Investor Relations" section on the Company's website, it provides relevant links to the Company's announcements including corporate information, and corporate governance. It serves as a platform for timely information and accurate disclosure of all material information to the stakeholders</p>

	of the Company. The Board will take reasonable steps to ensure that all shareholders enjoy equal access to such information.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	For AGM held in 2023, Company had served the notice to shareholder on 31 October 2023 and held the AGM on 8 December 2023 with 28 days notice.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The third AGM ("3 <sup>rd</sup> AGM") of the Company held on 8 December 2023 was attended by all the Directors. Responses to questions raised by the shareholders were addressed by the Directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company had conducted its 3rd AGM on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting (“RPEV”) facilities. It enabled shareholders to participate and vote remotely.</p> <p>Shareholders are able to attend AGM via the RPEV facility or consider appointing the Chairman of the Meeting as proxy to attend and vote on behalf.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>At the commencement of the 3<sup>rd</sup> AGM, the members and proxies present virtually at the Meeting were briefed on the use of Remote Participation and Electronic Voting ("RPEV") facilities to pose their questions.</p> <p>Before the tabling of the first agenda item, a presentation was made on the projects that were undertaken in the previous year and the financial performance for the year 2023.</p> <p>All the Directors were present to provide responses to the questions posed by shareholders via in relation to the agenda items and questions were received and attended to by the Directors.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### 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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Company held its 3<sup>rd</sup> AGM entirely on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting (“RPEV”) facilities from the online meeting platform at <a href="https://meeting.boardroomlimited.my/">https://meeting.boardroomlimited.my/</a> provided by Boardroom Share Registrars Sdn. Bhd. (“Boardroom”), the Poll Administrator. In this manner, shareholders are able to have active and meaningful engagement with the Board at the meeting.</p> <p>Boardroom was able to provide adequate tools, infrastructure and technical support to enable smooth broadcast of the virtual meeting, including connecting to the Singapore broadcast site whereby the Board Chairman and foreign Directors are located. Throughout the proceedings, shareholders were able to participate interactively with the Directors.</p> <p>Questions posed by shareholders before and during the meeting were read out and made visible during the questions and answers session.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the 3rd AGM has been uploaded onto the Company's website within 30 business days after the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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