

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7184
COMPANY NAME : G3 Global Berhad
FINANCIAL YEAR : December 31, 2022

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’s overall governance responsibilities is to establish strategic direction for the Company, overseeing the conduct of the Company’s businesses, identifying principal risks, ensuring the implementation of appropriate internal controls and mitigation measures, responsible for corporate sustainability, overseeing the development and implementing of a shareholder communications policy for the Company and review the adequacy and the integrity of the management information and internal controls system.</p> <p>With the adoption of Board Charter, the Board will ensure that its obligations to its shareholders are met.</p>	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board of Directors is chaired by an Independent Non-Executive Chairman, namely Dato’ Sri Alias Bin Ahmad who leads the Board in setting the tone to develop the strategic direction as well as instil good corporate governance practices for the Group.</p> <p>The responsibilities of the Chairman of the Board are set out in the Board Charter.</p>	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The position of Chairman is held by Dato' Sri Alias Bin Ahmad and Mr Dirk Johann Quinten is the Managing Director of G3 Global Berhad. Both Chairman and Managing Director roles and responsibilities are properly segregated. The Chairman is responsible for the leadership of the Board and ensuring the Board is function effectively, whilst the Managing Director has the delegated authority from the Board and is responsible for the Group's overall operational, business and financial performance.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Departure
Explanation on application of the practice	:	
		The Board Chairman is a member of the Audit Committee, the Chairman of Nomination Committee, Chairman of Remuneration Committee and member of Risk Management Committee.
		Although the Board Chairman holds position in the Board Committees, it would not affect the transparency of matters discussed during the Committees meetings as the Board Chairman practices self-restrain in view of matters affecting him by disclosing his interest during the Board Meeting and relevant Committees meetings while exempt from voting.
<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 and Board Committees are supported by Company Secretary, Ms Wong Youn Kim who is qualified to act as Company Secretary under Section 235 of the Companies Act 2016. She is a Chartered Secretary and is a Fellow of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).</p> <p>The Company Secretary provides secretarial support to the Board and plays an advisory role to ensure the Board and Board Committees comply with relevant regulations, laws and Bursa’s Listing Requirements. She assists the Board in applying the best practices of the Malaysian Code on Corporate Governance (MCCG).</p>	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company Secretary provides effective support to the Board and Board Committees to facilitate their discussion and proceedings of Board and Board Committees meetings and ensure that deliberations are well documented.</p> <p>In order to ensure effective and efficient discussion and decision-making at the meetings of the Board and Board Committees, meeting materials are circulated to the Board and Board Committees' members 5 business days prior to their respective meetings. The Company Secretary ensures that the discussions and decisions are properly recorded, and all minutes of the meetings are circulated and confirmed as a correct record of the proceedings at their following respective meetings.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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>Besides observing the provision of the Company’s Constitution, the requirements of the Companies Act 2016, MCGG and Bursa Malaysia Securities Berhad’s Listing Requirements, the conduct of the Board is guided by the Board Charter. The roles and responsibilities of the Board, Board Committees, Chairman, Executive and Non-executive Directors are set out in the Board Charter.</p> <p>The Board Charter is periodically reviewed and updated in accordance with the need of the Company and the changing/new regulations.</p> <p>The Board Charter is published on the Company’s corporate website at www.g3global.com.my</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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>With a view to promote a good business conduct and healthy corporate culture, the Board has put in place a Code of Conduct and Ethics applicable to all Directors and Employees of the Group.</p> <p>The Board has also adopted the Anti-Bribery and Corruption Policy for the Group and Company in accordance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which is supplemental to the Company’s Code of Conduct and Ethics.</p> <p>The Code of Conduct and Ethics and the Anti-Bribery and Corruption Policy are published on the website https://www.g3global.com.my</p>	
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	:	<p>The Board has put in place the Whistleblowing Policy in 2013 setting out all policies and procedures. The Whistleblowing Policy is established and designed to encourage all Directors, Employees, Business Partners as well as other external parties (including customers of the Group) to raise their concerns and further disclose any Improper conduct or the inadequacies of the Group’s Anti-Bribery and Corruption (“ABC”) programme which they have become aware of.</p> <p>The Whistleblowing Policy is published on the website https://g3global.com.my/downloads/G3_Whistleblowing_Policy.pdf</p>	
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 takes sustainability into consideration when comes to set up strategic goals. In reviewing sustainability, external risk and sustainability consultants are engaged to assist the Board and Management to review and assess the risk management areas relating to sustainability of the Company. This includes drafting of sustainability policy and looking into crisis management and technology landscape risk.</p> <p>The Company has set up a sustainability task force to oversee the sustainability KPI of the business. Currently, the 3 KPIs set would be for:</p> <ul style="list-style-type: none">• Occupational Safety and Health• Energy• Skill enhancement i.e., training <p>The sustainability matter is handled by Chief Financial Officer with support from legal, HR and Admin departments.</p>	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The sustainability task force is tasked to monitor and track the sustainability KPIs. The sustainability task force comprising team members from various department, they ensure that the sustainability KPIs and strategies are effectively communicated and practised within the Group. The Annual Report has been one of the avenues to communicate the Company's sustainability strategies and progress to its shareholders and stakeholders.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board keeps abreast and understand the sustainability issues relevant to the Group and its business through reporting from its Board Committees and Senior Management.</p> <p>The Risk Management Committee reviews and deliberates together with Senior Management the risk areas which would have significant impact on the sustainability of G3 Group in each of its quarterly meetings. Besides that, the Audit Committee monitors the progress of the initiatives and internal controls that are taken by Management in addressing the sustainability issues faced by G3 Group. Pertinent issues will then be communicated to the Board for its attention and further deliberation to ensure the sustainable related risks areas are properly managed mitigated.</p> <p>The Board and Management had also participated in ESG and sustainability-related briefing/training to get a better insight on Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting Framework.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	During the financial year, the Nomination Committee integrated the Environmental, Social and Governance (ESG) considerations and sustainability targets into the Board performance evaluation as addition to the performance evaluation criteria.	
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 4.5- 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>Nomination Committee performed the following for financial year ended 31 December 2022:</p> <ul style="list-style-type: none">• Perform annual review of the Board composition to ensure Board continue to function adequately;• Perform an annual assessment on the effectiveness of the Board, Board committees and individual Directors;• Perform an ESG Evaluation Assessment;• Review the term of office and performance of the Audit Committees;• Review the training need of Directors;• Recommend the re-election of retiring Directors based on the performance evaluation criteria which incorporated with the Directors' fit and proper criteria as set out in the Directors' Fit and Proper Policy of the Company.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Departure
Explanation on application of the practice	:	
		<p>During the financial year, the number of Independent Non-Executive Directors on the Board was less than half of the total Board members.</p>
		<p>Despite that the number has not fulfilled Practice 5.2, the Board is of the view that the composition of the Board is deemed fairly balanced to complement the Board in providing industry-specific knowledge, technical, and commercial experience. This balance enables the Board to provide clear and effective leadership to the Company and to bring informed and independent judgment to various aspects of the Company's strategies and performance. The structure of the is adequate to represent the interests of the minority shareholders.</p> <p>All the Independent Directors have fulfilled the criteria stated under the definition of Independent Director as defined in the Listing Requirements of Bursa Securities. They are financially literate and have a wide range of industry experience. They have exercised due care and have performed their duties professionally with reasonable skill and competence, bring independent judgement into the decision making of the Board for the best interest of the Company while safeguarding the interest of the shareholders.</p> <p>All the Independent Directors are members of the Risk Management Committee, Audit Committee, Nomination Committee and Remuneration Committee. They have always actively participated in Board and Board Committees' discussions and have continuously provided an independent and constructive view to the Board. They raise questions and discuss with Management when reviewing the annual and quarterly financial statements, and system of risk management and internal control. Occasionally, they are requested and authorised by the Board to independently investigate material matters when the need arise.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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 independent directors serving the Board beyond 9 years	
<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 Nominating Committee is delegated with the responsibility of identifying, selecting, assessing and recommending suitable candidates to the Board for appointment as Directors when the need arises. The Nomination Committee and the Board are guided by the Company’s Directors’ Fit and Proper Policy in the recruitment process as well as in the assessment on the performance of the retiring Directors who are seeking for re-election to ensure that all Directors fulfil the Directors’ fit and proper criteria as follows: -</p> <p>i. Character and integrity; ii. Experience and competence; and iii. Time and commitment.</p> <p>For candidates for the position of Independent Director, assessment will also be carried out to determine the independence of the candidate and the candidate’s ability to discharge such responsibilities/functions as are expected from an Independent Director.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is open to internal as well as independent sources in its selection and recruitment exercise for appointment of new Directors. The Nomination Committee will perform an objective review and assess on the suitability of the candidate before making recommendation to Board.	
<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 particulars of Directors including those Directors who stand for re-election/reappointment and details of their interest are provided under the section “Directors’ Profile” in the Annual Report. The Annual Report is available on the Company’s corporate website and the hard copy of the Annual Report will be despatched to shareholders upon request. Shareholders are given sufficient notices prior to the general meeting, allowing shareholders to make informed decision prior to voting.</p> <p>The particulars of those individuals who stand for election as Director at an Annual General Meeting (“AGM”) will be made available in the Statement Accompanying Notice of AGM.</p> <p>A statement on the justification of the Board’s support for the re-election of the Directors who retires at the AGM is provided in the Explanatory Note of the Notice of AGM.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nominating Committee is chaired by Dato’ Sri Alias Bin Ahmad who is an Independent Non-Executive Director.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
		There is no woman Director on the Board for the time being.	
		The Board has been taken due care to ensure the decision-making and actions taken are made objectively in the best interest of the Company and its shareholders.	
		The Board targets to appoint a woman director to meet the gender diversity requirement before end of May 2023.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
		The Board has not formalised its Gender Diversity Policy for the Board and Senior Management.	
		The Board recognises the benefits of having sufficient gender diversity on the board and senior management. The Board has taken various measures to ensure the Company does not practise any form of gender discrimination in its recruitment exercise and operations of the Group.	
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 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>The Board has delegated to the Nomination Committee ("NC") the duty on annual effectiveness assessment and evaluation of the Board, Board Committees and each individual Director.</p> <p>The process of assessment are as follows:</p> <ul style="list-style-type: none">▪ The NC annually reviews the Directors' fit and proper, caliber and personality, and contribution and performance of the individual Directors, the mix of skills, composition and effectiveness of the Board and the Board Committees.▪ The assessment is performed annually and internally facilitated by the Company Secretary. The evaluation is properly documented.▪ The Performance Appraisal Forms are designed with reference to the Company's Directors' Fit and Proper Policy and performance evaluation criteria as recommended in the Corporate Governance Guide and assessment of the independence of the Independent Directors is based on the independence criteria as set out in the Main Market Listing Requirements.▪ During the financial year, NC integrated the Environmental, Social and Governance (ESG) considerations and sustainability targets into the Board performance evaluation in addition to the above performance evaluation criteria.▪ Prior to the NC meeting, the respective Performance Appraisal Forms and ESG Evaluation Assessment Forms are circulated to the NC members and all Board members via electronic-mail. While the NC evaluates the performance of the Board and Board Committees as a whole, each individual Directors will perform self-assessment

	<p>and comment on their own fit and proper, skill set, contribution and performance.</p> <ul style="list-style-type: none">▪ The Company Secretary compiles and summarises the performance rating to facilitate the NC’s review.▪ At the NC meeting, the NC reviews and discusses the performance of the Board and Board Committees, and each individual Director as well as their fit and proper to continue serving the Board. <p>The NC then reports the outcome of the assessments to the Board for its review.</p>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee ("RC") conducts an annual review of the remuneration packages of the Managing Director, Executive Directors, Non-Executive Directors, and Senior Management, and makes recommendations to the Board. The remuneration package is reviewed and recommended based on expertise, experience and skills of each director, their roles, their contribution, and performance. The RC is guided by the annual assessment outcome of the Nomination Committee and the report of the Managing Director in its review of the remuneration packages. None of the individual Directors or the Chairman participates in the discussion and decision relating to their own remuneration.</p> <p>The RC comprises of a majority of Independent Directors to ensure independence and transparency.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has delegated to the Remuneration Committee (“RC”) the implementation of its policy and procedures on remunerations according to the RC’s Terms of Reference.</p> <p>The RC assists the Board to establish and review the short-term, mid-term and long-term talent management and remuneration strategy of all levels of the Group. The RC is also authorised to determine and agree with the Board the framework or broad policy for the criteria to be used in assessing the performance of Senior Management and relevant remuneration of the Company’s Senior Management.</p> <p>The Remuneration Committee’s Terms of Reference is available on the Company’s website at https://g3global.com.my/downloads/TERMS_OF_REFERENCE_REMUNERATION COMMITTEE.pdf</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The remuneration of each of the Directors for the financial year ended 31 December 2022 are disclosed below:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Alias Bin Ahmad	Independent Director	80,000	-	-	-	-	-	80,000	80,000	-	-	-	-	-	80,000
2	Kunal Tayal	Non-Executive Non-Independent Director	70,000	-	-	-	-	-	70,000	70,000	-	-	-	-	-	70,000
3	Dr. Salihin Bin Abang	Independent Director	69,000	-	-	-	-	-	69,000	69,000	-	-	-	-	-	69,000
4	Dato' Sri Aminul Islam Bin Abdul Nor	Executive Director	22,917	-	41,672	-	-	-	64,589	22,917	-	41,672	-	-	-	64,589
5	Dirk Johann Quinten	Executive Director	-	-	607,309	-	-	-	607,309	-	-	607,309	-	-	-	607,309
	-	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 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
		The Board is of the opinion that disclosure of senior management's remuneration on name basis is not encouraged as a precautionary measure of privacy, safekeeping and retainability of senior management and might potentially cause conflict among the senior staff.	
		The Board has ensured that senior management's remuneration is linked to Company and individual performance and appropriate with their scope of responsibility and are competitive and adequate to the employees.	
<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	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board and Audit Committee are chaired by different individual. The Chairman of the Audit Committee is Dr. Salihin Bin Abang while the Chairman of the Board is Dato' Sri Alias Bin Ahmad.	
<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	:	It is not the policy of the Company to appoint a former partner of the Company's external audit firm as a member of the Audit Committee. Currently, none of the Audit Committee members are former partner of the Group's external audit firm.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee is responsible for the annual assessment of the competency and independence of the external auditors before recommending their re-appointment to the Board, who will then seek the shareholders’ approval at the Annual General Meeting. The Audit Committee assesses the performance, and competencies and quality of service, suitability and independence of the external auditors. The Audit Committee also determines whether the external auditors have exercised professionalism and performs a quality audit based on the quality of the communications and interactions with the Audit Committee during the course of the audit. The external auditors are required to declare their independence annually as specified by the By-Laws issued by the Malaysian Institute of Accountants. The external auditors have constantly declared their independence during their engagement and while performing their audit.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Please provide an explanation on the adoption.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee, Dr. Salihin Bin Abang is a registered member of the Malaysian Institute of Accountants (MIA). He is also a past President of the Malaysian Institute of Accountants (MIA). His professional qualifications include Chartered Accountant [C.A.(M)], ASEAN Chartered Professional Accountant (ACPA), Fellow member of the Association of International Accountants (FAIA, UK), Fellow member of Chartered Tax Institute of Malaysia (FCTIM), a member of the Financial Planning Association of Malaysia (FPAM), Malaysian Association of Tax Accountants (MATA) and an honorary member of the Institute of Cooperative and Management Auditors (ICMA).</p> <p>In addition, Mr. Kunal Tayal is a founders and committee member of the Malaysian Chapter of The Institute of Chartered Accountants of India (MICA), an associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967, and with more than 3 years working experience in the related fields.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Group has in place an effective risk management and internal control framework to identify and assess the risks faced by the Group and to implement and monitor appropriate internal controls to manage and mitigate those risks. The Board has delegated the duties to oversight the risk management and internal control to the Risk Management Committee and Audit Committee which is supported by an external risk management consultant and internal audit company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board regards risk management as an integral part of business operations. The Group adopts an ongoing process of identifying, evaluating and managing any significant risks faced by the Group in its operations. The audit function undertakes the review and recommends any necessary actions to be taken to remedy any significant weaknesses identified.</p> <p>The Board is satisfied that the existing system of risk management and internal control are adequate and effective.</p> <p>They key features of the Risk Management Framework are set out in the Statement on Risk Management and Internal Control as presented in the Annual Report 2022.</p>	
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 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board set up a Risk Management Committee in 2017 which comprises majority of Independent Directors, to oversee the Company's risk management framework and policies.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Group’s internal audit function is outsourced to an independent professional firm, Tricor Axcelasia Sdn Bhd which reports directly to the Audit Committee in monitoring risks and reviewing the soundness of the internal control framework. The internal audit work plan, which reflects the risk profile of the Group’s major business pillars is reviewed and approved by the Audit Committee.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an independent professional firm, Tricor Axcelasia Sdn Bhd. The engagement is free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>The number of staff deployed for the internal audit reviews ranges from 4 staffs per visit including the Engagement Partner. The staff involved in the internal audit reviews possess professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The Engagement Executive Director is Mr. Chang Ming Chew (“Mr. Chang”) who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Professional Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a member of the Association of Chartered Certified Accountants, United Kingdom. Mr. Chang is a Certified Information Systems Auditor (CISA), Certified Internal Auditor (USA) and has a Certification in Risk Management Assurance (USA).</p> <p>Further information on the Internal Audit function is available in the Statement on Risk Management and Internal Control in the Annual Report 2022.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is responsible in reporting to shareholders and ensure accountability to the stakeholders.	
		The Board has ensured that all disclosure requirements as set out in the Listing Requirements are duly complied with by making timely announcements. All financial reports and statements, news releases, presentations, corporate governance documents and other information are accessible to shareholders via the Company’s corporate website.	
		The Board values dialogue with investors as a means of effective communication that enables the Board and management to convey information about the Group’s performance, corporate strategy and other matters affecting shareholders’ interest.	
		Besides that, Annual General Meetings are properly held, and the procedures are compliance with the regulatory requirements and MCCG.	
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	:	Please provide an explanation on how the practice is being applied.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has been practising sending Notice of Annual General Meeting (“AGM”) to shareholders more than 28 days prior to the meeting. Apart from that, the Board ensures suitability of venue and timing of meeting and undertake other measures to encourage shareholders’ participation at the meetings.</p> <p>The Notice of AGM provides the relevant information pertaining to each Agenda to facilitate shareholders’ understanding and evaluation of the resolution and make informed decisions. The Board ensure that all information and explanatory notes provided in the Notice of AGM are in compliance with the Listing Requirements and MCGG.</p>	
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 13.2

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 the Directors of the Company attended the previous virtual AGM in 2022 to engage with the shareholders and response to questions raised by the shareholders.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has leveraged on technology to conduct its general meetings which enable remote shareholders’ participation and voting in absentia. The conduct of virtual general meetings via a remote participation and voting has been realised in various Extraordinary General Meetings in 2022 and the last AGM held on 16 June 2022.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>			
Application	:	Applied	
Explanation on application of the practice	:	The Board Chairman who chaired the Company’s three Extraordinary General Meetings and the Annual General Meeting which were held on 8 April 2022 and 16 June 2022 respectively had ensured sufficient time is given to shareholders to raise questions and share their thoughts. Shareholders’ concerns over the financial and non-financial performance, status of key project and the Company’s strategies are being addressed during the meetings.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>			
Application	:	Applied	
Explanation on application of the practice	:	<p>To ensure smooth and secured broadcast, the Board engages third specialist provider to set up the facility for remote participation and voting facility to ensure the broadcasting of the general meeting and online remote voting is run smoothly.</p> <p>Questions posed remotely by shareholders are visible to the Board of Directors, management, and meeting participants. The reply to questions posed are visible to all shareholders.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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 three Extraordinary General Meetings held on 8 April 2022 and the minutes of the 2022 Annual General Meeting were published on the Company's website within the stipulated time.
<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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