

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5250
COMPANY NAME : 7-Eleven Malaysia Holdings 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 PERSUANT 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.

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| Application | : Applied |
| Explanation on application of the practice | <p>The Board of Directors (the "Board") of 7-Eleven Malaysia Holdings Berhad ("SEM" or the "Company") takes full responsibility in leading, governing, guiding and monitoring the entire performance of the Company and its subsidiaries (the "Group") and enforces standards of accountability, all with a view to enabling Management to execute its responsibilities effectively.</p> <p>The Board assumes the following responsibilities to facilitate the Board in discharging its fiduciary and leadership functions:</p> <ul style="list-style-type: none"> a) Reviewing and adopting a strategic plan for the Company. b) Overseeing the conduct of the Company's business to determine whether the business is being properly managed. c) Identifying principal risks, setting of risk appetites, and ensuring the implementation of appropriate internal controls and mitigation measures. d) Succession planning of senior management positions are in place to provide for the orderly succession of senior management. e) Overseeing the development and implementation of shareholder communications policy for the Company. f) Reviewing the adequacy and integrity of the Company's management information and internal control systems. <p>Apart from the above, the Board has also delegated specific responsibilities to several Board Committees and the ultimate responsibility on all matters lies with the entire Board.</p> <p>The Board has adopted a schedule of matters specifically reserved for its approval which include, amongst others, reviewing and approving the following:</p> <ul style="list-style-type: none"> a) Strategic/business plans and annual budget. |

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| | <ul style="list-style-type: none"> b) New investments, divestments, mergers and acquisitions and corporate restructuring. c) Acquisition and disposal of significant assets of the Company. d) Annual audited financial statements and the quarterly financial results prior to release to Bursa Malaysia Securities Berhad. e) Appointment of new Directors, Chief Executive Officer and other Senior Management positions based on recommendations of the Nominating Committee. f) Related party transactions and capital financing. g) Key performance indicators of the Company. <p>The Board Charter of the Company, which defines the specific duties and responsibilities of the Board can be viewed on the Company's corporate website http://www.7eleven.com.my/board-charter.</p> |
| Explanation for departure : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

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

Practice 1.2

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Mr. Farhash Wafa Salvador was appointed as the Chairman of the Board on 3 January 2023. He assumes the formal role of leader and chairs all Board meetings, lead discussions among the Directors and provides leadership to the Board in its oversight of management.</p> <p>The Chairman also ensured that appropriate and sufficient time are given for all matters discussed and conclusive reviews are given on issues raised during the Board meetings.</p> <p>Some of the specific responsibilities of the Chairman include to ensure:</p> <ul style="list-style-type: none"> a) Smooth functioning of the Board, the governance structure and inculcating positive culture in the Board. b) Guidelines and procedures are in place to govern the Board's operations and conduct. c) All Directors are able to participate in the Board activities. d) Avenues are provided for all Directors to participate openly in the discussion. <p>The Chairman's role and responsibilities have been set forth in the Board Charter of the Company.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 1.3

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The roles of the Chairman and Co-Chief Executive Officers are distinct and different. The Chairman is a Non-Independent Non-Executive Director who is not in any executive position within the Company, whereas the Co-Chief Executive Officers are primarily responsible for the day-to-day management and operations of the Company.</p> <p>There is a clear division of responsibilities between the roles of the Chairman and the Co-Chief Executive Officers, which are set out in the Board Charter of the Company.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 1.4

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

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| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : The Chairman, Mr. Farhash Wafa Salvador is not a member of the Audit Committee, Nominating Committee, Remuneration Committee or Risk Management and Sustainability Committee. The Chairman did not participate in discussion and attended any meetings of Board Committees of the Company. |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

Intended Outcome

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

Practice 1.5

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Board is supported by two (2) qualified and competent Company Secretaries, Ms. Tai Yit Chan and Ms. Tia Hwei Ping are fellow members of the Malaysian Institute of Chartered Secretaries and Administrators. The Board is satisfied of the performance of the Company Secretaries that they have provided sound governance advice, ensured adherence to rules and procedures and advocated the adoption of corporate governance best practices. The Directors has unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 1.6

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The agenda and Board papers are distributed in a timely manner prior to the Board meeting to allow the Directors to have sufficient time to review and to request for any further information or clarification prior to the Board meeting, and to raise relevant issues during the meeting.</p> <p>The draft minutes are circulated to the Board within the reasonable timeframe to ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter. Thereafter the final minutes are confirmed and approved at the subsequent Board/Committee Meeting.</p> | |
| Explanation for departure | : | | |
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| <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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>A Board Charter had been adopted and periodically reviewed by the Board for updates on new and improved practices and governance standards. The Board Charter has revised and approved by the Board of Directors on 28 February 2023.</p> <p>The Board Charter describes concisely the roles and responsibilities of the Board, Board Committees, individual Director and Management, as well as the issues and decisions reserved for the Board to facilitate the Board in discharging its fiduciary and leadership functions.</p> <p>The Board Charter can be viewed on the Company's corporate website at http://www.7eleven.com.my/board-charter.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 3.1

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

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

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| Application | : | Applied |
| Explanation on application of the practice | : | The Board is guided by the Code of Ethics (" the Code ") embedded in the Board Charter which sets out the values, principles and guidelines on how the Company conducts its business to ensure integrity and accountability. The Code is available on the Company's corporate website at http://www.7eleven.com.my/board-charter . |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Company's Whistle-Blowing policy and guidelines are set out in the Company's website at http://www.7eleven.com.my/corporate-governance.</p> <p>The guidelines set out the procedures and the avenue where grievances or concerns pertaining to the conducts, affairs or practices of the Company can be raised in confidence and good faith.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.1

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

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

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of Directors is responsible for the oversight of the Group's business sustainability strategy and performance and to ensure adequate resources, systems and process are in place for managing sustainability matters. Sustainability governance is a core function within the Group's overall risk management structure. On 20 April 2022, the Group merged the Sustainability Management Committee and Risk Management Committee of which both of these Committees were previously headed by the Co-Chief Executive Officers ("Co-CEOs").</p> <p>Effective from 20 April 2022, the Board established a new Risk Management and Sustainability Committee ("RMSC") which comprises of two (2) Independent Directors, one (1) Non-Independent Director of which the Chairman is led by a Senior Independent Non-Executive Director, Dato' Richard Alexander John Curtis. The Board is in the opinion that the new changes will be more effective to ensure the Board's role in considering sustainability matters when exercising its duties of developing and implementing company strategies, business plans, major plans of actions and risk management and that adequate resources, systems and process are in place for managing sustainability matters. The RMSC will assist the Board in overseeing the risk management activities of the Group and approving appropriate risk management policies and risk appetite. The RMSC will review the risk management and sustainability reports and emerging issues, if any. The Company will continue to review and enhance key performance indicators ("KPIs") related to risk management and sustainability to further strengthen its governance practices from time to time.</p> |
| Explanation for departure | : | |
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Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

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| 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Company ensures that its communication with the shareholders and various stakeholders are transparent and timely. The Company is committed to being accountable and responsive to the expectations and interests of its stakeholders via Employee Engagement and Annual Report.</p> <p>The detail description of the Company’s stakeholder groups, engagements as well as initiatives are provided in the Annual Report 2022 which can be found on the Company’s website at https://www.7eleven.com.my/.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.3

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company Secretaries and also Management regularly updates the Board on the changes of the Listing Requirements 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.</p> <p>The Board continuously keep themselves abreast with and understanding to the sustainability agendas which are relevant to the Company and its business through periodical updates by the Securities Commission Malaysia as well as training programmes attended by them respectively.</p> <p>In order to equip themselves and enhancing their Environmental, Social and Governance (“ESG”) competency, most of the Directors have participated in relevant continuous professional development programmes as detailed in the Annual Report 2022.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 4.4

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board effectiveness evaluation questionnaires for the year 2022 had been updated to include questions on ESG and sustainability related performance measures and the questionnaires were distributed to the directors upon approved by the Nominating Committee and Board of Directors.</p> <p>As sustainability and ESG compliance becomes more mainstream, the Board concurred that ESG practices will remain one of the areas requiring ongoing focus and dedicated attention for continuous improvement.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.5- Step Up

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

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| <i>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.</i> | |
| Application | : Adopted |
| Explanation on adoption of the practice | : The Board is supported by the Risk Management and Sustainability Committee which is responsible for the formulation and implementation of the Group's sustainability priorities and initiatives. The Risk Management and Sustainability Committee comprises of two (2) Independent Directors, one (1) Non-Independent Directors of which the Chairman is chaired by Dato' Richard Alexander John Curtis, a Senior Independent Non-Executive Director. The Co-CEOs, Mr. Tan U-Ming and Mr. Wong Wai Keong are designated to provide dedicated focus to manage sustainability strategically including the integration of sustainability considerations in the Group's operation and will report the progress/updates of sustainability matters to the Risk Management and Sustainability Committee and the Board for their review and to seek their guidance on related issues. |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Nominating Committee continues to discharge its function in ensuring that the Board composition and tenure of each director are reviewed periodically.</p> <p>In this respect, the Board takes into consideration the appropriate mix and diversity of skills, knowledge, experience, age, gender and ethnicity that fit the Company's objectives and long term plan.</p> <p>During the year, there were a few changes to the Board composition of the Group as follows:</p> <ul style="list-style-type: none">a) Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar was appointed as Independent Non-Executive Director on 12 April 2022 and subsequently resigned on 31 October 2022;b) Puan Moyra Binti Ibrahim was appointed as Independent Non-Executive Director on 28 November 2022;c) Dato' Sri Robin Tan Yeong Ching resigned as Chairman, Non-Independent Non-Executive Director on 3 January 2023; andd) Mr. Farhash Wafa Salvador was appointed as Chairman, Non-Independent Non-Executive Director on 3 January 2023. <p>With the above changes, the Board has a more balance and dynamic composition in terms of age, experience and element of independence.</p> <p>At the forthcoming Tenth Annual General Meeting ("10th AGM") of the Company, the following Directors are subject to retirement pursuant to the Company's Constitution:</p> <ul style="list-style-type: none">1. Ms. Shalet Marian2. Puan Sri Datuk Seri Rohani Parkash Binti Abdullah3. Mr. Chan Kien Sing4. Puan Moyra Binti Ibrahim5. Mr. Farhash Wafa Salvador <p>The Board noted that Ms. Shalet Marian who also retires by rotation in accordance with Article 99 of the Company's Constitution, has expressed her intention not to seek for re-election. Hence, she will retain office until the close of the 10th AGM.</p> |

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| | Puan Sri Datuk Seri Rohani Parkash Binti Abdullah and Mr. Chan Kien Sing are retiring in accordance with Article 99 of the Company's Constitution while Puan Moyra Binti Ibrahim and Mr. Farhash Wafa Salvador are retiring in accordance with Article 105 of the Company's Constitution. | |
| Explanation for departure | : | |
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| <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.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | The Board consists of three (3) Independent Non-Executive Directors, one (1) Senior Independent Non-Executive Director, four (4) Non-Independent Directors and two (2) Executive Directors. The profiles of the Directors are as set out in the Annual Report 2022. | |
| | : | An annual assessment of Independence of Independent Director will be conducted on annual basis. Based on the evaluation results, the Board was satisfied that all Independent Directors have fulfilled the independent criteria set out in Main Market Listing Requirements Bursa Malaysia Securities Berhad. The Board had appointed Dato' Richard Alexander John Curtis as Deputy Chairman, Senior Independent Non-Executive Director to act as a sounding board for the Chairman. He ensures that each Non-Executive Director is given due consideration and where necessary, to act as a communication channel between Independent Directors and Non-Independent Directors to ensure proper checks and balance are in place. The Board is satisfied that the current composition of Independent Non-Executive Directors fully reflects the interest of minority shareholders 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 5.3

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>Ms. Shalet Marian, an Independent Non-Executive Director who served the Company for nine (9) years. However, she has expressed her intention not to seek for re-election at the forthcoming AGM. Hence, she will retain office until the close of the 10th AGM.</p> <p>None of the Independent Directors in the Company have exceeded a cumulative term limit of nine (9) years upon Ms. Shalet Marian retirement.</p> <p>The Board Charter stipulates that where the tenure of an Independent Director exceeds a cumulative term of nine (9) years, the Board shall make recommendation and provide justifications to shareholders at a general meeting should it seek to retain the Director as an Independent Director. Alternatively, the Independent Director may continue to serve on the Board subject to the Director's redesignation as a Non-Independent Director.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.4 - 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.

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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board at all times promotes and welcomes diversity and gender mix in its composition and this is reflected in the Board composition comprising of different skill sets, experience, age, cultural background and gender.</p> <p>The Nominating Committee is responsible for identifying and nominating suitable candidates for appointment to the Board for approval, either to fill vacancies or as addition to meet the changing needs of the Company. The Nominating Committee will follow the nomination process to undertake a thorough and comprehensive evaluation of the candidates.</p> <p>The current Board composition of the Board inclusive three (3) women directors and a diverse mix of skill sets, knowledge and expertise.</p> <p>The Nominating Committee also oversees the succession planning of the Senior Management and diversity at Senior Management level is also taken into consideration.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 5.6

In identifying candidates for appointment 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board seeks recommendations for candidates for new Board members from existing Board members, major shareholders and independent sources. All appointments are subject to screening by the Nominating Committee prior to the consideration and approval by the Board.</p> <p>The new candidates are required to complete the fit and proper assessment of the Company prior to be tabled at the Nominating Committee Meeting together with their profile.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 5.7

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | Shareholders are kept informed on the Board's decision in respect of appointment of director via announcements to Bursa Malaysia Securities Berhad. The details of directors who are standing for re-election is set out in page 239 and statement accompanying notices of annual general meeting on page 243 of Annual Report 2022. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Nominating Committee is chaired by Ms. Shalet Marian, who is an Independent Non-Executive Director. Subsequently, the Board appointed Puan Sri Datuk Seri Rohani Parkash Binti Abdullah as the Chairperson of Nominating Committee with effect from 11 April 2022 due to redesignation of Ms. Shalet Marian as member of Nominating Committee. | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Board comprises three (3) women Directors out of ten (10) Directors, constituting 30% women Directors of the Board's composition. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |
| | | | |

Intended Outcome

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

Practice 5.10

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

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board acknowledges the importance of age, nationality, professional background & gender diversity and recognises the benefits that such diversity can bring. The Nominating Committee considers diversity generally when making appropriate appointments to the Board, taking into account relevant skills, ethnicity, age, experience and knowledge.</p> <p>Notwithstanding the challenges in achieving the appropriate level of diversity on the Board, the Company will work towards addressing this as and when vacancies arise and suitable candidates are identified. The Company's primary responsibility in new appointments to the Board and management must always be to select the best candidates available.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 6.1

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

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

| | |
|--|--|
| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> | |
| Application : | Applied |
| Explanation on application of the practice : | <p>A formal performance assessment of the Board, Board Committees and individual Directors, including the independence of the Independent Directors are conducted based on the guidance of the Corporate Governance Guide – Towards Boardroom Excellence. Assessments of the Board, Board Committees and individual Directors are conducted internally using questionnaires on a yearly basis.</p> <p>Based on the results of the assessment, the Board is satisfied that, the Board as a whole, the Board Committees and each individual Director had performed well and effectively. The overall composition of the Board in terms of size, the mix of skills, experience was also balanced and appropriate.</p> |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

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

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

Practice 7.1

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

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Board has in place policies and procedures to determine the remuneration of Directors and Senior Management that take into account the demands, complexities and performance of the Company as well as skills and experience required, and these are periodically reviewed. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 7.2

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

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Remuneration Committee implements the policies and procedures on the remuneration of the Board and Senior Management and reviews and recommends matters relating to the remuneration of the Board and Senior Management.</p> <p>The Remuneration Committee also has written terms of reference that deal with its authority and duties, among others, including:</p> <ul style="list-style-type: none">a) review and assess the remuneration packages of the Executive Directors.b) ensure the levels of remuneration are sufficiently attractive to retain Directors needed to run the Company successfully.c) structure the components of the remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level.d) recommend to the Board the policy and framework for Directors' remuneration of both Executive and Non-Executive Directors. <p>The terms of reference is available on the Company's corporate website at http://www.7eleven.com.my/remuneration-committee</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |

| | | | |
|------------------|---|--|--|
| Timeframe | : | | |
|------------------|---|--|--|

Intended Outcome

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

Practice 8.1

There is detailed disclosure on 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 disclosure on named basis for the remuneration of individual Director and breakdown of individual Director's remuneration such as fees, salary, bonus, benefits in-kind and other emoluments is made in the Corporate Governance Overview Statement in the Annual Report 2022. |

| 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 | Farhash Wafa Salvador <i>(Appointed on 3 January 2023)</i> | Non-Executive Non-Independent Director | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Dato' Richard Alexander John Curtis | Independent Director | 60,000 | 4,000 | - | - | - | - | 64,000 | - | - | - | - | - | - | - |
| 3 | Puan Sri Datuk Seri Rohani Parkash Binti Abdullah | Independent Director | 60,000 | 5,000 | - | - | - | - | 65,000 | - | - | - | - | - | - | - |
| 4 | Shalet Marian | Independent Director | 68,633 | 9,500 | - | - | - | - | 78,133 | - | - | - | - | - | - | - |
| 5 | Muhammad Lukman Bin Musa @ Hussain | Non-Executive Non-Independent Director | 62,710 | 8,000 | - | - | - | - | 70,710 | - | - | - | - | - | - | - |
| 6 | Tsai, Tzung-Han | Non-Executive Non-Independent Director | 60,000 | 3,000 | - | - | - | - | 63,000 | - | - | - | - | - | - | - |
| 7 | Chan Kien Sing | Non-Executive Non-Independent Director | 60,000 | 7,500 | - | - | - | - | 67,500 | - | - | 8,443 | - | 13,325 | 60,000 | 81,768 |
| 8 | Tan U-Ming | Executive Director | - | - | - | - | - | - | - | - | - | 1,351,646 | - | 48,900 | - | 1,400,546 |
| 9 | Wong Wai Keong | Executive Director | - | - | - | - | - | - | - | - | - | 1,351,646 | - | 16,000 | - | 1,367,646 |
| 10 | Dr. Mazatul 'Aini Shahar Binti Abdul Malek Shahar | Independent Director | 33,333 | 4,000 | - | - | - | - | 37,333 | - | - | - | - | - | - | - |

| | | | | | | | | | | | | | | | | |
|----|--|--|--------|-------|---|---|---|---|--------|---|---|---|---|---|---|---|
| | <i>(Appointed on 12 April 2022 and Resigned on 31 October 2022)</i> | | | | | | | | | | | | | | | |
| 11 | Moyra Binti Ibrahim <i>(Appointed on 28 November 2022)</i> | Independent Director | 5,500 | 1,000 | - | - | - | - | 6,500 | - | - | - | - | - | - | - |
| 12 | Dato' Sri Robin Tan Yeong Ching <i>(Resigned on 3 January 2023)</i> | Non-Executive Non-Independent Director | 60,000 | 3,000 | - | - | - | - | 63,000 | - | - | - | - | - | - | - |
| 13 | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Intended Outcome

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

Practice 8.2

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

| | | | |
|--|---|---|--|
| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | The Board is of the view that it would not be in the best interest of the Company to disclose these details of top five (5) Senior Management's remuneration in view of the competitiveness in the market for calibre Senior Management staff in the retail industry. | |
| | | The Board ensures that the remuneration of Senior Management is commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Senior Management to lead and run the Company successfully. | |
| <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 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |

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) | | | | | Total |
|----|------|----------|----------------|-----------|-------|----------|------------------|-------|
| | | | Salary | Allowance | Bonus | Benefits | Other emoluments | |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |

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 Chairman of the Audit Committee of the Company is not the Chairman of the Board, to ensure the overall effectiveness and independence of the Audit Committee. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognises the need to uphold the independence of the external auditors from the Board and Management. None of the members of the Audit Committee are former key audit partners of external audit firm(s) servicing the Company.</p> <p>The Board would adopt the best practice of requiring a cooling-off period of at least three (3) years before a former key audit partner being appointed as a member of the Audit Committee when the Board reviews the terms of reference of the Audit Committee in due course. Nevertheless, this instance has not arisen to-date.</p> <p>The terms of reference of Audit Committee is available on the Company's corporate website at https://www.7eleven.com.my/audit-committee</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Audit Committee applies the best practice of ensuring a full assessment to ensure the suitability, objectivity and independence of the external auditors.</p> <p>Based on the annual assessment conducted for the financial year ended 31 December 2022, the Audit Committee was satisfied with the performance and independence of the external auditors as well as the fulfilment of criteria based on several factors, including independence of the external auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.</p> <p>Messrs. Ernst & Young PLT had also confirmed to the Audit Committee that they had been independent throughout the audit engagement in respect of the financial year under review.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| | |
|--|-------------|
| Application : | Not Adopted |
| Explanation on adoption of the practice : | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Audit Committee members possess a wide range of skills, and they are financially literate and able to understand matters within the purview of the Audit Committee including the financial process. The Audit Committee members have participated in conferences, seminars and training programmes to keep abreast of relevant developments in accounting and auditing standards, practices and rules. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 10.1

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Board has established an Enterprise Risk Management ("ERM") framework to identify and manage the significant risks faced in the Group's operations. The ERM framework is set out in the Annual Report 2022 under the Statement on Risk Management and Internal Control. The ERM framework focuses on the Group's core business operations and comprises a formalised structured process on risks identification, evaluation, control, monitoring and reporting and risk management policy and guidelines which had been adopted by the Board. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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 Enterprise Risk Management (“ERM”) framework focuses on the Group’s core business operations and comprise:</p> <ul style="list-style-type: none"> a) risk identification of new risks or changes in existing risks b) evaluation of risks identified and profiling risks c) controls implemented or additional controls to be introduced d) monitoring and updating of risks register <p>The risk profile identified are categorised based on the likelihood of occurrence and the impact if such occurrence happens.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 10.3 - Step Up

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

| | | |
|--|---|--|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | <p>Effective from 20 April 2022, the Board established a new Risk Management and Sustainability Committee ("RMSC") comprises of two (2) Independent Directors, one (1) Non-Independent Director of which the Chairman is led by a Senior Independent Director, Dato' Richard Alexander John Curtis.</p> <p>The principal responsibilities of the RMSC in relation to risk management are set out in its Terms of Reference. The Terms of Reference of RMSC can be viewed on the Company's corporate website at http://www.7eleven.com.my</p> |

Intended Outcome

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

Practice 11.1

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board outsourced the internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. (“KPMG MRC”) The Internal Audit function reports directly to the Audit Committee on the adequacy and effectiveness of the system of internal controls.</p> <p>The Audit Committee reviewed the Internal Audit Report presented by KPMG MRC during the Audit Committee meeting.</p> <p>Annually, the Audit Committee also reviews and approves, where applicable, the annual internal audit plan.</p> <p>In this respect, the Audit Committee also assessed the level of independent of internal audit function to ensure the overall effectiveness and independence of the internal audit function.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 11.2

The board should disclose–

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The internal audit function is outsourced to an independent professional firm, KPMG MRC and reports directly to the Audit Committee.</p> <p>The internal audit carried out by internal audit function is guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors. The person in charge is Mohd Khaidzir Shahari, an Executive Director of Risk Consulting (Internal Audit, Risk and Compliance Services) in KPMG MRC.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 12.1

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Company engages its stakeholders through Annual General Meeting, announcements on Bursa Malaysia Securities Berhad as well as disseminates information to its shareholders via annual reports and updates on its official website. The Company also holds regular analyst briefings with investments analysts and fund managers. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The annual report and notice of AGM are sent out at least 28 days prior to the date of the Annual General Meeting. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | All Directors attended the Annual General Meeting of the Company held virtually in year 2022, for the financial year 31 December 2021. The Chairman of the Audit and Nominating Committees were also present to address questions. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company Ninth Annual General Meeting ("9th AGM") was held via remote participation and electronic voting ("RPV") or virtual AGM, which is in compliance with Section 327 of the Companies Act 2016. All Directors, either physically or online, attended the Company's 9th AGM held on 26 May 2022 to engage directly with the shareholders. The broadcast venue is at Manhattan VI, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Malaysia. Shareholders from remote locations are allow do participate the AGM virtually.</p> <p>The Management and External Auditors were also in attendance at the Company's 9th AGM to respond to the shareholders' queries.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 13.4

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

| | |
|--|---|
| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : The shareholders are encouraged to participate and vote remotely at the Company's 9th AGM using the RPV facilities. The corporate shareholders are encouraged to register themselves via the registration Link provided at the Company's Notice of 9th AGM and administrative guide. Before the 9th AGM, the shareholders are able to submit their questions online through Meeting Facilities or emailed to ir@7eleven.com.my . |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

Intended Outcome

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>The Board has engaged the poll administrator, Boardroom Share Registrars Sdn Bhd (“BSR”) for Registration and Electronic Poling Services. BSR have vast amount of experience in conducting fully virtual meeting. Moreover, efficiency is guaranteed as BSR holds up to date record of the Company shareholders.</p> <p>BSR has in place a meeting platform which allows shareholders to participate online, using smartphone, tablet or computer as well as viewing live webcast of the meeting.</p> <p>As mentioned above, real time submission of typed texts is also available to encourage interactive participation from the shareholders.</p> |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

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

Practice 13.6

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 | : Minutes of the 9th AGM was available on the company's website at https://www.7eleven.com.my/ within thirty (30) business days after the 9th AGM. |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

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

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

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