

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Carimin Petroleum Berhad (“the Company”) is pleased to present this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company during the financial year ended 30 June 2024 (“FYE 2024”). The statement is also presented in compliance with Paragraph 15.25(2) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This Corporate Governance Overview Statement (“CG Statement”) is based on the three (3) principles as set out in the Malaysian Code on Corporate Governance (“MCCG”) which was further updated by the Securities Commission Malaysia on 28 April 2021, which are:-

Principle A - Board leadership and effectiveness

Principle B - Effective audit and risk management

Principle C - Integrity in corporate reporting and meaningful relationships with stakeholders

This CG Statement is augmented with a Corporate Governance Report (“CG Report”) which provides a detailed articulation of the application of the Company and its subsidiaries’ (“the Group”) corporate governance practices as set out in the MCCG throughout the FYE 2024. This CG Report is available on the Company’s corporate website at [www.carimin.com](http://www.carimin.com), as well as via an announcement on the website of Bursa Securities.

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

### PART I - BOARD RESPONSIBILITIES

#### 1.1 Board and Board Committees

The Board collectively leads and is responsible for the overall performance and affairs of the Group including adherence to a high standard of good governance. All Board members are expected to demonstrate good stewardship and act in a professional manner whilst upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board has the responsibility of leading and directing the Group towards realising long term objectives and as well maximising shareholders’ value. The Board retains full and effective control of the Group’s strategic plans, implementing an appropriate system of risk management and ensuring the adequacy and integrity of the Group’s system of internal control.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter which outlines the duties and responsibilities of the Board. The Board also delegates certain responsibilities to the following Board Committees to assist in the execution of its responsibilities within their respective Terms of Reference:

- a. Audit Committee (“AC”);
- b. Nomination and Remuneration Committee (“NRC”); and
- c. Risk Management Committee (“RMC”).

Each committee operates in accordance with its respective Terms of Reference as approved by the Board. The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their respective Terms of Reference and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval. The Board Committees’ Terms of Reference can be accessed via the Company’s corporate website at [www.carimin.com](http://www.carimin.com).

Apart from the responsibilities of the Board Committees, the Managing Director (“MD”), Executive Directors and other Senior Management are also delegated with certain authorities to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART I - BOARD RESPONSIBILITIES (CONT'D)

#### 1.2 Chairman of the Board

The Board is chaired by Tan Sri Dato' Kamaruzzaman Bin Shariff, who is a Non-Independent Non-Executive Chairman and is primarily responsible for matters pertaining to the Board and ensures the orderly conduct and performance of the Board. The Chairman is committed to good corporate governance practices and has been leading the Board towards a high performing culture.

The key responsibilities of the Chairman, amongst others, are as follows:-

- To provide leadership to the Board;
- To oversee the effective discharge of the Board's supervisory role;
- To facilitate the effective contribution of all Directors;
- To conduct and chair Board meetings and general meetings of the Company;
- To manage Board communications and Board effectiveness and effective supervision over Management;
- To ensure that quality information to facilitate decision making is delivered to the Board in a timely manner;
- To ensure Board meetings and general meetings comply with good conduct and best practices;
- To promote constructive and respectful relations between Board members and between the Board and the Management; and
- To jointly represent the Company together with the MD to external groups such as shareholders, creditors, consumer groups, and local governments.

The Chairman does not assume the position of chairman of the Board Committees but as a member of the AC and NRC. Through his participation and corporate experience, it is believed that the Board's objectivity in receiving or reviewing the committee reports has not been diminished in any way.

#### 1.3 Chairman and MD

The positions of the Chairman and MD are held by two different individuals. There is a clear division of responsibilities between the two roles to ensure that there is an appropriate balance of power and authority, such that no one individual has unfettered decision making powers.

The Chairman of the Board is primarily responsible for the leadership, effectiveness, conduct and governance of the Board while the MD is responsible for the development and implementation of strategy, overseeing and managing the day-to-day operations of the Group, such as, amongst others, developing long-term strategic and short-term cash flow plans, directing and controlling all aspects of business operations, overseeing the human resources need of the Group and ensuring compliance with all governmental procedures and regulations.

#### 1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("CA 2016") and are also registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.

The Company Secretaries are responsible for ensuring overall compliance with the CA 2016, Listing Requirements, and other relevant laws and regulations. In addition, the Company Secretaries assist the Board and Board Committees in fulfilling their duties effectively while adhering to established Board policies and procedures and best practices.

To discharge these critical roles, the Company Secretaries regularly attend relevant training programs, conferences, seminars, and forums to stay current with the latest developments in corporate governance and regulatory requirements relevant to their profession. This ongoing education enables the Company Secretaries to provide the necessary advice to the Board and ensure that the Company remains compliant.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART I - BOARD RESPONSIBILITIES (CONT'D)

#### 1.4 Qualified and Competent Company Secretaries (Cont'd)

The Board has direct access to the professional advice and services of the Company Secretaries to assist them in performing their duties and discharging their responsibilities effectively. The Company Secretaries' role in facilitating compliance and ensuring the smooth functioning of the Board is critical to the Company's success.

Overall, the Board is satisfied with the service and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.

#### 1.5 Meeting of Board and Board Committees

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

Except in the case of an emergency, the notices of Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.

The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, board papers along with Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

#### 1.6 Board Charter

The Board Charter clearly sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It is designed to provide guidance and clarity to Directors with regard to the respective roles and responsibilities of the Board, Board Committees, Chairman and MD, as well as issues and decisions reserved for the Board, the Board's governance structure and authority. This is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities, and the legislations and regulations affecting their conduct.

The Board Charter would be reviewed as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflects the latest compliance requirements as a result of changes in the regulatory framework.

The Board Charter is published on the Company's corporate website at [www.carimin.com](http://www.carimin.com).



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART I - BOARD RESPONSIBILITIES (CONT'D)

#### 1.7 Code of Conduct and Business Ethics

The Board has adopted a Code of Conduct and Business Ethics for Directors and employees towards their day-to-day duties and operations of the Group. It sets out the ethical standards and underlying core ethical values to guide the actions and behaviours of all Directors and employees. The Code of Conduct and Business Ethics is formalised in the Company handbook and is available on the Company's corporate website at [www.carimin.com](http://www.carimin.com). A brief Code of Conduct and Business Ethics is also incorporated in Part 6 of the Board Charter.

The Board will review the Code of Conduct and Business Ethics regularly to ensure that it continues to remain relevant and appropriate with the prescribed requirements and best corporate governance practices.

#### 1.8 Whistleblowing Policy

The Board has put in place a Whistleblowing Policy which is published on the Company's corporate website at [www.carimin.com](http://www.carimin.com) to provide the appropriate communication and feedback channels to facilitate whistleblowing, as well as to guide and address any reports of wrongdoing under the Code of Conduct and Business Ethics, including communication through the Company's corporate website. The Whistleblowing Policy, which is published on the Company's corporate website, sets out the processes for employees or members of the public to report genuine concerns about illegal, unethical or questionable practices in confidence and without risk or reprisal.

The Board will review and update the Whistleblowing Policy as and when necessary to ensure that it remains relevant to the Group's changing business circumstances and/or comply with the applicable laws and regulations.

#### 1.9 Anti-Bribery & Corruption Policy ("ABC Policy")

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place ABC Policy to encourage a culture of integrity and transparency in all of the Group's activities. This policy which adheres to the Listing Requirements of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally sets out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABC Policy is made available on the Company's corporate website at [www.carimin.com](http://www.carimin.com).

The ABC Policy will be reviewed from time to time to ensure that it continues to remain relevant and appropriate.

#### 1.10 Directors' Fit and Proper Policy

In line with the new Paragraph 15.01A of the Listing Requirements of Bursa Securities, the Board had adopted the Directors' Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the AGM.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is available on the Company's website at [www.carimin.com](http://www.carimin.com).

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NRC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART I - BOARD RESPONSIBILITIES (CONT'D)

#### 1.11 Sustainability Governance

The Board believes that sustainable business practices are essential to the creation of long-term value, and that running the business in a responsible manner is intrinsically tied to achieving operational excellence.

The Board has oversight over sustainability including strategies, priorities and targets, with Management being responsible for operational execution with respect to Environmental, Social and Governance.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance in which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board also incorporated the assessment of the Board's understanding of sustainability issues in the annual performance evaluation process. This is critical to the Company's performance and reflects the Board's ongoing commitment to sustainability.

### PART II - BOARD COMPOSITION

#### 2.1 Board Composition

The composition of the Board complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which stipulates that the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board members, whichever is the higher, are Independent Directors. Currently, the Board has three (3) out of seven (7) members are Independent Non-Executive Directors as follows:-

No.	Names	DESIGNATIONS
1.	Tan Sri Dato' Kamaruzzaman Bin Shariff	Non-Independent Non-Executive Chairman
2.	Yip Jian Lee	Independent Non-Executive Director
3.	Mohd Rizal Bahari Bin Md Noor	Independent Non-Executive Director
4.	Muhammad Khadzir Bin Abdul Mutalib (Appointed on 12 August 2024)	Independent Non-Executive Director
5.	Mokhtar Bin Hashim	MD
6.	Wong Kong Foo	Executive Director
7.	Lim Yew Hoe	Executive Director

This composition is able to provide independent and objective judgement as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profiles of these Directors are provided on pages 10 to 13 in this Annual Report.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART II - BOARD COMPOSITION (CONT'D)

##### 2.2 Tenure of Independent Directors

The Board is fully aware that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

Currently, Pn. Yip Jian Lee and En. Mohd Rizal Bahari Bin Md Noor have served the Board as Independent Non-Executive Directors for a cumulative term of more than nine (9) years.

The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of the independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

##### 2.3 New Appointment to the Board

The members of the Board are appointed in a formal and transparent practice as endorsed by the MCCG. The new candidates will be considered and evaluated by the NRC, and the NRC will then recommend the candidates to be approved and appointed by the Board. In making a recommendation to the Board on the candidates for directorship, the NRC will consider and nominate the candidates based on the objective criteria, including:-

- (a) skills, knowledge, expertise and experience;
- (b) professionalism;
- (c) integrity;
- (d) time commitment to the Company based on the number of directorships held; and
- (e) in the case of candidates for the position of Independent Non-Executive Directors, the NRC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

In identifying suitable candidates, the NRC may receive suggestions from existing Board members, Management and major shareholders. The NRC is also open to referrals from external sources available or independent search firms.

All Directors shall not hold more than five (5) directorships in other listed issuers as required under Paragraph 15.06 of the Listing Requirements of Bursa Securities.

The new appointment of Senior Management would be reviewed by the NRC based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The role of the NRC is detailed in its Terms of Reference, which is accessible on the Company's corporate website at [www.carimin.com](http://www.carimin.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART II - BOARD COMPOSITION (CONT'D)

##### 2.4 Board Diversity and Senior Management Team

The Board recognises that gender diversity and equitable representation at Board and Senior Management levels are essential elements of good governance, and is a critical attribute of a well-functioning Board and maintaining a competitive advantage. The Group is an equal opportunity employer and does not practice discrimination of any form, whether based on age, gender, or ethnicity throughout the organisation, including the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Group.

In the event that a vacancy in the Board arises, the Board, through the NRC, will consider female representation when suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skill sets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

Recognizing the importance of boardroom diversity for a well-functioning organisation, the Board has put in place a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board and Senior Management level and the same is published on the Company's website at [www.carimin.com](http://www.carimin.com).

Currently, there is one (1) female Director on the Board, namely Pn. Yip Jian Lee. The Board will continue to explore opportunities to attract and retain diverse talent while ensuring that all appointments are based on merit and suitability.

##### 2.5 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within clearly defined Terms of Reference. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular issues.

The Board has established three (3) Board Committees and the membership of each committee is set out in the table below:-

Composition	AC	NRC	RMC
Tan Sri Dato' Kamaruzzaman Bin Shariff (Non-Independent Non-Executive Chairman)	Member	Member	N/A
Yip Jian Lee (Independent Non-Executive Director)	Chairman	Member	N/A
Mohd Rizal Bahari Bin Md Noor (Independent Non-Executive Director)	Member	Chairman	Member
Muhammad Khadzir Bin Abdul Mutalib (Independent Non-Executive Director) (Appointed on 12 August 2024)	Member	N/A	Member
Mokhtar Bin Hashim (MD)	N/A	N/A	Member
Lim Yew Hoe (Executive Director)	N/A	N/A	N/A
Wong Kong Foo (Executive Director)	N/A	N/A	N/A



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART II - BOARD COMPOSITION (CONT'D)

#### 2.6 NRC

The NRC is chaired by En. Mohd Rizal Bahari Bin Md Noor, an Independent Non-Executive Director of the Company.

The NRC is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis. The Board will have the ultimate responsibility and final decision on the appointment of the Directors. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determine a skills matrix to support the strategic direction and needs of the Company.

The NRC has written Terms of Reference dealing with its authority and duties which include the selection and assessment of Directors. The Terms of Reference of the NRC had incorporated the relevant practices recommended under the MCCG.

The Terms of Reference of the NRC is published on the Company's website at [www.carimin.com](http://www.carimin.com).

The activities undertaken by the NRC during the FYE 2024 were as follows:-

- (i) Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether they could devote sufficient time to the role.
- (ii) Undertaken evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- (iii) Reviewed and assessed the contribution and performance of the AC and recommended to the Board for endorsement.
- (iv) Reviewed and assessed the independence of the Independent Directors of the Company.
- (v) Reviewed and recommended to the Board the re-election of the Directors who retired pursuant to the Company's Constitution at last AGM held on 30 November 2023.
- (vi) Reviewed and recommended to the Board the remuneration packages and directors' fees and/or benefits of all Directors of the Company.
- (vii) Reviewed and considered succession planning for key senior management.

#### 2.7 Board Appointment and Re-appointment Process

The NRC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NRC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Director, NRC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three (3) years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NRC considers their competencies, commitment, contribution and performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment and continuation in office of any Director for shareholders' approval at the AGM.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART II - BOARD COMPOSITION (CONT'D)

#### 2.8 Annual Assessment of the Board and Board Committees as a whole

The Board has, through the NRC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Director, making reference to the guides available and the good corporate governance compliance. The evaluation process was carried out by sending the following customised assessment forms to Directors:-

- i. Performance of MD;
- ii. Performance of Executive Directors;
- iii. Performance of Non-Executive Directors/Chairman;
- iv. Independence of the Independent Directors;
- v. Performance of the AC; and
- vi. Effectiveness of the Board and Board Committees as a whole.

The assessment of the Board and Board Committees is performed on a Board review whilst the assessment of the individual Directors is performed on a peer-review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NRC meeting and thereafter the NRC's Chairman will report the results and deliberation to the Board.

In evaluating the performance of Non-Executive Directors, the assessment comprises amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Board Committees' meetings, regular contribution to Board or Board Committees' meetings, personal input to the role and other contributions to the Board or Board Committees as a whole.

In evaluating the performance of the MD and Executive Directors, the assessment was carried out against diverse key performance indicators including amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

Based on the evaluations conducted in the FYE 2024, the NRC and the Board were satisfied with the performance of the individual Directors, the Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

#### 2.9 Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FYE 2024, the Board conducted seven (7) Board meetings where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's budget, strategy, operational and financial performance.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART II - BOARD COMPOSITION (CONT'D)

##### 2.9 Attendance of Board and Board Committees' Meetings (Cont'd)

The number of meetings held and attended by each member of the Board and Board Committees during the FYE 2024 are as follows:-

Name of Directors	Attendance			
	Board	AC	NRC	RMC
Tan Sri Dato' Kamaruzzaman Bin Shariff <i>(Non-Independent Non-Executive Chairman)</i>	7/7	1/1	3/3	N/A
Yip Jian Lee <i>(Independent Non-Executive Director)</i>	7/7	5/5	3/3	N/A
Mohd Rizal Bahari Bin Md Noor <i>(Independent Non-Executive Director)</i>	7/7	5/5	3/3	2/2
Wan Muhamad Hatta Bin Wan Mos <i>(Independent Non-Executive Director)</i> <i>(Resigned on 23 February 2024)</i>	4/5	4/4	2/2	2/2
Muhammad Khadzir Bin Abdul Mutalib <i>(Independent Non-Executive Director)</i> <i>(Appointed on 12 August 2024)</i>	N/A	N/A	N/A	N/A
Mokhtar Bin Hashim <i>(MD)</i>	6/7	N/A	N/A	N/A
Lim Yew Hoe <i>(Executive Director)</i>	7/7	N/A	N/A	N/A
Wong Kong Foo <i>(Executive Director)</i>	6/7	N/A	N/A	N/A

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART II - BOARD COMPOSITION (CONT'D)

##### 2.10 Directors' Training

Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference. During the FYE 2024, all Directors attended the following training programmes in compliance with Paragraph 15.08 of the Listing Requirements of the Bursa Securities:-

Name of Directors	Training/seminars attended
Tan Sri Dato' Kamaruzzaman Bin Shariff	<ul style="list-style-type: none"> <li>Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest ("COI"), and Other Amendments</li> </ul>
Yip Jian Lee	<ul style="list-style-type: none"> <li>Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, COI, and Other Amendments</li> <li>AC Conference 2023 – AC: Catalysts of Change</li> <li>Management of Cyber Risk</li> <li>COI and Governance of COI</li> <li>Budget 2024 Highlights</li> <li>ESG Awareness</li> <li>Mandatory Accreditation Programme ("MAP") Part II: Leading for Impact</li> <li>Sustainable Sustainability : Why ESG is not enough</li> <li>Navigating Cyber Threats in the Age of AI &amp; Thriving in High Risk Landscape</li> <li>Corporate Board Leadership Symposium 2024 - Strategic Leadership : Navigating Transitions with Resilience</li> </ul>
Mohd Rizal Bahari Bin Md Noor	<ul style="list-style-type: none"> <li>Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, COI, and Other Amendments</li> </ul>
Mokhtar Bin Hashim	<ul style="list-style-type: none"> <li>Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, COI, and Other Amendments</li> <li>MAP Part II: Leading for Impact</li> </ul>
Lim Yew Hoe	<ul style="list-style-type: none"> <li>COI and Governance of COI</li> <li>Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, COI, and Other Amendments</li> <li>Diversification, The Way Forward</li> <li>OGSE100 CEOs Forum</li> </ul>
Wong Kong Foo	<ul style="list-style-type: none"> <li>Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, COI, and Other Amendments</li> </ul>

The Board has continuously, evaluated and assessed the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART III – REMUNERATION

##### 3.1 Remuneration Policy

The Board acknowledges the importance of fair remuneration in attracting, retaining and motivating Directors and Senior Management. Hence, the Board has established a formal and transparent Remuneration Policy as a guide for the Board and the NRC to determine the remuneration of Directors and Senior Management of the Company, which considers the demands, complexities and performance of the Company as well as skills and experience required. The Remuneration Policy is available on the Company's corporate website at [www.carimin.com](http://www.carimin.com).

The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company:-

- a. fees payable for Directors who hold a non-executive role in the Company shall be paid by a fixed sum and not by commission on or percentage of profits or turnover;
- b. fees and/or benefits (including meeting allowance) payable to Directors are subject to annual shareholders' approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meeting;
- c. fees payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
- d. salaries and other emoluments payable to Directors who hold executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting and such salaries and emoluments may not include a commission on or percentage of turnover.

The Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC is responsible for ensuring that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.

The Board will determine the remuneration package of the MD and Executive Directors, taking into consideration the recommendations of the NRC. The remuneration package for the MD and Executive Directors are structured in such a way that it links rewards to both corporate and individual performance.

Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover. Apart from Directors' fees, all Non-Executive Directors are entitled to meeting allowances for attending Board and Board Committee meetings.

Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## PART III – REMUNERATION (CONT'D)

## 3.2 Remuneration of Directors

The remuneration payable to the Directors on the Company and the Group basis for the FYE 2024 are as follows:-

## The Company

Name of Directors	RM ('000)						Total
	Fee	Allowance	Salary	Bonus	Benefits-in Kind	Other emolument	
Tan Sri Dato' Kamaruzzaman Bin Shariff	140.0	8.2	-	-	-	-	148.2
Yip Jian Lee	100.0	5.9	-	-	-	-	105.9
Mohd Rizal Bahari Bin Md Noor	85.0	6.2	-	-	-	-	91.2
Mokhtar Bin Hashim	-	-	-	-	-	-	-
Lim Yew Hoe	-	-	-	-	-	-	-
Wong Kong Foo	-	-	-	-	-	-	-
Wan Muhamad Hatta Bin Wan Mos (Resigned on 23 February 2024)	56.7	4.4	-	-	-	-	61.1
<b>TOTAL</b>	<b>382</b>	<b>24.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406.4</b>

## The Group

Name of Directors	RM ('000)						Total
	Fee	Allowance	Salary	Bonus	Benefits-in Kind	Other emolument	
Tan Sri Dato' Kamaruzzaman Bin Shariff	140.0	8.2	-	-	-	-	148.2
Yip Jian Lee	100.0	5.9	-	-	-	-	105.9
Mohd Rizal Bahari Bin Md Noor	85.0	6.2	-	-	-	-	91.2
Mokhtar Bin Hashim	-	-	1,320.0	246.4	-	158.4	1,724.8
Lim Yew Hoe	156.0	-	-	-	-	36.0	192.0
Wong Kong Foo	-	-	664.0	-	-	56.0	720.0
Wan Muhamad Hatta Bin Wan Mos (Resigned on 23 February 2024)	56.7	4.4	-	-	-	-	61.1
<b>TOTAL</b>	<b>537.7</b>	<b>24.7</b>	<b>1,984.0</b>	<b>246.4</b>	<b>-</b>	<b>250.4</b>	<b>3,043.2</b>



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART III – REMUNERATION (CONT'D)

##### 3.3 Remuneration of Senior Management

The Board is of the view that the disclosure of the Senior Management’s remuneration components on a named basis would not be in the best interest of the Company as it may be detrimental to the Company’s human resource management due to the competitive nature of talents within the construction industry.

The Board also took into consideration of sensitivity and security of the remuneration package of Senior Management, hence, opts not to disclose on a named basis the remuneration or in bands of RM50,000.00 for the Senior Management.

Alternatively, the Board is of the view that the disclosure of the Senior Management’s aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Senior Management of the Group for the FYE 2024 are as follows:-

Range of Remuneration	Number of Senior Management
RM200,001 to RM250,000	2
RM250,001 to RM300,000	1
RM350,001 to RM400,000	1
RM450,001 to RM550,000	1
<b>TOTAL</b>	<b>5</b>

### PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

#### PART I – AC

##### 4.1 Effective and independent AC

The AC is relied upon by the Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, internal control environment and internal audit processes, review of related party transactions as well as COI situations.

The AC is chaired by Pn. Yip Jian Lee, an Independent Non-Executive Director, whereas the Board is chaired by Tan Sri Dato’ Kamaruzzaman Bin Shariff, a Non-Independent Non-Executive Director of the Company. The positions of Board Chairman and AC Chairman are assumed by different individuals to ensure that the Board’s review of the AC’s findings and recommendations is not impaired.

The AC comprises four (4) members. The composition of the AC complies with Paragraphs 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of MCGG whereby three (3) out of four (4) AC members are Independent Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

The policy which requires a former partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC has been incorporated in the Terms of Reference of the AC and the same is accessible on the Company’s corporate website at [www.carimin.com](http://www.carimin.com).

Currently, none of the members of the AC were former key audit partners of the present auditors of the Group.

The term of office and performance of the AC and its members are reviewed by the NRC annually to determine whether such AC and members have carried out their duties in accordance with the Terms of Reference.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

### PART I – AC (CONT'D)

#### 4.2 External Auditors

The Board has established the External Auditors Assessment Policy together with an annual performance evaluation form. The Policy is to outline the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.

The AC reviewed the nature and extent of non-audit services rendered by the External Auditors during the financial year and concluded that the provision of these services did not compromise their independence and objectivity. In addition, the AC had received assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The AC had carried out an annual performance assessment of the External Auditors together with the MD, Executive Directors and General Manager of Finance.

The AC is satisfied with the suitability and independence of the External Auditors and had recommended their re-appointment to the shareholders for approval at the forthcoming AGM.

### PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### 5.1 Risk Management and Internal Control Framework

The Board has oversight in maintaining sound systems of risk management and internal controls to ensure that risks faced by the Group are identified, assessed and managed to tolerable levels determined by the Board so that shareholders' investments and the Group's assets are safeguarded.

The Board is responsible for the Group's system of internal controls. The internal control covers the financial and non-financial aspects including risk assessment. It also encompasses compliance and operational controls, as well as risk management matters. The Group has formalised Standard Operating Procedures and Financial Authority Limits which take into consideration the adequacy and integrity of the system of internal control.

The review and assessment of the Company's internal control and risk management framework are conducted at least once a year. Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2024.

#### 5.2 Internal Audit Function

The Group's Internal Audit Function is outsourced to an independent professional service firm that assists the AC in managing the risks and establishing the internal control system and processes of the Group by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors report directly to the AC.

The outsourced Internal Auditors are free from any relationship or COI, which could impair their objectivity and independence.

The AC had obtained assurance from the outsourced Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FYE 2024 are as disclosed in the AC Report and Statement on Risk Management and Internal Control of the Annual Report 2024.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### 5.3 RMC

The Board, via the RMC, oversees the Group's risk management framework and policies. The risk management and internal control are ongoing processes, which are undertaken in each department. The RMC conducted a risk identification and evaluation process via a series of interviews and discussions with the key personnel and management of the Group with the consideration of both internal and external environmental factors.

The RMC is required to identify major business and compliance risks concerning their respective business units and ensure the integration of risk management into their business processes to safeguard the interest of the Group.

The RMC comprises a majority of Independent Non-Executive Directors and its scope and function are set out in the Terms of Reference which is available on the Company's corporate website at [www.carimin.com](http://www.carimin.com).

### PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

#### PART I – COMMUNICATION WITH STAKEHOLDERS

##### 6.1 Continuous Communication with Stakeholders

The Company recognises the need for stakeholders and the wider investment community to ensure that they are kept informed of all material business matters affecting the Group. This is done through the timely dissemination of information on the Group's performance and major developments.

Quarterly results, announcements and annual reports serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments. The Company's corporate website, [www.carimin.com](http://www.carimin.com) serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

##### 6.2 Corporate Disclosure Policy

The Board values the importance of the timely flow of information and is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, that information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Company has adopted a Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to the shareholders and the investing public. A copy of the policy is published on the Company's corporate website at [www.carimin.com](http://www.carimin.com).

#### PART II – CONDUCT OF GENERAL MEETINGS

##### 7.1 Conduct of General Meetings

The notice of the Eleventh AGM ("11th AGM") of the Company held on 30 November 2023 was sent to the shareholders on 31 October 2023, which is more than 28 days prior to the date of the 11th AGM. This has given sufficient time to shareholders to review the Annual Report and consider the resolutions for any questions they might wish to raise at the AGM.

At the 11th AGM, the shareholders were encouraged to participate in discussing the resolutions proposed or future developments of the Group.

All resolutions set out in the notice of the 11th AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings was announced to Bursa Securities at the end of the meeting day.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### **PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)**

#### **PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)**

##### **7.2 Effective Communication and Proactive Engagement**

Saved for En. Wong Kong Foo, an Executive Director of the Company, who was absent due to a prior engagement requiring his attention, all Directors of the Company including the Chairman of the respective Board Committees had attended the 11th AGM and were accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group at the 11th AGM. The Senior Management and External Auditors were also invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

From the Company's perspective, the AGM serves as a principal forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. During the proceedings of the 11th AGM, the Company provided shareholders with a brief overview of the financial performance of the Group, the general outlook of Malaysia's oil and gas and energy transition as well as the challenges faced by the Group. The Chairman also invited shareholders to raise questions pertaining to the Company's audited financial statements and the other agenda items tabled for approval at the 11th AGM. All questions raised by the shareholders were answered and addressed accordingly.

The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the 11th AGM before each resolution is proposed. The summary of the key matters discussed at the 11th AGM was also published on the Company's corporate website for the shareholders' information.

#### **STATEMENT BY THE BOARD ON CG STATEMENT**

The Board has deliberated, reviewed and approved this CG Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2024, except for the departures set out in the CG Report. The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.