

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement (the "Statement") provides insights into the corporate governance practices of Puncak Niaga Group (the "Group") under the leadership of the Board of Directors (the "Board") of Puncak Niaga Holdings Berhad ("Puncak Niaga") for the financial year ended 31 December 2024 ("FY2024"). This Statement set out the principles and features at the Group's corporate governance framework during FY2024.

The Board of Puncak Niaga is responsible to its stakeholders, including the Company's shareholders, for the approval and delivery of the Group's strategic objectives. It ensures that the necessary financial, technical and human resources are in place for the Company to meet its objectives. The Board leads the Group within a framework of practical and effective controls which enables risks to be assessed and managed.

During FY2024, under the exceptional leadership of YBhg Tan Sri Rozali bin Ismail, the Executive Chairman of Puncak Niaga, the Company received several prestigious awards in recognition of its unwavering commitment to sustainability and innovation. On 1 October 2024, YBhg Tan Sri Rozali was honored with the "Best Enterprise/Manager of the Year" award by the Academic Union Oxford (AUO) for his contributions to water, wastewater, environmental engineering, and facility management. Later, on 22 November 2024, he was named "Masterclass CEO of the Year" at the Malaysia Excellence Business Awards (MEBA) 2024, a recognition of his resilience and adaptability in navigating a volatile global landscape. These accolades reflect Tan Sri Rozali's exemplary leadership and Puncak Niaga's ongoing commitment to innovation, sustainability, and excellence across its industries.

Responsibility for the development and implementation of the Group's strategy and overall commercial objectives is delegated to the Managing Director who is supported by Puncak Niaga's Executive Committee ("EXCO"). The Group's principal decision-making body is the Board. In line with both the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), the Board Committees assist the Board by fulfilling their roles and responsibilities, focusing on their respective activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations in line with their Terms of Reference. The Terms of Reference of the Board Committees comply with the provisions of the MCCG 2021 and was last updated on 23 September 2021.

GOVERNANCE FRAMEWORK

The Board Committees' structure is detailed in the governance framework below and the key responsibilities of the Board and roles of the Directors of the Company are set out on pages 102 to 105 of this Annual Report.

Board

The Board's roles are to understand and meet its obligations to the Company's stakeholders; lead the Group within a framework of practical and effective controls which enable risks to be assessed and managed; approve the Group's strategic objectives and ensure that sufficient resources are available to enable it to meet those objectives; and to monitor and review the operating and financial performance of the Group. It has responsibility and accountability for the proper conduct of the business and the long term success of the Group. Detailed roles and responsibilities of the Board can be found in our Board Charter, accessible online through www.puncakniaga.com.my.

Executive Chairman

Leads our unified Board, ensuring that the principles and processes of the Board are maintained in line with our Board Charter which is available online at www.puncakniaga.com.my.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities for the integrity of the Company's financial statements, the assessment of the effectiveness of the systems of Internal Controls, Risk Management and the Internal and external Auditors.

More information can be found on pages 117 to 120.

Nomination Committee

The Nomination Committee assists the Board by keeping the structure, size, composition and succession needs of the Board under review. It also assists the Board on issues of Directors' conflicts of interest and independence.

More information can be found on pages 108 to 109.

Remuneration Committee

The Remuneration Committee determines the Company's policy on the remuneration of Executive Directors, Senior Management and the Chairman of the Board.

More information can be found on pages 113 to 114.

Compliance, Internal Control and Risk Policy Committee

The Compliance, Internal Control and Risk Policy Committee provides guidance and direction to the Company's Compliance and Internal Control programmes. It also reviews the Group's risks and opportunities.

More information can be found on pages 123 to 128.

Executive Committee

The EXCO operates under the direction and authority of the Executive Chairman/Managing Director overseeing the development and execution of strategy. It also has accountability for achieving financial and operational performance.

Managing Director

Delegated responsibility for the development and implementation of the Group's strategy and overall commercial objectives. Responsible for the day-to-day management of the business and the communication of Board agreed objectives to employees. Reports directly to the Executive Chairman. Further details of the roles and responsibilities of the Managing Director can be found in our Board Charter, which is available online at www.puncakniaga.com.my.

ESG Sustainability Committee

The ESG Sustainability Committee was established on 1 September 2022 to support the Board's leadership and oversight on the integration of sustainability considerations in Puncak Niaga's corporate strategy, governance and decision making processes as sustainability and its underlying ESG issues become increasingly material to Puncak Niaga's ability to create durable and sustainable value and maintain confidence of its stakeholders.

The ESG Sustainability Committee is a cross-functional management committee chaired by the Managing Director and is an integral component of Puncak Niaga's ESG and sustainability processes.

Malaysian Code on Corporate Governance 2021

The Malaysian Code on Corporate Governance 2021 ("MCCG 2021") is applicable to the current reporting period. The MCCG 2021 is available at Securities Commission's website at www.sc.com.my.

This Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report, which is available online at www.puncakniaga.com.my. Puncak Niaga was generally compliant with the provisions set out in the MCCG 2021 for the period under review.

BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities And Roles Of The Executive Chairman, Managing Director, Executive Directors And Independent Non-Executive Directors Of The Company.

The Board is guided by the Board Charter which sets out the Board's strategic intent and the specific roles and responsibilities to be discharged by the Board members collectively in discharging its fiduciary and leadership functions, the individual roles expected from the Executive Chairman, Managing Director, Executive Directors and Independent Non-Executive Directors ("INEDs") and the roles of the respective Board Committees.

As at 31 December 2024, the Board comprises seven members of which five are the INED with one female INED; all with length of tenure of less than eight years.

The Board is responsible for the stewardship of the Company and in discharging its obligations.

The key responsibilities of the Board are:-

- 1 Providing leadership and vision to the Company that enhances shareholder value and also ensures long term sustainable development and growth of the Company.
- 2 Reviewing and adopting a strategic plan for the Company.
- 3 Overseeing the conduct of the Company's businesses and ensuring the appropriate corporate disclosure policies and procedures.
- 4 Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures and establishing a sound framework to manage risks and to prevent fraud.
- 5 Retaining full and effective control over the Company, and monitor the Management in implementing the Board's plans and strategies including the financial and non-financial performance measurements.
- 6 Succession planning.

Executive Chairman

- Leadership of the Board and the Group
- Ensures Board effectiveness
- Represents the Board to the shareholders
- Ensures integrity and effectiveness of the corporate governance process of the Group
- Sets Board Agenda

Managing Director

- Implements policies and strategies as approved by the Board and reports to the Executive Chairman/Board
- In association with the Executive Chairman, is accountable to the Board for the achievement of the Company's goals and performance targets
- Ensures the assets of the Company are adequately maintained and protected, and not unnecessarily placed at risk

Executive Directors

- Responsible for the operational and business units, organisational effectiveness and implementation of the Board's policies, directives, strategies and decisions

Independent Non-Executive Directors

- Brings an external perspective and effective challenge to the Board
- Provides the relevant checks and balances, focusing on shareholders' and other stakeholders' interests
- Ensures effective corporate governance process is applied

CORPORATE GOVERNANCE OVERVIEW STATEMENT

COMPANY SECRETARY

The Company Secretary is responsible for advising the Board on regulatory compliance matters and providing good information flow and comprehensive practical support to Directors, both as individuals and collectively, with particular emphasis on supporting the Non-Executive Directors in maintaining the highest standards of probity and corporate governance. The Company Secretary is also responsible for ensuring the Group's compliance with the relevant statutory and regulatory requirements. All Directors have unrestricted access to the advice and services of the Company Secretary to facilitate the discharge of their duties.

The Company Secretary of Puncak Niaga is qualified to act under Section 235(2) of the Companies Act, 2016 and an associate (Chartered Secretary and Chartered Governance Professional) of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

MATTERS RESERVED FOR THE BOARD

The schedule of Matters Reserved for the Board sets out the processes in place regarding the Board's tasks and activities and matters specifically reserved for the Board's decision-making are set out in our Board Charter which is available online at www.puncakniaga.com.my.

The Matters Reserved for the Board's decision are:-



BOARD MEETINGS AND BOARD ACTIVITIES IN 2024

There were six Board Meetings held during the FY2024. The record of attendance for each Directors are set out below:-

| Directors | No. of Board Meetings Attended/ Percentage of Attendances |
|--|--|
| YBhg Tan Sri Rozali bin Ismail <i>Executive Chairman</i> | 5/6 (83%) |
| Encik Azlan Shah bin Tan Sri Rozali <i>Managing Director</i> | 6/6 (100%) |
| YBhg Dato' Sri Adenan bin Ab. Rahman <i>Independent Non-Executive Director</i> | 6/6 (100%) |
| YBhg Prof Emeritus Datuk Dr Marimuthu a/I Nadason <i>Independent Non-Executive Director</i> | 6/6 (100%) |
| YBhg Datuk Sr Haji Johari bin Wahab <i>Independent Non-Executive Director</i> | 6/6 (100%) |
| YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj <i>Independent Non-Executive Director</i> | 6/6 (100%) |
| Tuan Haji Noor Faiz bin Hassan <i>Independent Non-Executive Director</i> | 5/6 (83%) |
| YBhg Tan Sri Dr Madinah binti Mohamad <i>Independent Non-Executive Director</i> (ceased as an Independent Non-Executive Director on 30 November 2024) | 6/6 (100%) |

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board primarily focused on strategic matters, in particular, various matters relating to the Group's businesses and finances. Significant time was spent on financial, business performance and sustainability as well as assessing and deliberating on the strategic direction of the Company. The Board Charter and Terms of Reference of the Board Committees comply with the provisions of the MCGG 2021 and were last updated on 23 September 2021.

Despite the Government's decision to lift the strict Standard Operating Procedures ("SOPs") to combat COVID-19, the Board continued to ensure preventive measures were observed, inter alia, physical distancing, regular use of hand sanitisers and face masks at the Board, Board Committees' Meetings and other Company meetings with the objective to ensure these practices become a regular SOP in the Company and the Group. The Company also leverage meetings via video conferencing to facilitate the Directors who are unable to attend a meeting in person, for any reason.

BOARD'S INDEPENDENCE

The independence of our INEDs is formally reviewed annually by the Nomination Committee. The Nomination Committee and the Board consider that there are no businesses or other circumstances that are likely to affect the independence of any INED and that all INEDs continue to demonstrate their independence.

As at the end of the financial year under review, our INEDs comprise more than 71% of the Board's composition and the length of service is less than eight years. This promotes the Board's quality and strengthens our Board's independence besides enabling the necessary checks and balances on the decision-making process of the Board. Our Directors hold integrity at the highest level and possess extensive experience and diverse skill sets to provide unbiased and independent views to the Board. They consistently challenge the Management and the Board in an effective and constructive manner and therefore, are able to function as a check and balance forming justified opinions to the Board. The Executive Chairman also encourages healthy debates on important issues and promotes active participation among the Board members at the Board Meetings and Board Committees' Meetings.

The Nomination Committee had reviewed and deliberated on the Self-Evaluation Forms of the Independence of the Independent Directors for the year 2024 completed by all five INEDs who served on the Board of Puncak Niaga for the full calendar year of 2024 at the 54th Nomination Committee Meeting held on 19 February 2025 and had recommended the same to the Board of Directors of the Company for consideration at the 140th Board of Directors' Meeting held on 26 February 2025 wherein the Board had concluded the following findings:-

- Based on the confirmations given by the five INEDs who served on the Board of Puncak Niaga for the full calendar year of 2024 as evidenced in the duly completed Self-Evaluation Forms, the Company is satisfied that its INEDs have fulfilled the criteria as Independent Directors of the Company under the MMLR of Bursa Securities.
- All five INEDs who participated in the 2024 Self-Evaluation Form of the Independence of the Independent Directors for the year 2024 have indicated their willingness to continue in office as Independent Directors of the Company.

CONFLICTS

On 17 November 2023, the Board approved the Directors' And Key Senior Management's Conflict Of Interest Policy. The Company requires the Board and Key Senior Management of the Company to adhere to the procedures governing any conflict of Interest ("COI"), potential COI and interest in competing business involving the Directors as stipulated under the relevant provisions of the Companies Act 2016 ("CA"), Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by Securities Commission Malaysia, Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Securities, Corporate Governance Guide and the relevant requirements under the MMLR of Bursa Securities and any other relevant regulatory requirements, where applicable. Directors' And Key Senior Management's Conflict Of Interest Policy is accessible at the Company's website at www.puncakniaga.com.my.

BOARD DEVELOPMENT

The Board recognises the importance of continuous training programmes at the Board level in order to broaden their perspectives and to keep abreast with the developments in the market place and changes in new statutory requirements to ensure that the Board members are able to effectively discharge and fulfil their roles on the Board and the various Board Committees and contribute positively to discussions on technical and regulatory matters. These sessions also serve as an opportunity for the Board to discuss strategy and risks with the Management and gain better insight into the Group's businesses and management capability.

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In 2024, the Directors attended the following courses:-

| No. | Name of Director | Seminar Attended/Application For Accreditation/Organiser |
|-----|---|---|
| 1. | Encik Azlan Shah bin Rozali | 1. ICDM Mandatory Accreditation Programme Part II: Leading for Impact (LIP) |
| 2. | YBhg Dato' Sri Adenan bin Ab. Rahman | 1. ICDM Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 2. Conflict of Interest and Governance of Conflict of Interest 3. ICDM Advocacy Dialogue & Networking: Corporate Venture Capital: Driving the Future of Innovation & Financial Returns 4. Bursa Malaysia - Building Sustainable Credibility: Assurance, Greenwashing And The Rise Of Green-Hushing |
| 3. | YBhg Datuk Dr Marimuthu a/I Nadason | 1. ICDM Navigating Directorship: Legal Consequences, Responsibilities and Risks In Office 2. ICDM Navigating ESG Risk In The Supply Chain 3. ICDM Chairman Roundtable & Networking Session: How Responsible & Responsive Are You In Strategic Risk Management? 4. Board Directors: Steering The Path With Net Zero Strategy 5. ICDM Leading for Impact (LIP) Alumni Networking Session |
| 4. | YBhg Datuk Sr Haji Johari bin Wahab | 1. Seminar Pembangunan Juruukur Tanah Berlesen Focus: Development and regulatory aspects of licensed land surveyors in Malaysia. 2. Geobusiness Excel, London 2024 Focus: Innovations and advancements in geospatial technology and business applications. 3. 8th Sabah International Surveyors Congress Focus: The role of artificial intelligence in land governance and surveying. 4. The AI World Congress 2024 Focus: AI-driven transformations across various industries. 5. 22nd International Studying Leadership Conference Focus: Leadership studies in contemporary organizational and academic settings. |
| 5. | YM Tengku Loreta binti Tengku Dato' Setia Ramli | 1. ICDM Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 2. Tax Seminar on Budget 2025 |
| 6. | Tuan Haji Noor Faiz | 1. Conflict of Interest and Governance of Conflict of Interest 2. Grant Thornton Bajet 2025 Seminar |
| 7. | YBhg Tan Sri Madinah binti Mohamad (ceased as Independent Non-Executive Director on 30 November 2024) | 1. ICDM Mandatory Accreditation Programme Part II: Leading for Impact (LIP) |

SUPPLY OF INFORMATION AND ACCESS TO ADVICE

Each Board member is supplied with accurate, complete, adequate, unrestricted and quality information on a timely basis to enable them to effectively discharge their duties and responsibilities. Except under exceptional circumstances, Board members are given at least seven days' prior notice of any Board Meeting to be held. Since November 2021, all Board Meetings' materials are uploaded onto a board meeting automation solution system, BoardPAC which is accessible by the Directors via their personal tablets several days before the Board Meetings to facilitate the Directors to peruse the Meeting materials and to review the issues to be deliberated at the Board Meetings before the Meeting date. Where necessary, the Company's personnel will be called upon by the Board during the Board Meetings to present and to clarify any Board papers presented.

All Board members participate actively in the Board's deliberations and bring the benefit of their particular knowledge, skills and abilities to the Board. Where a potential conflict with the duties or of interests as Director arises, it is mandatory for the Director concerned to declare the fact and nature of his or her interests and the extent of the conflict at a Board Meeting and abstain from the deliberation and decision-making process. In the event the proposal requires shareholders' approval, the interested Board members shall abstain from voting on the resolution at the General Meeting and shall ensure that persons connected to them also abstain from voting on the proposal.

The above procedures are likewise practised at the various Board Committees' Meetings.

The Company Secretary organise and attend all Board Meetings and Board Committees' Meetings (except for the CICR Meeting whose the Secretary is the Head of Internal Audit Department) and ensure that all issues discussed with the conclusions are minuted accurately in the minutes of each Meeting and that all records are kept properly at the Registered Office of the Company.

The Board is regularly updated and kept informed by the Company Secretary and the Management of the requirements such as restriction in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in the legislations and regulatory framework affecting the Group. The Board has unrestricted and constant access to and interaction with the Senior Management of the Company. Each Board member has full and unrestricted access to the advice and services of the Company Secretary.

Where necessary, the Directors may, whether collectively as a Board or in their individual capacities, seek external and independent professional advice from experts on any matter in furtherance of their duties as they may deem necessary and appropriate at the Company's expense.

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✦ NOMINATION COMMITTEE REPORT

YBhg Prof Emeritus Datuk Dr Marimuthu a/l Nadason

Chairman

1/1

YBhg Dato' Sri Adenan bin Ab. Rahman

Member

1/1

YBhg Datuk Sr Haji Johari bin Wahab

Member

1/1

YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj

Member

1/1

Tuan Haji Noor Faiz bin Hassan

Member

1/1

YBhg Tan Sri Dr Madinah binti Mohamad

(ceased as an Independent Non-Executive Director on 30 November 2024)

Member

1/1

The members of the Nomination Committee ("NC") comprise wholly of the INEDs of the Company. Only members of the NC have the right to attend NC Meetings. Other individuals such as the Managing Director, Executive Directors and external advisers may be invited to attend the NC Meetings as and when deemed appropriate.

RESPONSIBILITIES OF THE NOMINATION COMMITTEE

The responsibilities of the NC include:-

- To annually review the overall composition of the Board in terms of required mix of the expertise, skills, knowledge and experience and other qualities, including core competencies and adequacy of balance between Executive Directors and INEDs.
- To annually review the overall composition of the Board to achieve the best composition for diversity in terms of skills, experience, gender, age, professional background and cultural background to meet the needs of the Company. In this regard, the NC is to assist the Board in establishing a policy on Boardroom diversity.
- To assess and recommend to the Board, candidates for all directorships to be filled and to annually evaluate and appraise the Board taking into consideration the time required of the Directors to fulfil their duties. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

In identifying Board candidates, the NC may rely on recommendation from the existing Board members, the Management or major shareholders. The NC may also consider to utilise independent sources to identify suitably qualified candidates, as appropriate.

If the selection of Board candidates was based on the recommendation of the existing Directors, Management or major shareholders of the Company, the NC should explain why these source(s) suffice and other sources were not used.

- To assess and recommend to the Board, candidates for the re-election of Directors under the annual re-election provisions or retirement, as the case may be and to provide a statement to the Board to support the appointment or re-election of the candidate(s).
- To assess and recommend to the Board, Directors to fill the seats on Board Committees, in consultation with the Chairman of those committees or with the Board, in the case of the Chairman's position.
- To annually assess the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director and in respect of the INEDs of the Company, their capacity to bring an independent judgement on issues before the Board and that each Director in their individual capacity and as a collective Board are able to act in the best interests of the Company as a whole.

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- To examine the size of the Board with a view to determining the impact of the number upon its effectiveness and to ensure that at least half of the Board comprises the INEDs of the Company.
- In the case of persons for the position of Independent Non-Executive Director, to evaluate the persons' ability to spend sufficient time to fulfil their duties to discharge such responsibilities/ functions as expected from INEDs, in particular, for those who have served on the Board beyond nine years, to assess and evaluate whether the INED should remain independent or be re-designated or be replaced.
- To determine annually whether a Director is independent as defined in Bursa Securities' MMLR and to recommend a suitable INED for the role of Senior INED of the Company.
- To review matters relating to the continuation in office of any Director at any time.
- To ensure that all Directors receive appropriate induction and continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and changes in new statutory requirements including training, upskilling or development needs and continuous professional development programmes to keep abreast with corporate governance developments, enhancing financial literacy on financial statements and financial reporting standards and professional development on sustainability in order to drive the Company's future strategies and strengthen the Board's leadership and oversight on the Company's and Puncak Niaga Group's sustainability issues.
- To periodically assess and recommend to the Board on succession planning for the Board, Executive Chairman, Directors and Key Management personnel.
- To recommend to the Board the removal of a Director if he is ineffective, errant or negligent in discharging his responsibilities.
- To review and recommend to the Board, corporate governance principles and best practices to be implemented for Puncak Niaga Group, in compliance with the MCCG 2021.
- To assess and recommend to the Board, the Terms of Reference of the Board Committees and to review the adequacy of the structure of the Board Committees.
- The NC's Terms of Reference can be found at www.puncakniaga.com.my.

MATTERS DELIBERATED DURING THE YEAR

01

Summary on the Evaluation of Board Effectiveness for Year 2023.

02

Summary on the Evaluation of Audit Committee and Compliance, Internal Control and Risk Policy Committee Effectiveness for Year 2023 and Performance and Effectiveness of the Internal Audit Functions of the Company.

03

Summary on the Evaluation of the Independence of the Independent Directors for Year 2023.

04

Re-election of Directors Retiring by Rotation at the 27th Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

✦ BOARD DIVERSITY POLICY

PURPOSE AND SCOPE OF APPLICATION

The Board Diversity Policy sets out the approach for achieving diversity for Puncak Niaga Group's Boards ("Board").

The Policy applies to the Board of Puncak Niaga and its Group. It does not apply to diversity in relation to the employees of Puncak Niaga Group, all of whom are covered by Puncak Niaga's Diversity Policy.

POLICY STATEMENT

Puncak Niaga believes in diversity and values the benefits that diversity can bring to its Board. The Company seeks to maintain a Board comprising talented and competent Directors with a diverse mix of expertise, skills and backgrounds, which reflect the diverse nature of the business environment in which the Group operates.

In designing the Board's composition, diversity includes but is not limited to skills, knowledge, industry experience, gender, age, cultural, education and socioeconomic backgrounds, ethnicity and expertise required to achieve effective stewardship and management.

When assessing the Board's composition and performance of the Board, as well as identifying suitable candidates for appointment or re-election to the Board, the Company will consider the benefits of diversity and the needs of the Board in order to maintain an optimum mix of skills, knowledge and experience on the Board.

The Board through the NC reviews this Policy and assesses its effectiveness in promoting a diverse Board which includes an appropriate number of women Directors on the Board. At any given time, the Board may seek to improve one or more aspects of its diversity.

DIRECTORS' FIT AND PROPER POLICY

On 30 May 2022, the Board approved the Directors' Fit And Proper Policy ("the Policy") which is in line with paragraph 2.20A of Bursa Securities' MMLR to be adopted by the Company with effect from 1 June 2022.

The Policy sets out the Fit and Proper Criteria on the fitness and propriety of the Company's and the Group's Directors including the appointment and re-election of Directors to the Company and the Group on an annual basis by ensuring that these individuals who are either a Board candidate or Director have demonstrated and met the fit and proper criteria relating to their appointment or re-election as Directors of the Company and the Group. The Policy is accessible at the Company's website at www.puncakniaga.com.my.

Board Gender

Male — 6

Female — 1

Board's Age Group

30-39 — 1

40-49 — Nil

50-59 — 2

60-69 — 4

Board's Education Background

Law — 1

Business, Human Resources and Administration — 2

Land Surveying — 1

Communications & Telecommunication Study — 1

Finance & Accounting — 1

Others — 1

INEDs' Tenure

Less than 5 years — 1

Between 5 to 9 years — 4

More than 9 years — Nil

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BOARD CHANGES

YBhg Tan Sri Dr Madinah binti Mohamad ceased as Independent Non-Executive Director on 30 November 2024.

As at 31 December 2024, the INEDs comprise 71% of the Board's composition with one (1) female INED.

RE-ELECTION OF DIRECTORS

The following Directors of the Company shall retire at the forthcoming 28th AGM of the Company and being eligible, had offered themselves for re-election:-

RULE 100

01 YBhg Datuk Sr Haji Johari bin Wahab

02 YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj

The Nomination Committee and the Board had at their respective Meetings held on 19 February 2025 and 26 February 2025 concluded the following:-

Directors retiring under Rule 100

- The Directors retiring under Rule 100 of the Company's Constitution are recommended to be re-elected at the forthcoming 28th AGM of the Company since they have discharged their duties and responsibilities effectively as Directors of the Company as prescribed in Paragraph 2.20A of Bursa Securities' MMLR, have met the requisite criteria and qualities under the Company's Directors' Fit and Proper Policy and have been able to contribute positively to the Board and the Company with active participation at the Board/Board Committees' Meetings due to their vast experience and diverse skills set.
- They are both effective as Independent Non-Executive Directors.
- YBhg Datuk Sr Haji Johari bin Wahab and YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj have given their confirmation that they have met the criteria of Independent Director under Chapter 1 of Bursa Securities' MMLR and indicated their willingness to continue in office as INED of the Company as evidenced in their 2024 Independent Director Evaluation Form.

EVALUATION OF THE BOARD

As in the previous years, the Board has, with the assistance of the Company Secretary, conducted an annual peer evaluation of the Board's effectiveness in the following key areas:-

| | |
|--|--|
| (i) Compliance; | (viii) Financial and Operational Reporting; |
| (ii) Board Meetings; | (ix) Planning and Objectives; |
| (iii) Board Functions; | (x) Risk Assessment; |
| (iv) Board Structure; | (xi) New Business Opportunities and Projects; |
| (v) Board Committees; | (xii) Human Resources; |
| (vi) Board Operations; | (xiii) Sustainability; and |
| (vii) Board Chairman's Roles and Responsibilities; | (xiv) Directors' Observations and Additional Comments. |

The 2024 performance evaluation of the Board has been structured to ensure a balanced and objective review by the Directors for the above key areas.

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01 Questionnaires

The comprehensive questionnaires with an opportunity to provide qualitative feedback in respect of all areas covered was sent to all Board members, along with a summary of the previous year's evaluation, action plan and a progress update against actions identified:-

- Evaluation of Board Effectiveness Form
- Independent Director Evaluation Form
- Audit Committee and Compliance, Internal Control and Risk Policy Committee Self-Assessment Form
- Audit Committee's Evaluation of the Performance and Effectiveness of the Internal Audit Functions of the Company

02 Evaluation And Reporting

The Company Secretary compiled responses from the questionnaires into a report, identifying areas requiring further focus and attention, where appropriate. The report included recommendations taking into account the best practice, the MCCG 2021 and other corporate governance guidance.

03 Discussion With The Nomination Committee And Board

The findings were discussed with both the NC and the Board.

The NC had reviewed and deliberated on the Evaluation of Board Effectiveness Forms for the year 2024 at the 54th Nomination Committee Meeting held on 19 February 2025 and had recommended the same to the Board of Directors of the Company for consideration at the 140th Board of Directors' Meeting held on 26 February 2025 wherein the Board had concluded the following findings:-

- The Board of Puncak Niaga is a united Board with more than 71% INEDs (with 14% women Directors) comprising members who are individuals with the requisite qualities, diverse skills sets, experience, expertise, knowledge, competence and integrity to fully discharge their fiduciary duties and responsibilities as Directors of the Company and provide effective oversight on the Management of the Company.
- The length of tenure of the INEDs as at 31 December 2024 range between four years to eight years which are below the maximum tenure limit of nine years under Practice 5.3 of the MCCG 2021.
- The Company's Board as a collective Board has acted in the best interests of the Company.

✦ REMUNERATION COMMITTEE REPORT

YBhg Dato' Sri Adenan bin Ab. Rahman

Chairman

1/1

YBhg Prof Emeritus Datuk Dr Marimuthu a/l Nadason

Member

1/1

YBhg Datuk Sr Haji Johari bin Wahab

Member

1/1

YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj

Member

1/1

Tuan Haji Noor Faiz bin Hassan

Member

1/1

YBhg Tan Sri Dr Madinah binti Mohamad
(ceased as an Independent Non-Executive Director on 30 November 2024)

Member

1/1

The Remuneration Committee comprises wholly of the INEDs of the Company.

RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The primary objectives of the Remuneration Committee ("RC") are as follows:-

- To establish and annually review the remuneration packages for each individual Executive Directors such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully and aligned to the business strategy and long-term objectives of the Company.
- To establish and review the Directors' Remuneration Policy for the Board of Directors and Executive Directors who are the Senior Management taking into account the demands, complexities and performance of the Company as well as the merit, qualification, competence, skills and experience required.
- To review the fees and benefits payable to the Directors including any compensation for loss of employment of a Director or a former Director.
- The RC shall make its recommendation to the Board and the respective Directors shall abstain from the discussion of their own remuneration.
- The levels of remuneration of the Executive Directors should be based on merit and reflect their experience, level of responsibilities, expertise and complexity of the Company's activities and contribution to the Company.
- To consider and examine such other matters as the RC considers appropriate.

The RC's Terms of Reference can be found at www.puncakniaga.com.my.

MATTERS DELIBERATED DURING THE YEAR



Review of Remuneration Package of the Independent Non-Executive Directors of the Company.

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTORS' REMUNERATION POLICY

The Company has a formal procedure to determine the remuneration of each Board member which is reviewed, from time to time, against market practices.

The level and make-up of remuneration should be sufficient to attract and retain the Board members needed to run the Company successfully but the Company should avoid paying more than is necessary for this purpose. The remuneration packages of the Board and Executive Directors are determined based on merit, qualification and competence and the Company's/Group's performance including performance in managing sustainability risks and opportunities and operating results and industry standards.

The component parts of remuneration should be sufficient so as to link reward to corporate and individual performance, in the case of the Executive Directors. The Executive Directors shall not be involved in discussions to decide on their own remuneration. Executive Directors of the Company/Puncak Niaga Group who are the Senior Management of the Company/Puncak Niaga Group receive no fees but are paid as full-time employees of the Company and/or subsidiary companies of Puncak Niaga.

In the case of the INEDs, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular INED concerned. The remuneration package of the INEDs of the Company should not conflict with their obligations to bring an objective and independent judgement on matters discussed at the Board and Board Committees.

The Directors' Remuneration Policy was last updated on 23 September 2021 and can be found at www.puncakniaga.com.my.

The RC is responsible for recommending the remuneration packages of the Directors to the Board. No Board member, whether executive or non-executive, shall be involved in deciding his own remuneration.

The details of the remuneration of the Directors of the Company received and receivable from the Company and on Group basis for the financial year ended 31 December 2024 are set out in Note 29 of the Audited Financial Statements of the Company on pages 211 to 213 of this Annual Report.

The disclosures of the Senior Management's remuneration that include the top five Senior Management personnel is set out in Note 34B of the Audited Financial Statements of the Company on pages 232 and 233 of this Annual Report.

● ● **EFFECTIVE AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL**

FINANCIAL REPORTING

The Board is responsible for the quality and completeness of publicly disclosed financial reports. In presenting the annual financial statements, quarterly reports and the annual reports to the shareholders of the Company, the Board takes appropriate steps to present a clear and balanced assessment of the Group's position and prospects. This also applies to other price-sensitive public announcements and reports to the regulatory authorities.

The Group's financial statements and quarterly announcements, prepared using appropriate accounting policies, consistently and supported by reasonable and prudent judgements and estimates, will be reviewed and deliberated by the Audit Committee in the presence of the External Auditors and the Executive Director, Finance Division prior to recommending them for adoption by the Board. The Audit Committee ensures that the information to be disclosed are accurate, adequate and in compliance with the various disclosure requirements imposed by the relevant authorities. The Board discusses and reviews the recommendations proposed by the Audit Committee prior to its adoption. The Board also ensures accurate and timely release of the Group's quarterly and annual financial results to Bursa Securities.

The Statement on Directors' Responsibility in respect of the preparation of the Annual Audited Financial Statements of the Group is set out on page 129 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

RELATIONSHIP WITH EXTERNAL AUDITORS

The Board maintains a transparent and professional relationship with the Group's External Auditors. The Audit Committee, with the assistance of the Finance Division of the Company, has assessed the suitability and independence of the External Auditors of the Company in accordance with the Policy and Procedures on assessment of the External Auditors.

The External Auditors attended four out of five Audit Committee Meetings of the Company held during the financial year. These quarterly Meetings enabled the exchange of views on issues requiring attention. A formal mechanism has been established by the Audit Committee to ensure there is frank and candid dialogue with the External Auditors. The Audit Committee will meet the External Auditors twice a year without the presence of the Executive Directors and Management. This allows the Audit Committee and the External Auditors the exchange of free and honest views and opinions on matters related to External Auditors' audit and audit findings.

The Audit Committee has considered the provision of non-audit services rendered to the Group and Company which amounted to RM21,000.00 and RM12,000.00 respectively did not compromise the External Auditors' independence and objectivity.

 A report by the Audit Committee is set out on pages 117 to 120 of the Annual Report.

INTERNAL CONTROL

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls, which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations and to safeguard shareholders' investment and its assets and interests in compliance with the relevant laws and regulations as well as the internal financial administration procedures and guidelines.

The effectiveness of the system of internal controls of the Group is reviewed by the Audit Committee. The Internal Audit Department, led by the Head of Internal Audit will conduct internal audit covering the financial, operational and compliance controls, processes to identify and evaluate the significant risks faced by the Group including the governance, risk management and internal control processes within the Company. The reports of the Internal Audit Department are tabled to the Audit Committee for review and deliberation.

 The Group's Statement on Risk Management and Internal Control is set out on pages 122 to 128 of this Annual Report.

RISK MANAGEMENT FRAMEWORK

The Board recognises that risk management involves a structured approach, combining the efforts of all functions within the Group, to minimise the possibility and impact of unexpected damages so as to contribute towards greater efficiency and better decision-making. The Group's Enterprise-Wide Risk Profile is reviewed annually to take into consideration changes in the business environment, strategies and functional activities of the Group for determining the Group's level of risk tolerance and identify, assess and monitor key business risks to safeguard shareholders' investments and the Company's assets.

 The Group's Statement on Risk Management and Internal Control is set out on pages 122 to 128 of this Annual Report.

• • RELATIONS WITH STAKEHOLDERS

SHAREHOLDERS COMMUNICATION AND INVESTOR RELATIONS POLICY

The Board acknowledges the need for the Company's shareholders and investors to be informed of all material business and corporate developments concerning the Group in a timely manner. In addition to various announcements made during the year, the timely release of the Group's consolidated financial results on quarterly basis provides the shareholders and investors with an overview of the Group's financial and operational performances.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Company maintains regular communication with its shareholders and stakeholders, attend to shareholders' and investors' e-mails and phone calls enquiries and during the Company's General Meetings and other events. The Notice for the Company's AGM contains relevant information including the shareholders' rights to demand for a poll vote to enable them to exercise their rights.

The Notice for the Company's AGM is posted at the Investor Relations link - Annual Report at the Company's website, www.puncakniaga.com.my.

The Annual Report of Puncak Niaga which is produced in line with best corporate governance practices also serves as a key channel of communication with our various stakeholders. Information on the Group is also accessible via the Company's website, www.puncakniaga.com.my.

AGM

We encourage shareholders to participate in our AGM and post questions to the Chairman and the Board. Puncak Niaga's 27th AGM held on 29 May 2024 was conducted entirely through live streaming from the Broadcast Venue at the Boardroom, 12th Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan and online remote voting using the Remote Participation and Voting facilities ("RPV") in the manner prescribed by Securities Commission Malaysia's Guidance on the Conduct of General Meetings for Listed Issuers.

At the 27th AGM of the Company, no substantive resolutions were put forth for the shareholders' approval, except for the routine resolutions pertaining to receiving the annual audited financial statements, re-appointment and re-election of Directors of the Company and re-appointment of Auditors of the Company. All resolutions were voted on by poll by the shareholders via the RPV provided by Tricor Investor & Issuing House Services Sdn Bhd and validated by the Independent Scrutineers, Coopers Professional Scrutineers Sdn Bhd.

Coopers Professional Scrutineers Sdn Bhd also acted as the Independent Observer for the Question & Answer Session at the 27th AGM to confirm that the Company has addressed all questions raised by Minority Shareholders Watch Group ("MSWG") and those raised during the proceedings of the virtual 27th AGM.

The Board was also in full attendance at the 27th AGM except for the Executive Chairman, YBhg Tan Sri Rozali bin Ismail who was on medical leave. The full minutes of the 27th AGM was published on our website at www.puncakniaga.com.my in a timely manner, together with the responses to queries posed by the MSWG.

For year 2025, the resolutions set out in the Notice of the Company's Twenty-Eighth AGM ("28th AGM") will also be conducted via poll voting as mandated in Paragraph 8.29A of the MMLR of Bursa Securities. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd to conduct the poll voting electronically via Tricor e-Vote application and Coopers Professional Scrutineers Sdn Bhd as Independent Scrutineers to verify the poll results.

This Corporate Governance Overview Statement has been approved by the Board of Puncak Niaga on 26 March 2025.