

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**THE BOARD OF DIRECTORS (“BOARD”) OF GAMUDA BERHAD (“GAMUDA” OR “COMPANY”) PRESENTS THIS STATEMENT TO PROVIDE SHAREHOLDERS AND INVESTORS WITH AN OVERVIEW OF THE CORPORATE GOVERNANCE PRACTICES OF THE COMPANY UNDER THE LEADERSHIP OF THE BOARD DURING THE FINANCIAL YEAR 2021 (“FY2021”) AND UP TO THE DATE OF THIS STATEMENT. THIS OVERVIEW TAKES GUIDANCE FROM THE KEY CORPORATE GOVERNANCE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (“MCCG”).**

The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guidance was drawn from Practice Note 9 of Bursa Securities’ Listing Requirements and the Corporate Governance Guide (3<sup>rd</sup> Edition) issued by Bursa Securities. It should be read together with the Corporate Governance Report (“CG Report”) prepared based on a prescribed format as set out in Paragraph 15.25(2) of the Listing Requirements so as to provide a detailed articulation on the application of the Company’s corporate governance practices vis-à-vis the MCCG. The CG Report is available on the Company’s website at [www.gamuda.com.my](http://www.gamuda.com.my)

## COMMITMENT FROM THE BOARD

The Board recognises the importance of maintaining adequate corporate governance practices within Gamuda and its subsidiary companies (collectively “Group”) and devotes considerable effort to identify and formalise best practices. Good corporate governance is crucial to sustain the Group in the long-run through the ever changing regulatory and market environment. The Board sees corporate governance as an integral part of the Group’s business strategy.

The Board believes that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholder value.

The Board will continuously evaluate the status of the Group’s corporate governance practices and procedures with a view to adopt and implement the best practices in so far as they are relevant to the Group, bearing in mind the nature of the Group’s businesses and the size of its business operations.

## SUMMARY OF CORPORATE GOVERNANCE PRACTICES

In manifesting the Group’s commitment towards sound corporate governance, the Group has benchmarked its practices against the relevant promulgations as well as other best practices. Gamuda has applied all the Practices encapsulated in the MCCG for the financial year ended 31 July 2021 with the exception of the following practice:-

### Recommended CG Practices in MCCG

<b>Practice 5.1</b>	For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.
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The explanation on the above departure is disclosed in the CG Report

In line with the latitude accorded in the application mechanism of MCCG, the Company has provided forthcoming and appreciable explanations for the departure from the said practice. The explanations on the departure are supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practice, measures that the Company has taken or intends to take to adopt the departed Practice as well as the timeframe for adoption of the departed Practice. Further details on the application of each individual Practice of MCCG are available in the CG Report.

## PRINCIPLE A:

### BOARD LEADERSHIP AND EFFECTIVENESS

#### I. Board Responsibilities

The primary role of the Board is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group and supervises executive management. It also ensures that good corporate governance policies and practices are implemented within the Group. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

A framework of delegated authority is in place consistent with the structure of delegation below the Board level. The Board reserves to itself certain key matters to approve, including the Group’s strategic plans, major capital expenditure, corporate governance issues, dividend policy and external financial reporting.

The Board delegates responsibility for the day-to-day operation of the businesses to the Group Managing Director who is assisted by the Deputy Group Managing Directors and Key Senior Management and recognises his responsibility for ensuring that the Company operates within a framework of prudent and effective controls. In discharging its duties with due care, skill and diligence, the Company led by the Group Managing Director are driven and guided by the Value Creation Strategy as illustrated in pages 72 to 73 of this Annual Report.

This Value Creation Strategy has been formalised and is disseminated to employees and continuously reinforced through their tenure with the Group.



As depicted in the above illustration, Board Committees have been established to assist the Board in its oversight function with reference to specific responsibility areas. It should however be noted that at all times, the Board retains collective oversight over the Board Committees. These Board Committees have been constituted with clear terms of references and they are actively engaged to ensure that the Group is in adherence with good corporate governance.

As a step up on overall responsibility for risk oversight, the Board will continue to assess whether this oversight is to be carried out either by the full Board or through delegation to one or more standing committees comprising majority of independent directors.

The Board receives the minutes of all Board committee meetings at the following Board meeting and is presented with a verbal report from each committee Chair on significant areas of discussion and key decisions. To assist each committee in discharging its responsibilities, each committee has an annual meeting planner that sets out the scheduled items of business and reports to be considered during the year.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board articulates its roles and responsibilities in its Directors' Handbook, and describes those areas reserved for the Board's determination. The Board had adopted the Directors' Handbook in 2002. The Board believes that the Directors' Handbook, which sets out the roles, duties and responsibilities of the Company Directors and the broader issues of directors' ethics, amongst others, collectively with the various policies, procedures and practices that have been in place for a long time, the Constitution of the Company and statutory and regulatory requirements, have effectively encapsulated the essence of the suggested contents of a Board charter.

There is a clear division of responsibilities at the helm of the Company to ensure a balance of authority and power, as the roles of the Chairman and the Group Managing Director are distinct and separate. The Chairman of the Company is an Independent Non-Executive Director, who through the Board, provides effective oversight over Management and reflects the Company's commitment to uphold corporate governance.

The Chairman leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance. Where necessary, the Chairman will conduct a separate session with the Non-Executive Directors ("NEDs") to allow for discussion on any pertinent issues raised by the NEDs and/or issues from the Management, as may be shared by the Chairman with the other NEDs.

For the financial year under review, the Chairman conducted two separate sessions with the NEDs. One session was held on 7 October 2020 to deliberate further on the main reports and/or statements under the Corporate Governance section of last year's annual report. Another session was held on 23 March 2021 where at the request of the Chairman, the Management updated the NEDs on the status of the Penang project.

The Board is supported by suitably qualified and competent Company Secretaries who are members of the relevant professional bodies. They are accountable directly to the Board through the Chairman of the Board on all Board and governance matters. The Company Secretaries also has an internal reporting line to the Group Managing Director on corporate secretarial and legal matters in respect of the business.

The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. The Constitution of the Company permits the removal of Company Secretaries by the Board.

All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretaries on all matters relating to the Group to assist them in the furtherance of their duties. The Board is regularly updated and kept informed by the Company Secretaries 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.

Besides the Directors' Handbook, the Board has adopted a Directors' Code of Conduct on 28 September 2016. In addition to the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, the Directors' Code of Conduct is the Board's commitment towards establishing a corporate culture which prescribes ethical conduct that permeates throughout the Company and ensuring the implementation of appropriate internal systems to support, promote and ensure its compliance. The Directors' Code of Conduct is available for reference on Gamuda's corporate website at [www.gamuda.com.my](http://www.gamuda.com.my).

The Board recognises the importance of prompt and timely dissemination of accurate and sufficient information concerning the Company and its Group to shareholders, investors and other stakeholders to enable them to make an informed decision. A Corporate Disclosure Policy for the Group was adopted on 28 September 2016 to set out the policies and procedures on disclosure of material information of the Group is being addressed, following emphasis by Bursa Securities as outlined in Bursa Securities' Corporate Disclosure Guide. Accordingly, the Group Managing Director and/or the Executive Director evaluate the release of all major communications to investors or Bursa Securities. The Corporate Disclosure Policy is also available for reference on Gamuda's corporate website at [www.gamuda.com.my](http://www.gamuda.com.my).

Recognising the importance of Information Technology ("IT") Governance, information security and cybersecurity to the Group, the Enterprise-Wide Information Security Policy ("EWISP") was developed to ensure a consistent company-wide process approach for the establishment, implementation, operation, review, maintenance and improvement towards Information Security Management System (ISMS). Through a comprehensive suite of information security control objectives and supporting policy statements, the EWISP explains how ISO27002, the international standard code of practice for information security management, applies within the Group. Its purpose is to communicate management directives and standards of care to ensure consistent and appropriate protection of information throughout the Group.

The Board views procurement as a critical area that needs to undergo transformation to a more strategic discipline and value-adding function to Gamuda's business. To survive the current industry volatility and responding to the pressure to deliver projects in a more transparent and cost-effective manner, steps have been undertaken to re-invent procurement and to ensure that the Group stays resilient. Procurement and supply chains are of the highest importance from the very beginning of every project that Gamuda undertake as a Group. The Group Digital Procurement Platform was rolled out in financial year 2018 to make procurement more transparent and effective; by using a consistent, collaborative approach leveraging on the SAP Ariba platform that embraces supply chain and procurement best practices to improve value and sustainable savings.

This year, we completed implementing the first phase of our new generation cloud-based enterprise resource planning (ERP) system, which is on the SAP S/4HANA platform. This enables the Group to have:

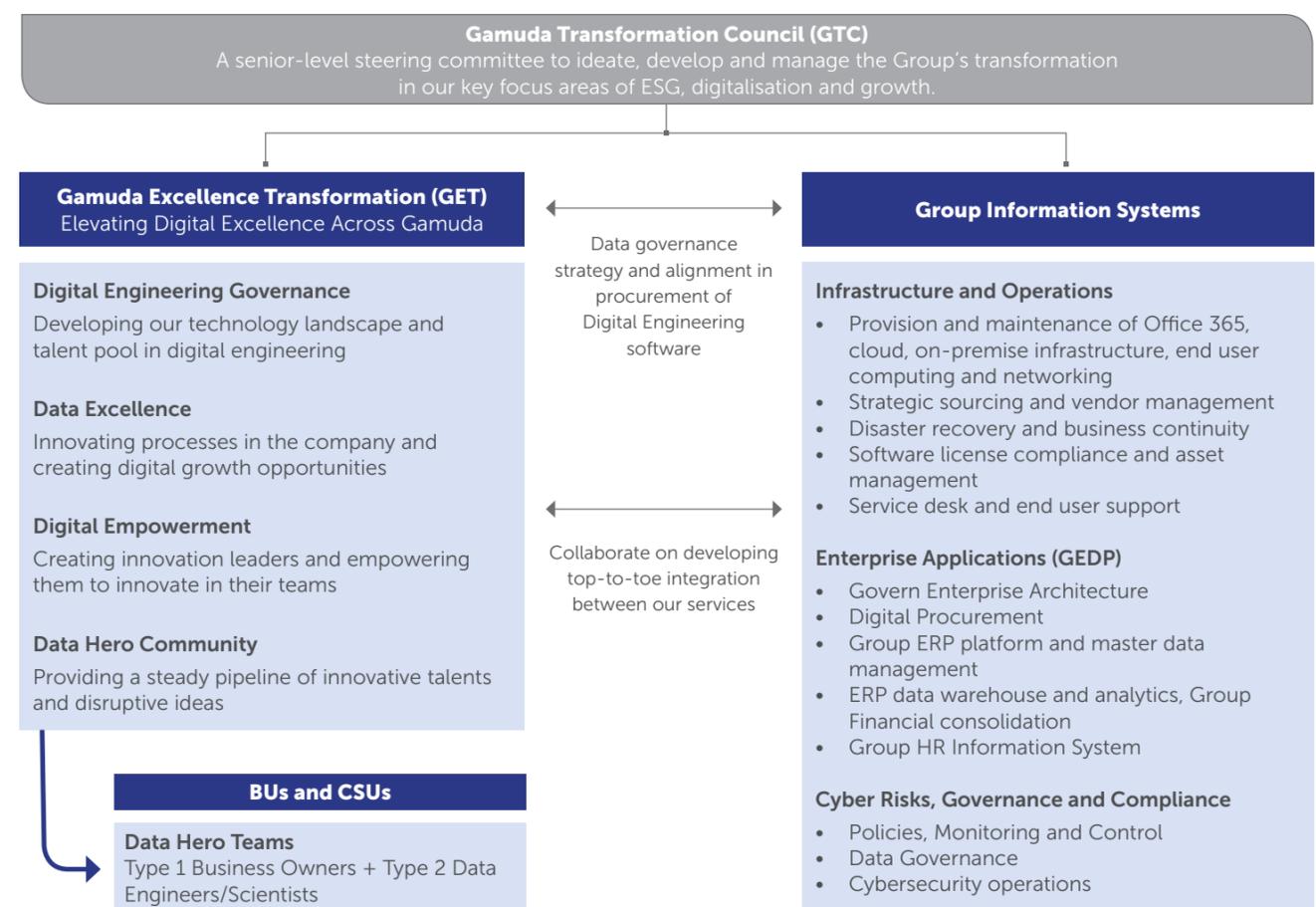
A single source of truth

Better organisational efficiency through streamlined processes and automation

Improved governance, compliance and risk reduction

There is a growing interest among the Company's employees to explore different ways to harness technology, whether it is to automate or improve on daily deliverables. This is evident from many of the great initiatives seen across the organisation, such as in Building Information Modelling ("BIM") and Industrialised Building System ("IBS"), where pockets of innovation had been recognised with industry awards. To keep this culture of creative collaborative growing, a community known as Gamuda Excellence Transformation ("GET") has been set up during the financial year. GET aims to elevate digital excellence across Gamuda and catalyse the development of real, people-driven solutions regardless of project background.

### GET's Role: Elevating Digital Excellence in Gamuda Group



**GET is an enabler and resource.** Providing support to our project teams to meet their requirements and goals. Creating data hero teams and empowering our people to develop into Type 1 and Type 2 personalities.

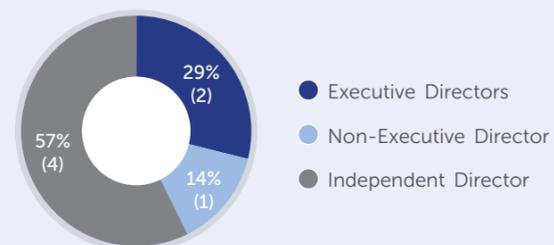
## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Accelerating Group-wide efforts against climate change for a resilient future, the Gamuda Green Plan 2025 (GGP 2025) (as illustrated on pages 76 to 79 of this Annual Report) was launched in conjunction with World Environment Day on 5 June 2021. It is a framework with defined carbon reduction targets across the Group to chart our plans and commitments for the next five years, with an extended view to 2030 and beyond. It commits the entire Group to circular construction with specific steps to reduce corporate direct and indirect greenhouse gases emission intensity by 30 percent in 2025, and by 45 percent in 2030. Taking decisive action on climate change, our ESG Steering Committee is chaired by top-level leadership to aggressively drive our GGP 2025 forward.

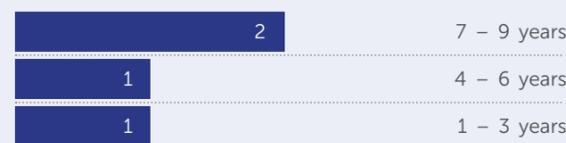
### II. Board Composition

During the financial year under review, the Board comprises one Group Managing Director, one Deputy Group Managing Director, and a significant presence of five NEDs of whom four are Independent Directors. Hence, the Board's composition has fully complied with the provisions of the Listing Requirements of Bursa Securities Berhad for independent non-executive directors to make up at least one third (1/3<sup>rd</sup>) of the Board membership and for a director who is qualified under Paragraph 15.09 (1) (c) of Bursa Securities' Listing Requirements to sit on the Audit Committee.

#### Balance of Independent and Non-Independent Directors



#### Length of Tenure of Independent Directors



#### Age Diversity (as of 31 July 2021)



#### Nationality/Ethnicity



The Board composition which comprises majority Independent Directors also conforms with Practice 4.1 of the MCCG namely, Gamuda, being classified as a Large Company is recommended to maintain a Board that is significantly independent.

YM Tunku Afwida binti Tunku A.Malek has reached her nine-year term with Gamuda and will be retiring as an Independent Director at the Forty-fifth ("45<sup>th</sup>") Annual General Meeting ("AGM") of the Company scheduled for 8 December 2021. The nine-year term for Independent Directors is in line with the recommendation of the Malaysian Code on Corporate Governance ("MCCG") and any retention of Independent Directors beyond the nine-year term would require shareholders' approval at AGMs on an annual basis.

The biographical particulars of the Directors are set out in the Profile of Board of Directors section of this Annual Report. An updated list of Directors of the Company and their respective roles and functions has been maintained on the website of the Company together with the updated biographical particulars of each Director.

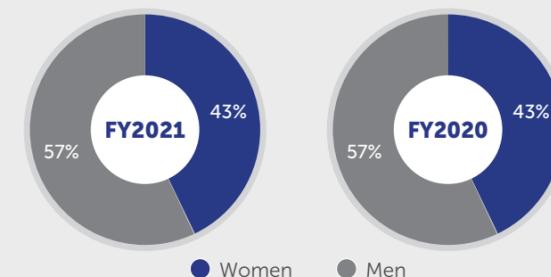
The Board is satisfied that the current composition with majority Independent Directors does fairly represent the investment of the majority and minority shareholders in the Company. The current Board brings with it a broad range of business, financial, technical and public service background.

The Board is a firm believer in promoting diversity in its membership, including gender, ethnicity and age, and strives to maintain the right balance for effective functioning of the Board.

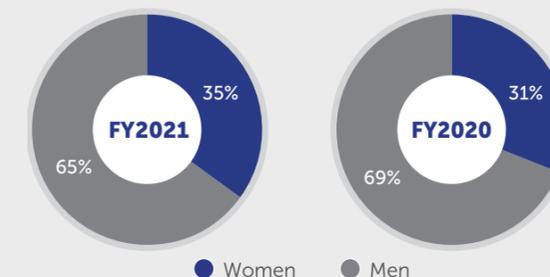
Recognising the benefits of diversity in its broad spectrum, the Board has adopted a Diversity and Inclusion Policy on 28 September 2016. The Board has consistently maintained the 30 percent women directors on its Board as it believes that women directors will add value to Board discussions by bringing new perspectives, approaches and ideas to help the Group succeed. Under the current Board composition, women representation on the Board is 43 percent, which has exceeded the 30 percent requirement.

Across the Group, the respective proportions of male and female employees on the Board, in the workforce and across the business (now reported at a global level) as of 31 July 2021 are as illustrated below.

#### Proportion of Women on the Board



#### Proportion of Women in Workforce



	FY2021	FY2020
Women	43%	43%
Men	57%	57%
Number of Women	3	3
Number of Men	4	4

	FY2021*	FY2020
Women	35%	31%
Men	65%	69%
Number of Women	1,257	1,904
Number of Men	2,358	4,211

For details on ethnic, age and gender diversity in Gamuda's workforce, please refer to the Sustainability Report set out in pages 102 to 103 of this Annual Report.

Note:  
\* Exclude joint venture and associate companies.

The Company Directors are professionals in the fields of construction and engineering, finance, accounting, legal and experienced senior public administrators.

Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to ensure that the Group continues to be a competitive leader within its diverse industry segments with a strong reputation for technical and professional competence.

The Board composition in terms of each of the Director's industry and/or background experience, age and ethnic composition is as follows:-

Directors	Industry/ Background Experience					Age Composition			Ethnic Composition		Gender	
	Construction and Engineering	Public Services	Banking	Accounting/ Finance	Legal	50 to 59 years	60 to 69 years	70 to 79 years	Bumiputera	Non-bumiputera	Male	Female
Dato' Mohammed Hussein			✓	✓				✓	✓		✓	
Dato' Lin Yun Ling	✓						✓			✓	✓	
Dato' Ir Ha Tiing Tai	✓						✓			✓	✓	
Raja Dato' Seri Eleena Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah					✓		✓		✓			✓
Tan Sri Dato' Setia Haji Ambrin Buang		✓						✓	✓		✓	
Tunku Afwida Tunku A.Malek			✓	✓		✓			✓			✓
Nazli Mohd Khir Johari	✓			✓			✓		✓			✓

The profile of the Board members are set out on pages 40 to 48 of this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

To ensure the continued effectiveness of the Board, the Company undertakes a formal evaluation each year in order to assess the effectiveness of the Board and the Audit Committee.

During the financial year 2021, an annual evaluation of the effectiveness of the Board as a whole and an annual self-evaluation of the Audit Committee were conducted internally.

Given current challenging economic and social conditions as a result of the COVID-19 pandemic, the Board has reviewed the cost of engaging external independent experts to facilitate Board evaluations for the current financial year ended 31 July 2021 and has deferred the engagement of external independent experts as the Company needs to conserve its resources for its operations, COVID-19 related expenses and new projects. This cost may be deferred to the next financial year ending 2022 or to financial years ending thereafter, if deemed necessary by the Board.

The evaluation process is led by the Nomination Committee's Chairman and supported by the Company Secretaries. The evaluation results are considered by the Nomination Committee, which then make recommendations to the Board and are aimed at helping the Board to discharge its duties and responsibilities.

The evaluation is based on specific criteria, covering areas such as the Board composition and structure, principal responsibilities of the Board, the Board process and Board governance.

The 2020/2021 Evaluation of the Board Performance and the 2020/2021 Audit Committee Self-Assessment have been structured to ensure a balanced and objective review by the Directors and the Audit Committee, respectively for the above key areas.

Following the two evaluations, the Board concluded that the Board as a whole and its Board Committees have been effective in their overall discharge of functions and duties.

The Board regularly reviews the independence of each Independent Director by undertaking annual assessment of the independence of its Independent Directors. The criteria for assessing the independence of an Independent Director were developed by the Nomination Committee with the support of the Company Secretaries which include the relationship between the Independent Director and the Company and his/her involvement in any significant transaction with the Company. In addition, all Directors are required to disclose to the Board any conflicts of interest or duty and material personal interest in any matter that relates to the affairs of the Company.

### III. Remuneration

The Board has in place a Remuneration Policy for Directors and Key Senior Management which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Gamuda Group.

In this regard, the Remuneration Committee is responsible to review the said policy from time to time to ensure the same remain competitive, appropriate, and in alignment with the prevalent market practices. The said policy was approved by the Board for adoption on 27 June 2018 and is available for reference on Gamuda's corporate website at [www.gamuda.com.my](http://www.gamuda.com.my).

The Remuneration Committee's main responsibility is to review and recommend to the Board the framework of Executive Directors' and Key Senior Management's remuneration, in particular, the remuneration packages for the Executive Directors of the Company in all its forms, drawing from outside advice, where necessary and fees payable to the NEDs. The Remuneration Committee aims to ensure that Directors' remuneration is competitive, motivates good performance and loyalty, and supports growth in shareholder value.

During the financial year under review, the Remuneration Committee undertook the following reviews of the remuneration packages prepared by the Human Resource Department:-

1. The Group Managing Director's and Deputy Group Managing Directors' remunerations;
2. The NEDs (include Independent Directors) remuneration; and
3. Group Senior Management's remunerations.

The objective of the above reviews was to align the Executive Directors' and NEDs' remuneration packages with the remuneration of Executive Directors and NEDs from peer companies in the same industries.

From the findings, it appears that the remuneration for the top three Executive Directors namely, Group Managing Director and the two Deputy Group Managing Directors are comparable with most public listed companies benchmarked.

After due consideration on market trends together with the Company's performance and given market uncertainties due to the pandemic and the butterfly effect of the pandemic, the Board on the recommendation of the Remuneration Committee has decided that:-

- a. the salary pay cuts for Executive Directors and Senior Management of the Company be maintained for the calendar year 2021 in the same quantum as calendar year 2020 as follows:
  - Executive Directors : 20% - 30%;
  - Key Senior Management : 10% - 30%;
- b. staff salaries with annual salaries RM1.0 million and below, after a 12-month pay cut were reinstated in June 2021.

To be consistent with the non-reinstatement of the EDs' and Key Senior Management's salaries, the NEDs (including Independent Directors) have voluntarily agreed that the non-reinstatement should also be applied for their remuneration. However, the Board (saved for the NEDs) has decided that the Directors' fees of the NEDs (including Independent Directors) be reinstated in respect of the financial year ended 31 July 2021.

Detailed information on the Directors' remuneration for the financial year 2021 on a named basis are disclosed under Note 6 of the Financial Statements section in this Annual Report while the detailed information of the Company's top five Group Senior Management on a named basis are disclosed under Practice 7.2 of the CG Report.

## PRINCIPLE B:

### EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. Audit Committee

The Audit Committee takes on the role of assisting the Board in the discharge of its fiduciary duties, the responsibility of overseeing the financial reporting process and ensuring that the results of the Company's operations are fairly presented in its financial statements.

In effectively discharging its oversight roles on governance and internal controls, the Audit Committee is assisted by the Head of Internal Audit and the Chief Integrity Officer who leads the Group's in-house internal audit (assurance) and integrity and governance functions, respectively.

The composition of the Audit Committee is in line with Practice 8.1 of the MCCG which requires that the Audit Committee Chairman and the Board Chairman to be held by different Independent Director of the Company.

A full Audit Committee Report is set out on page 161 of this Annual Report.

The effectiveness, performance and independence of the external auditors i.e. Ernst & Young PLT ("EY") is reviewed annually by the Audit Committee. If it becomes necessary to replace the external auditors for performance or independence reasons, the responsibility for the selection, appointment and removal of the external auditors has been delegated to the Audit Committee by the Board pursuant to the External Auditor Policy which was approved by the Board on 28 September 2017. The External Auditor Policy is available for reference on Gamuda's corporate website at [www.gamuda.com.my](http://www.gamuda.com.my). A review of the said policy was carried out on 23 September 2020 by the Audit Committee to streamline the policy with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA By-Laws").

EY has provided the required confirmation of their independence to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement during the financial year ended 31 July 2021 in accordance with:

- MIA By-Laws; and
- the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

The Audit Committee has on 16 June 2021 and 22 September 2021, reviewed the suitability and independence of EY and is satisfied that EY has met the relevant criteria prescribed under Paragraph 15.21 of the Listing Requirements of Bursa Securities. Thus, the Audit Committee has recommended that the Board endorses EY's re-appointment for the ensuing financial year and recommends that the shareholders of the Company approves EY's re-appointment at the 45<sup>th</sup> AGM.

EY has attended two out of the four Audit Committee Meetings of the Company held to discuss their audit plan, audit findings and the financial statements. EY will highlight to the Board through the Audit Committee matters that require the Audit Committee's or the Board's attention together with the recommended corrective actions thereof. The Management of the Company is held responsible for ensuring that all these corrective actions are undertaken within an appropriate time frame.

The Audit Committee also meets EY without the presence of the Executive Directors and Management as this allows for free and honest exchange of views and opinions on matters related to external auditors' audit and their findings. For this purpose, the Audit Committee and EY met twice (September 2020 and June 2021) during the financial year under review.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Audit Committee has considered the provision of the non-audit services by EY during the financial year under review and concluded that the provision of these services did not compromise their independence and objectivity. The total amount of audit fees paid/payable to the external auditors is RM1,690,000/- (2020: RM1,478,000/-). The non-audit fees incurred for services rendered to the Group by the external auditors and its affiliates for the financial year ended 31 July 2021 was RM655,000/- (2020: RM1,079,000/-). The non-audit fees are mainly in relation to the provision of the following services:-

- Company taxation services and tax advisory;
- Sustainability reporting services; and
- Advisory services for proposed sale of toll highways.

Significant related party transactions of the Group for the financial year are disclosed in Note 41 of the Financial Statements section in this Annual Report. Except for those disclosed in the Financial Statements, there were no material contracts of the Group involving Directors' and major shareholders' interest during the period.

The Audit Committee has reviewed the related party transactions that arose within the Group to ensure that the transactions were fair and reasonable, not detrimental to the minority shareholders and were in the best interests of the Company.

### II. Risk Management and Internal Control Framework

The Board is satisfied that risk management policies and procedures designed and implemented by the Management of the Company through the Risk Management Committee is prudent in ensuring that an effective internal control and risk management systems are in place to enable risk to be assessed and managed.

The Risk Management Committee's focus is on the Group's key operational risks and policy issues that could have an impact on the Group's viability and sustainability. The work of this Committee forms an important part of the Group's control function. Significant risks faced by the business are identified and evaluated based on the likelihood and potential impact of each risk and where necessary, actions to mitigate the risks were also identified. The Risk Management Committee Report is set out on pages 159 to 160 of this Annual Report.

The Board also takes into consideration advice from the Audit Committee and the Risk Management Committee, reports received from the external auditors and any other related matters which have come to its attention.

The Statement on Risk Management and Internal Control of the Group which provides an overview of the state of internal control within the Group, is set out on pages 157 to 158 of this Annual Report.

### III. Integrity and Governance Unit ("IGU")

In line with the Strategic Plan of the Integrity and Governance Unit (IGU) 2019 - 2021 by the Malaysian Anti-Corruption Commission (MACC), the establishment of IGU was approved by the Board on 13 December 2019 to showcase its strong commitment towards upholding integrity.

The Statement by IGU enumerating its activities during the financial year under review are set out on page 164 of this Annual Report.

The following two policies were adopted by the Group last financial year, namely:-

- The Anti-Bribery and Corruption Policy; and
- The Whistleblowing Policy and Procedures (supersedes the whistleblowing policy adopted by the Group in 2011).

Following the adoption of the above two policies, the IGU proceeded to implement Integrity Pledges for Directors and the Company employees during the financial year under review. The pledge sets a clear leadership tone that there is no compromise on the issue of corruption and reinforces the will and corruption-free stand of the Board and the Management of Gamuda as well as the Group. It also demonstrates Gamuda long-standing commitment to promote integrity and good governance amongst its personnel and further reaffirms the Group's stand in ensuring that there are no corrupt practices or elements of corruption throughout the Group and that any abuse of power will not be tolerated.

## PRINCIPLE C:

### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### I. Communication with Shareholders and Investors

The Company strives to maintain an open transparent channel of communication with its shareholders, institutional investors, analysts and the public at large with the objective of providing as clear and complete picture of the Group's performance and financial position as possible. Communication with shareholders and investors is of considerable importance to the Company.

As part of its corporate governance initiatives, the Company has set up a full-time Investor Relations ("IR") unit which primary role is to implement effective IR policies and programmes. A comprehensive IR report enumerating its policy, practices and programmes, during the financial year under review are as set out on pages 35 to 36 of this Annual Report.

#### II. Conduct of General Meetings

Gamuda AGM provides a useful platform for direct communication between the Board and shareholders and a key medium used to disclose information to shareholders and stakeholders. Material information such as financial reports and audits are discussed at the AGM, giving shareholders and stakeholders a chance to get more credible information so that they can take informed decision. As the date of AGM are scheduled and approved in advance each year, members of the Board were able to commit to attending the AGM, save for unforeseeable circumstances that are beyond their control.

To ensure effective participation of and engagement with shareholders at the Forty-fourth ("44<sup>th</sup>") AGM of Gamuda held on 8 December 2020, all members of the Board were present at the 44<sup>th</sup> AGM. The 44<sup>th</sup> AGM was conducted virtually for the first time in Gamuda's history, either in person at the

Auditorium, Level 2, Menara Gamuda, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor ("Broadcast Venue") or via video conferencing.

The Chairman of the Board chaired the 44<sup>th</sup> AGM in an orderly manner and allowed the shareholders or proxies to raise questions at the 44<sup>th</sup> AGM. The Deputy Group Managing Director presented the Company's responses to the questions raised by the Minority Shareholder Watch Group and the Group's operation review and business outlook of the core businesses to the shareholders. The senior management of the Company and the Company external auditors, EY, were also present to respond to any enquiries from the shareholders and/or proxies.

In line with good corporate governance practice, more than 21 days' notice has always been given for AGMs every year. For this year's 45<sup>th</sup> AGM scheduled for 8 December 2021, the Notice is issued on 9 November 2021. The notification of the publication of the Annual Report 2021 and the Notice of 45<sup>th</sup> AGM are published on the Company's website and on Bursa Malaysia's website respectively.

Commencing from the Fortieth AGM of the Company in 2016, poll voting using electronic voting system was conducted. In view of the COVID-19 pandemic which has yet to be eradicated for the Company to convene a face-to-face meeting, the forthcoming 45<sup>th</sup> AGM of the Company will continue to be conducted virtually i.e. through live streaming and using Remote Participation and Voting Facilities to give shareholders and/or proxies opportunity to follow and participate in the AGM effectively.

This Corporate Governance Overview Statement was approved by the Board of Gamuda on 29 September 2021.