

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0183
COMPANY NAME : SALUTICA BERHAD
FINANCIAL YEAR : June 30, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

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

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	The Board plays a pivotal role in the stewardship of the direction, operations and ultimately the enhancement of long-term shareholder value. The Board received updates from the Management at the quarterly Board meetings and participates actively in the discussion pertaining to the performance of the Group. The Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions: • Review and approve strategies, business plans and significant policies including adequate internal control to manage risk; • Ensuring that there is in place an appropriate succession plan for members of the Board and senior management; • Ensuring that the Group adheres to high standards of ethics and corporate behaviour including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Best Practice which amongst others includes the declaration of any personal, professional or business interests, direct or indirect which may conflict with directors' responsibilities as a Board Member and to refrain from voting on such transaction with the Group; and • Ensuring the adequacy and effectiveness of the Anti-Corruption and Bribery management and policy. The Board Charter is available on Company's website, www.salutica.com
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Independent Non-Executive Chairman of the Board is Mr. Chia Chee Hoong (“Mr. Chia”), who is responsible in instilling good corporate governance practices, leadership and effectiveness of the Board. He provides leadership and guidance to the Board and is responsible for ensuring effectiveness of the Board’s performance. He works closely with the members of the Board in establishing and articulating clear policies and strategies to be implemented by Management, for the benefit of all stakeholders.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises the importance of exercising objective oversight over Management and therefore believes in the separation of the roles of the Chairman and Management. The positions of Chairman and CEO are held by different individuals with clear segregation of duties defined in the Board Charter. The Chairman, Mr Chia is an Independent Non-Executive director and the CEO is Mr Joshua Lim Phan Yih (“Mr. Joshua Lim”). The Chairman leads the Board in oversight of the management while the CEO is primarily responsible for the day-to-day management of the Group.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board, Mr. Chia is not a member of Audit and Risk Management ("ARMC") and Nomination and Remuneration ("NRC"). This is to ensure there is check and balance as well as objective review by the Board.
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	
	:	

Intended Outcome

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

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied	
Explanation on application of the practice	:	The Board is supported by competent and experienced Company Secretaries who are members of professional bodies and are qualified under section 235(2)(a) of the Companies Act, 2016. They provide advice to the Board in relation to the Company's Constitution, Board policies and procedures and compliance with relevant regulatory requirements, codes or guidelines and legislation.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has unrestricted access to timely and accurate information necessary to carry out their duties, which is not only quantitative but also such information deemed necessary pertaining to the Groups' business and affairs. The agenda and Board papers will be distributed to all Directors in advance of each Board meeting. The Board shall record its deliberations, in terms of the issues discussed and the conclusions thereof in discharging its duties and responsibilities. Where necessary, senior management may be invited to attend meetings for particular items within their responsibility. The Board may also invite external consultants as and when need arises. All deliberations and decisions of the Board would be recorded by the Company Secretaries, who would subsequently circulate the same for review and comments in a timely manner for review and comments before the minutes are confirmed at the next Board meeting. The final minutes are confirmed and approved by the Chairman.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	The Board is guided by the Board Charter and the same is published on the Company's website. The said Board Charter establishes clear and unambiguous functions and roles of the Board and those delegated to the Chairman, Board Committees, the CEO and the Management to enhance accountability. The Board Charter is published on the Company's website www.salutica.com The Board Charter covers, amongst others, the following matters:- • Composition and Board balance • Duties and responsibilities of the Board, Board Committees, Chairman of the Board, Executive Directors and Independent Directors • Company Secretaries • Code of Ethics • Continuing Education for Directors • Board assessment • Relationship with shareholders and stakeholders The Board reviews its Board charter annually or whenever necessary to keep up to date with changes in regulations and best practices and to ensure its effectiveness and relevance to the Board's objectives.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Company has in place: (i) a Standard Code of Conduct, Business Ethics and Conflict of Interests policy which sets out the standards of ethics and conducts expected from the Board, the Management and the employees of the Group; and (ii) an Anti-Bribery & Corruption Policy that sets out the Company's zero-tolerance stand in regard of bribery and corruption. Both policies are available at the Company's website. The Code and the Policy are made available for reference at the Company's website at www.salutica.com.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Company provides avenue to report or disclose without fear of retaliation on any improper conduct or wrongdoing within the Company and its subsidiaries (the Group”) through its Whistleblowing policy. The policy is intended to provide and facilitate a mechanism for the employees and other stakeholders to report their concerns. All stakeholders are encouraged to raise genuine concerns regarding improprieties in the Group’s business practices in an appropriate way. The Chairman of our Audit and Risk Management Committee has been identified as the person to whom whistle blowing reports may be conveyed besides the Management. The Policy is made available for reference at the Company’s website at www.salutica.com	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is committed to its role in delivering long term economic growth in a sustainable and responsible manner. The Group ensures sustainability through: - 1. the Board; 2. the Sustainability Management Committee; and 3. the Sustainability Working Group. We have a Sustainability Officer who is responsible for organizing meetings, collating data, monitoring and presenting key findings for the Committee's review and assessment. The Board together with Management review and adopt the strategic plan supporting long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	Sustainability strategies, priorities and targets have been integrated into the mission and strategic plan of the Company and communicated to the employees. The employees are made aware that sustainability will be the value driver of the Company and forms part of the Company's business model going forward. Our materiality assessment entails a process of identifying and prioritising key sustainability issues. This will enable the Group to review material matters that are most relevant to the Group and its stakeholders. Details describing the Company's approach to stakeholder engagement are as set out in the Sustainability Statement in Annual report 2025.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Group and the Board are constantly monitoring the industry trends and continuously keep themselves abreast on sustainability matters and issues through periodic updates by Bursa Malaysia Securities Berhad and Securities Commission. They are also searching for suitable training programmes which are relevant to the Company’s business so as to equip the Directors with environment, social and governance competency.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The NRC had reviewed the performance evaluation form for the Board which had incorporated the elements of ESG and undertook an evaluation of the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities. The Company is aware on the importance to address the sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success. During the financial year under review, the Sustainability Committee had carried out several measures to address the Company's sustainability risks and measures and steps to reduce and manage such risks.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	We have identified a Sustainability Officer of managerial rank who is responsible for organizing meetings, collating data, monitoring and presenting key findings for the Committee's review and assessment. The process typically involves interactive participation from the members as ESG matters are deliberated and assessed based on their importance or impact to the stakeholders. Overall, the Managing Director is responsible to ensure sustainability focus is relevant to the strategy and operations of the group, and head a Sustainability Committee who are experienced in implementing such defined sustainability strategic actions within their areas of influence.

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	The Board through the NRC is responsible to oversee and review on an on-going basis, the overall composition of the Board in term of size, the required mix of skills, experience and other qualities and core competencies for Directors of the Company. In accordance with Clause 76(3) of the Company's Constitution, the following Directors will be retiring and will be eligible for re-election in the forthcoming AGM:- 1. Mr. Low Teng Lum (Mr. Low); and 2. Mr. Joshua Lim Phan Yih The NRC had conducted the Directors Fit & Proper evaluation of the above Directors and are of the view that they had discharged their duties effectively and had provided valuable contribution and leadership to the Group.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board comprises a mix of qualified and experienced Directors with diverse experience, background and expertise. With the resignation of Mr. Leow Chan Khiang on 17 October 2025, the Board now comprises three (3) Independent Non-Executive Directors and three (3) Executive Directors. The composition complies with Paragraph 15.02 of Main Market Listing Requirements of Bursa Securities (“Listing Requirements”) which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. With the assistance of NRC, the Board assesses the independence of Independent Directors on annual basis to ensure that they are independent and free from any business or relationship which could materially interfere with their exercise of objective and independent judgements and the ability to act in the best interest of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	With the resignation of Mr. Leow Chan Khiang on 17 October 2025, there are now two (2) Independent Non-Executive Directors, namely Mr. Chia and Mr. Low who have reached cumulative term limit of nine (9) years. The Board, based on the review and recommendation made by the NRC, considers them to be independent and recommends that they should continue to act as Independent Non-Executive Director of the Company based on the following justification: (a) The Group has benefited from their long tenure as an Independent Director who have detailed knowledge of the Group's business, internal controls, risk profile, proven commitment, integrity, experience, competence and wisdom to effectively advise the Board. (b) They are independent in character and judgment, independent of management and free from any relationship or circumstances which are likely to affect or could affect his judgment or decision making in the best interest of the Group. (c) They have proven business acumen, academic qualifications, professional and entrepreneurial experience, legal and litigation skills. They have been vocal and constructive in providing feedback to the Board in their decision making.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	The Company is guided by its "Directors' Fit and Proper Policy" to ensure that the appointment and re-election of the Directors are based on an identified objective criterion so that they are able to discharge their duties and responsibilities effectively in the best interest of the Company. The appointment of the Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The said Policy is published on the Company's website www.salutica.com .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board seeks recommendations for candidates for new Board members from existing Board members, senior management team and independent sources. Appointments are subject to screening by the NRC prior to the consideration and approval by the Board. The NRC will not hesitate to utilise independent sources to identify suitable candidates where necessary. Candidates will be appointed to the Board as Independent Non-Executive Director with the recommendation by the NRC after conducted the Directors Fit & Proper Policy assessment.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	The performance of the retiring Directors who are recommended for re-election at the forthcoming AGM are assessed through Board's annual evaluation. The details of directors who are standing for re-election are set out in the profiles of Directors in the Annual Report 2025. A statement by the Board and the NRC on their satisfaction as to their performance and effectiveness of the retiring Directors who are offering themselves for re-election are set out in the notes accompanying the notice of AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination and Remuneration Committee (“NRC”) is chaired by Mr. Low who is a Senior Independent Non-Executive Director. All the members of the NRC consist of independent non-executive directors to ensure objectivity and independent judgement during deliberations.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	For FYE2025, the Board has two (2) female directors representing 28.5% of total seven (7) Board members. The Board will provide equal opportunity to candidates with merit. Nonetheless, the Board is mindful of the recommendation for Board diversity. The Board will endeavour to ensure that gender, ethnicity and age diversity will be taken into account in nomination and appointing any new director.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the opinion that there is no need for a formal gender diversity policy. The Group is committed to provide fair and equal opportunities and nurturing diversity within the Group.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>		
Application	:	Applied
Explanation on application of the practice	:	During the financial year, the Board, through its NRC has conducted annual evaluation of the effectiveness of the individual directors. The evaluation was internally facilitated and conducted through evaluation forms circulated to Board members. A scoring mechanism is used and each board member is provided with his/her individual assessment and comments (if any) for continuous improvement. Self-assessment enables the Board to effectively and collectively identify opportunities to improve processes.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The detailed remuneration policies and procedures are not published on the website in order to protect both the confidentiality of senior staff rewards and avoiding industry poaching. The Company has a remuneration policy and guideline under the purview of the NRC which is annually reviewed to both its relevancy and application. These policies and procedures to determine the remuneration of the Directors and senior management are not made available on the Company's website. The Board determines the remuneration of Directors and senior management by taking into account the demands, complexities and performance of the Company as well as the skills and experienced required.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The NRC which comprises independent non-executive directors is authorised by the Board to oversee and review the director's remuneration. The Terms of Reference of NRC is published on the Company's website www.salutica.com .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The disclosure on named basis for the remuneration of individual directors and the remuneration breakdown of individual directors includes fees, salary, bonus, benefit's-in-kind and other emoluments are set out in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Chia Chee Hoong	Independent Director	88	Nil	Nil	Nil	Nil	Nil	88	88	Nil	Nil	Nil	Nil	Nil	88
2	Low Teng Lum	Independent Director	55	Nil	Nil	Nil	Nil	Nil	55	55	Nil	Nil	Nil	Nil	Nil	55
3	Tan Gim May	Independent Director	55	Nil	Nil	Nil	Nil	Nil	55	55	Nil	Nil	Nil	Nil	Nil	55
4	Leow Chan Kiang	Independent Director	55	Nil	Nil	Nil	Nil	Nil	55	55	Nil	Nil	Nil	Nil	Nil	55
5	Joshua Lim Phan Yih	Executive Director	55	Nil	Nil	Nil	Nil	Nil	55	55	68	862	70	Nil	5	1060
6	Lim Chong Shyh	Executive Director	55	Nil	Nil	Nil	Nil	Nil	55	55	92	837	Nil	25	116	1125
7	Chan Shook Ling	Executive Director	55	Nil	Nil	Nil	Nil	Nil	55	55	25	320	Nil	4	10	414
8	Joel Lim Phan Hong (alternate to Lim Chong Shyh)	Non-Executive Non-Independent Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board is of the view that it would not be in the best interest of the Company to disclose on a named basis the top five senior management's remuneration component because of industry competitiveness for skilful and experienced senior management staff. Furthermore, this is also to preserve confidentiality, negative impact arising from disclosure, and the larger need to maintain a stable work environment to meet long-term strategic goals. In addition, their annual increments and bonus payouts would be based on performance.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board established the ARMC comprising wholly of independent non-executive directors. The Chairman of the ARMC, Mr. Leow Chan Kiang had resigned on 17 October 2025. Per MMLR Paragraph 15.19, the Company shall fill the vacancy in the ARMC within 3 months. The Chairman of the Board, Mr. Chia is not a member of the ARMC effective 26 February 2024. This is to ensure the independence of the ARMC in carrying out its duties and responsibilities. The Committee meets periodically to carry out its duties and functions and has unrestricted access to the internal and external auditors and the Management.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The ARMC has included in its Terms of Reference the cooling off period of three (3) years for a former key audit partner to observe before being appointed as a member of the ARMC. Currently none of the members of the Board nor the ARMC were former key audit partners of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	The ARMC is responsible for assessing the capabilities and independence of the external auditors and to also recommend to the Board on their appointment, re-appointment or termination of their services to the Company. The external auditors, Messrs PKF PLT (“PKF”) presented its Audit Planning Memorandum for the ARMC’s review on 25 August 2025 which outlined its engagement team, audit timeline, the areas of audit emphasis, and their focus on key audit matters with reference to the approved standards on auditing issued by the Malaysian Institute of Accountants. The Board, through the ARMC, has assessed and affirmed the independence, objectivity and suitability of the External Auditors to continue in office. The external auditors had also confirmed the independence throughout their audit engagement in respect of the financial year under review.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprised solely of independent non-executive directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	The ARMC members consists of independent non-executive directors. They have attended relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, practices and rules to enable them to discharge their duties effectively. The profile of the ARMC and details of the trainings attended are disclosed in the Annual Report 2025.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board affirms its responsibility for the Group's system of internal control and risk management and its commitment to review its effectiveness, adequacy and integrity. The Group has established Risk Management Committee ("RMC") chaired by the Chief Executive Officer with members from the Key Management personnel from respective divisions. The objective is to ensure the effectiveness of identification, analysis, assessment, monitoring and communication of risks and internal control issues that will allow the Group to safeguard shareholders investments and assets by mitigating losses and maximising opportunities. The Board recognises that a sound system of internal control and risk management is to provide reasonable but not absolute assurance against risk of material errors, fraud or other irregularities.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board via its ARMC monitors and assess the risk appetite and risk tolerance for the Group in order to safeguard the shareholders' interest and the Group's assets. The consistent and systematic application of risk management is central to maximising shareholders' value, effectively leveraging the benefits of opportunities, managing uncertainty and minimising the impact of adverse events. The risk profile identified are categorised based on likelihood of occurrence and the impact if such occurrence happened. A risk register is maintained and updated on a quarterly basis or whenever the need arises. The Group's risk monitoring and management is enhanced through the engagement of an independent professional service provider to provide independent assurance on the effectiveness of the Group's system of internal controls and advise the Board in areas that requires further improvement. The key features of the Company's risk management and internal control framework which outlines their adequacy and effectiveness are disclosed under the Statement on Risk Management and Internal Control ("SORMIC") in the Annual Report 2025.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board is supported by the ARMC that has been tasked with reviewing and recommending the risk management policies and strategies for the Group and also review and recommending sustainability strategies and performance in advancing the Group's sustainability activities and targets.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	During the financial year 2025, the Board has outsourced the internal audit function to an independent professional service provider, JWC Consulting Sdn. Bhd. ("JWC Consulting"). They provide independent assurance to the ARMC on the adequacy and effectiveness of the Group's system of internal controls and advise in areas that requires further improvements. The internal auditor reports directly to the ARMC and their performance is reviewed by the ARMC on an annual basis. The Group had conducted two internal audit reviews during the financial year 2025. The internal auditor also conducted follow-up reviews/audits to ensure that the corrective actions were implemented accordingly.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied	
Explanation on application of the practice	:	The internal audit function is carried out by an independent professional service provider, JWC Consulting. The internal audit engagement team is headed by Ms. Joyce Wong, who is the founder of JWC Consulting together with its managing consultants and team leaders. They are free from any relationships or conflicts of interest which could impair their objectivity and independence. The internal audit members performed their work guided by the International Professional Practices Framework for Internal Auditing from the Institute of Internal Auditors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board, in its best efforts, keeps the shareholders and stakeholders informed of the Company's business and corporate development and ensure that the Company's communication is timely, informative, appropriate and transparent. The supply of information to stakeholders is made through announcements via Bursa LINK and various disclosures through the Company's website and the media. The Company's website includes Investor Relations section which is accessible to the public and provides all relevant information on the Company. The Company also engages with its shareholders through Annual General Meetings which provides an avenue for them to express concerns and seek clarifications to achieve an effective and transparent communication between both parties.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable as the Company is not a Large Company as defined by the Malaysian Code on Corporate Governance.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Notice of the forthcoming 13 th Annual General Meeting (13 th AGM) of the Company is circulated to the shareholders on 24 October 2025, giving the shareholders at least 28 days’ notice prior to the AGM. In addition, the Notice of AGM is also published in a nationally circulated newspapers together with an announcement on Bursa’s website and also the Company’s website. This ensures the shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at the AGM.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	All members of the Board, the Company Secretary, External Auditors and the senior management had attended last year virtual 12 th AGM at the Broadcast Venue. During the AGM, the Chairman and the Managing Director responded to all the questions posted by shareholders.	
Explanation for departure	:		
	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied	
Explanation on application of the practice	:	The 12 th AGM of the Company held on 22 November 2024 was conducted fully virtual basis through live streaming, which enabled remote shareholders' participation and online voting. Detailed instructions and procedures on the remote participation and electronic voting process were provided in the Administrative Guide of the virtual AGM for shareholders published on the Company's website. The voting at the 12 th AGM was conducted on a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirement of Bursa Malaysia for all the resolutions proposed by way of electronic poll. Shareholders who were unable to attend were entitled to appoint proxy/proxies to participate in the AGM and vote on their behalf.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	The Chairman ensures that the AGM serve as an important opportunity for effective communication with, and constructive feedback from the shareholders. During the 12th AGM conducted last year, shareholders were given opportunities to submit their questions via our Share Registrar's online portal. The Chairman further ensures sufficient time are allocated for discussions and addresses questions raised. The Board expressed satisfaction with the agenda, and venue arrangements for the AGM, and there have been no major contentious issues identified. The Managing Director, Mr. Joshua Lim, gave a presentation on the Group's business outlook during the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	Shareholders submitted questions prior to the meeting and also other queries received through RPV facilities during the live streaming of the 12 th AGM. The Managing Director, Mr. Joshua Lim provided response to the questions posed by the shareholders.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Minutes of the 12 th AGM was made available on the Company's website www.salutica.com no later than 30 business days after the convening of the AGM.
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	
	:	

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

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

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