

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8621
COMPANY NAME : LPI CAPITAL BHD
FINANCIAL YEAR : December 31, 2023

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	:	<ul style="list-style-type: none">• The Chairman ensured that :-<ul style="list-style-type: none">(i) appropriate procedures are in place to govern the Board's operation and lead the Board in establishing and monitoring good corporate governance practices in the Company.(ii) decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board, and that Directors receive the relevant information on a timely basis.• The Chief Executive Officer/ Executive Director formulated the strategic vision and business directions for the Company.• The Directors promoted sustainability through appropriate environmental, social and governance considerations in the Company's business strategies. They also ensured that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.• "Corporate Mission, Vision and Our Core Values" were adopted across the Company to promote and implement a good corporate culture within the Company that reinforces ethical, prudent and professional behaviour.• Risk Management and Internal Control Framework for the Group encompasses the Board & Management's oversight in the risk management of the Group; and ensures the Group's business objectives are supported by a sound strategy that is directed by a clear risk appetite statement approved by the Board.• The Nomination & Remuneration Committee, in assisting the Board, carried out annual assessment on the fit and proper of the Key Responsible Persons as per internal policy to ensure the Management has the necessary skills and experience. The Board Succession Plan had been put in place to identify suitable candidates and competencies for the new directors, ensuring the Board has the required skills and experience to fill the defined gaps.

	<ul style="list-style-type: none"> • The Enterprise Risk Management and Sustainability Department of the subsidiary of LPI Capital Bhd (“LPI”) had established a formal governance structure for the Group’s sustainability activities, including formalising the various processes therein, for example, the materiality assessment and stakeholder engagement processes. • LPI and its subsidiary, Lonpac Insurance Bhd (“Lonpac”) had adopted Business Resumption Continuity Plan (“BRCP”), and carried out the testing on Business Continuity Plan and Disaster Recovery Plan twice yearly, in accordance with BRCP. • The Management’s proposals which require the Board’s approval would be tabled at Board meetings for discussion and approval prior to implementation. Relevant reports would be tabled to the Board for noting. • The quarterly financial reports were tabled to the Board within 1 month from the end of every quarter. The Audit Committee would ensure the quarterly reports are accurate before recommending them to the Board for approval. • The Risk, Compliance and Sustainability Committee, in assisting the Board, submitted the periodic reports on the risk positions and sustainability performance of the Group and noted the minutes of the Risk and Sustainability Committee and Compliance Committee of the subsidiary, Lonpac. • Integrated Annual Report is the key channel of communication with stakeholders. Another important avenue for communication and dialogue is the Annual General Meeting of the Company. Primary contacts for Investor Relations are disclosed in Integrated Annual Report and on the website at www.lpicapital.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	:	<p>The Chairman, in leading the Board in its collective oversight of management, was responsible for the effective overall functioning of the Board. In fulfilling this role, the Chairman :-</p> <ul style="list-style-type: none"> • manages the interface between Board and Management and provides support and guidance to Management Officers to help facilitate management succession planning. • grooms and mentors Management Officers to achieve consistently high levels of professionalism and excellent performance. • provides leadership to the Board and is responsible for the developmental needs of the Board. • ensures that appropriate procedures are in place to govern the Board's operation. • leads the Board in establishing and monitoring good corporate governance practices in the Company. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman and the Chief Executive Officer ("CEO"), hold separate positions and their respective roles and responsibilities are governed by the Company's Board Charter.</p> <p>The role of the Chairman is disclosed in Practice 1.2 of this report.</p> <p>The CEO/ Executive Director is responsible for :-</p> <ul style="list-style-type: none">• Developing the business direction and strategies of the Company.• Ensuring that the Company's business strategies and policies are effectively implemented.• Ensuring that Board decisions and policies set by the Board are implemented effectively.• Providing the direction for the implementation of short and long-term business plans.• Providing strong leadership i.e., effectively communicating a vision, management philosophy and business strategy to employees.• Keeping the Board well informed of salient aspects and issues concerning the Company's operations and ensuring that adequate management reports are submitted to Board members.• Responsible for the effective management of the Company's day-to-day operations and overseeing the performance of the subsidiary.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<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 was not a member of the Nomination & Remuneration Committee of the Company. However, he has ceased as a member of the Audit Committee of the Company on 7 February 2024.
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	<p>The Company Secretary is a qualified Chartered Secretary (“ICSA”) & Chartered Governance Professional; and a Fellow of The Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”). She is also the Secretary for all Board Committees.</p> <p>The Company Secretary : -</p> <ul style="list-style-type: none"> • fulfilled the Continuing Professional Development (“CPD”) requirements and regularly attended professional seminars to keep abreast of relevant corporate governance and regulatory requirements. • supported the Board by giving advice to Directors on Group’s policies, procedures and relevant legislations, as well as corporate governance best practices. • regularly updated the Board on any new statutory and regulatory requirements relating to the Directors’ duties and responsibilities or the discharge of their fiduciary duties as Directors of the Company. • ensured that the board papers were sent at least 5 business days before the Board meeting and followed up on the issues discussed at Board meetings. • attended all Board and Board Committees meetings and ensured that accurate and adequate records of the proceedings of Board and Board Committee meetings and the decisions made were properly kept at the Registered Office. • fulfilled fit and proper criteria for the role of a company secretary, as assessed by the Nomination and Remuneration Committee, in accordance with the Company’s Policy on Fit and Proper for Key Responsible Persons and Company Secretary.
Explanation for departure	:
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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	:	<p>Board meetings are conducted according to a structured agenda. Board Members were provided with the structured agenda together with the relevant documents and information, 5 business days prior to the Board meeting. This is to facilitate the Directors to peruse the Board papers and seek clarification from the Management or the Company Secretary ahead of the meeting date. Urgent papers may be presented to the Board during meetings, under a supplemental agenda.</p> <p>Timely circulation of notice of meetings together with the agenda and meeting materials (at least 5 business days ahead of Board Meetings), would ensure reasonable time for Directors to peruse Board papers prior to the Board meeting. The meeting materials for the Board meetings are presented in a concise and comprehensive format. The agenda and meeting papers are uploaded to a secured server, which are accessible by the Directors from the electronic devices provided by the Company.</p> <p>The Chairman of each Board Committee would brief the Board on the issues deliberated at the respective Board Committee meetings requiring the Board's attention and approval.</p> <p>Minutes of a Directors' meeting were circulated to all Directors on a timely basis for their review and comment, thereafter for confirmation at the next board meeting. The Directors may request further clarification or raise comments on the minutes prior to the confirmation of the minutes. The signed board minutes were then entered into the minutes books and kept by the Company Secretary.</p> <p>The Board had direct access to the Management and had full and unrestricted access to any information relating to the Company's and Group's operations in the discharge of their roles. The relevant Management officers would also be invited to attend Board meetings to brief the Board on matters relating to their respective areas of responsibility.</p>
Explanation for departure	:	

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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 :	<p>The Company's Board Charter sets out the mandate, responsibilities and procedures of the Board in accordance with the principles of good corporate governance stated in the policy documents, guidelines and requirements issued by regulatory authorities. It clearly identifies the respective roles and responsibilities of the board, board committees and individual directors including CEO/ Executive Director and Non-Executive Directors.</p> <p>The Board Charter and Terms of Reference of the Board Committees are published on the Company's website at www.lpicapital.com.</p> <p>The Board Charter encompasses the following main areas :-</p> <ul style="list-style-type: none">• Composition and Maximum Tenure• Appointment and Re-election of Director• Key Responsibilities of the Board• Roles of Chairman/ CEO/ Executive Director/ Non-Executive Director(s)• Procedures of Board• Directors' Training• Board Committees• Board Evaluation and Assessment• Review of Board Charter <p>The Board had reviewed this charter and the terms of reference of the Board Committees to ensure they remained consistent with the Board's objectives and responsibilities, the relevant standards of corporate governance and the regulatory requirements.</p> <p>The key matters reserved for the Board's approval include the following : -</p> <ul style="list-style-type: none">• Quarterly financial results• Audited financial statements• Declaration of dividends• Internal policies and procedures• Performance assessment on Directors, Board, Board Committees and Management/ Key Responsible Persons• Remuneration for Directors and Management/ Key Responsible Persons• Benefits for Directors• Risk Appetite

- Internal Controls and Risk Management
- Sustainability plans and strategies

The Directors must not hold more than 5 directorships in listed issuers. While there is no restriction on directorships for non-listed issuers, Directors should avoid over committing to multiple directorships which may affect their performance in carrying out their role as Directors of the Company.

The Board is responsible for ensuring continuous training and education programmes for Directors, to update their knowledge and skills; and also keeping abreast of regulatory changes through participation in relevant training programmes.

During the year, the Directors established the Directors Training Development Plan and they attended the following training programmes organised by various parties :-

Description of Training
Insurance/Reinsurance/Insurance Business Development
Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know
19 th Singapore International Reinsurance Conference 2023
BNM-FIDE FORUM Virtual Dialogue
Risk Management
Board Briefing on “Environmental Risk Management” by Oliver Wyman, Business Management Consulting Company
Board Leadership
TP Talk: Getting It Wrong Can Be Costly
EY-Parthenon Board and C-Suite Series - Session 8: Defining a Winning Strategy for Southeast Asia’s Conglomerates
Webinar Talk on "The Generational Divide: Bridging Differences and Building Collaboration" by Ms. Fyiona Yong of Wholistic Coachsulting Ltd., Hong Kong [Organised by Public Bank Berhad]
Asia Pacific Board Leadership Centre Webinar 2023 Board and Audit Committee Priorities [Organised by KPMG]
Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Securities Commission’s Audit Oversight Board Conversation with Audit Committees

	<i>Technology Development</i>
	Cyber Security : What Directors Need to Know [Organised by Minority Shareholders Watch Group]
	Webinar Training Learning Session on “Artificial Intelligence and Driven Business Transformation - Online Wharton” by Professor Kartik Hosanagar
	Virtual Talk on The New Cyber Threat Landscape by Professor Öykü Işık of IMD
	Threat Landscape and Cybersecurity Best Practices
	<i>Corporate Governance/ Sustainability (Environmental, Social and Governance)</i>
	Assessment of the Board, Board Committees & Individual Directors [Organised by Malaysian Institute of Corporate Governance]
	Climate Risk Training Sessions Workshop 1: Climate Risk 101 and TCFD Overview [Organised by Marsh Advisory, Asia]
	Environmental, Social and Governance Bursa Malaysia’s Enhanced Sustainability Reporting Requirements
	Climate Risk Workshop (Part 1) – Risk Identification
	Climate Risk Workshop (Part 2) – Risk Prioritisation
	Introduction of Bursa Carbon Exchange and Centralised Sustainability Intelligence Platform
	Introduction to ESG: “What BODs need to know” by TS Raja Shazrin Shah Bin Raja Ehsan Shah by Galaxy Tech Solutions
	Joint Committee on Climate Change (JC3) Journey to Zero Conference 2023
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Climate Risk on Businesses
	<i>Compliance</i>
	Webinar Talk on "AML/CFT Updates: Evolving Challenges & Expectations in Regulatory Compliance" by Dr. Vijayaraj R Kanniah, Visioon Business Solutions Sdn. Bhd.
	<i>Any topics deemed relevant by the Directors</i>
	Pillar Two of Base Erosion and Profit Shifting (BEPS) 2.0 – Global Minimum Tax
	Virtual Talk on Global Economic Outlook 2023 by Professor Antonio Fatas of INSEAD
	KPMG Webinar – MFRS Updates 2023

Explanation : for departure		
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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	<p>The Group's Code of Conduct and Ethics for Directors outlines the standards of business conduct and ethical behaviour that the Directors should possess in discharging their duties and responsibilities.</p> <p>This Code is based on the following principles :-</p> <ul style="list-style-type: none">• Compliance with Legal and Regulatory Requirements and the Group's Policies <p>Directors should :-</p> <p>(a) be familiar with and comply with all applicable legal and regulatory requirements, as well as the Group's Policies that govern the conduct of the Directors and the Group; and</p> <p>(b) ensure and oversee the effective design and implementation of a compliance system commensurate with the nature, scale and complexity of the business and structure of the Group.</p> <ul style="list-style-type: none">• Observance of the Board Charter <p>Directors should have a clear understanding of their role and responsibilities as set out in the Board Charter of the Group and at all times exercise the powers conferred on them and carry out their duties professionally for the benefit of the Group.</p> <ul style="list-style-type: none">• Duty to Act in the Best Interest of the Group <p>Directors should :-</p> <p>(a) act bona fide in the interest of the Group and exercise their powers for the purposes they were conferred, for the benefit and prosperity of the Group; and</p>

	<p>(b) undertake their duties with reasonable care, skill and diligence in accordance with their legal obligations.</p> <ul style="list-style-type: none"> • Competence <p>Directors should develop, maintain and update the appropriate skill sets to enable them to discharge their responsibilities in alignment with the strategic direction and emerging challenges faced by the Group.</p> <ul style="list-style-type: none"> • Integrity <p>Directors should :-</p> <ul style="list-style-type: none"> (a) at all times act with the utmost good faith towards the Group in any dealings with the Group or on behalf of the Group; (b) act honestly and responsibly in the exercise of their powers in discharging their duties; (c) adhere to the truth, and not knowingly mislead directly or indirectly or make false statements, or mislead by omission; (d) behave in an accountable and trustworthy manner; (e) avoid any acts that may damage the reputation of, or bring discredit to the Group at any time; (f) comply with the Group's Anti-Bribery and Corruption Policy; (g) safeguard the Group's assets, including its physical premises, equipment and facilities as well as the records and information/ data (both physical and electronic means); and (h) avoid misuse of position for insider trading and personal gain. <ul style="list-style-type: none"> • Objectivity <p>Directors should :-</p> <ul style="list-style-type: none"> (a) exercise independent oversight and make decisions solely on merit; (b) avoid any conflict of interest, bias or undue influence of others to override their business and professional judgement; (c) declare, to the Chairman of the Board or the Chairman of the Audit Committee, all matters that could impair their objectivity or lead to conflict of interest; and
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	<p>(d) abstain from participating in any deliberation or decision on an issue at hand in which a conflict of interest arises or could arise.</p> <ul style="list-style-type: none"> • Confidentiality <p>Directors may come into possession of or have access to confidential, sensitive and non-public information (Inside Information) in the course of their directorship with the Group. Directors should treat all such information with the strictest of confidence, not disclose such information to any unauthorised persons and take all necessary precautions to maintain such confidentiality and not use it, directly or indirectly, for any purpose other than what it has been intended, except when disclosure is authorised or legally required.</p> <p>The obligation to preserve the Group's Inside Information is ongoing even after an individual ceases to be a Director of the Group.</p> <ul style="list-style-type: none"> • Fairness <p>Directors should act responsibly and embrace a culture of fairness and transparency. This includes treating those with whom the Directors have professional relationships with respect and ensuring that they consider the impact of their decisions and actions on all stakeholders.</p> <ul style="list-style-type: none"> • Sustainability <p>Directors should take sustainability considerations into account in setting the strategy direction of the Group.</p> <p>The Board has also approved the Policy on Directors' Conflicts of Interest, which aims to guide the Board in managing Directors' Conflicts of Interest.</p> <p>Directors should observe the following to avoid conflict of interest :-</p> <ul style="list-style-type: none"> • Not making improper use of information; • Not making secret profits; • Observing the duty of disclosure in relation to contracts with the Company pursuant to relevant regulatory requirements; • Observing the duty of disclosure by written notice to the Board and Company Secretary on material transactions or material arrangements with the Group; • Observing the duty to refrain from participation and voting where a Director has a direct or indirect interest; and • Complying with related party transaction provisions pursuant to relevant statutory requirements.
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Directors are required to disclose actual or perceived conflict of interest by way of written notice and refrain from attempting to influence any decisions in which they may have or be perceived to have a conflict of interest. Directors manage conflict of interest by doing the following :-

- Disclose conflicts of interest;
- Manage and control the conflicts; and
- Refrain from any activity where necessary to avoid conflicts of interest.

Directors will disclose existing or perceived conflicts of interest prior to the commencement of each Board Meeting. The Company Secretary will respond to disclosures by :-

- Recording in the minutes of the meeting a Director's disclosure of a conflict of interest relating to particular agenda items; and
- Recording in the minutes of the next meeting a Director's conflict of interest disclosure made outside of meeting times.

Both the Code of Conduct and Ethics for Directors and the Policy on Directors' Conflicts of Interest are published on the website at www.lpicapital.com.

The Board has also put in place a policy on managing conflict of interest between the listed company and its subsidiary, encompassing the following :-

- (i) The holding company and its subsidiary should adhere to the Group's policies and procedures, framework and culture so as to ensure that all governance rules and appropriate control system within the Group are in place to avoid any possible conflict of interest within the Group.
- (ii) The subsidiary, subject to its governing regulatory restrictions, should disclose material information to its holding company, where such information is crucial for its holding company to make decisions for the Group's benefits.

Employees should also abide by the following codes established under the Group Human Resource Framework :-

Code of Ethics

Principles: -

- Competence
- Integrity
- Fairness
- Confidentiality
- Objectivity

Code of Conduct

Principles: -

- Duty to our Customers
- Duty to our Industry
- Duty to our Society

The Group has introduced the following to enforce high ethical standards and ensure compliance with the various regulations within the Group :-

- Anti-Bribery and Corruption Policy

This sets out the Group's policies to prevent any acts of bribery and corruption and applies to all members of the Board, employees and those who work for or are associated with the Group. The objective is to uphold the Group's observance of its zero-tolerance policy towards any act of bribery or corruption.

It acts as a source of information and guidance for those working for the Group; and helps them identify and deal with any bribery or corruption issues, as well as understand their responsibilities and obligations.

These policies and procedures have also been designed to comply with legislation and policies governing bribery and corruption practices in Malaysia (Malaysian Anti-Corruption Commission Act (Amendment) 2018) as well as on a global basis.

As a Group and in acknowledgement of its duty to combat bribery and corruption, all service providers and third parties who are affiliated with or engaged to provide services are required to acknowledge the Group's Policy on anti-bribery and corruption by providing a declaration on their understanding of the Policy and their obligations.

Internally, awareness training on the Anti-Bribery and Corruption Policy are provided to all employees of the Group as well as its registered agents on a regular basis.

- Anti-Fraud Policy

This policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the Group. It is the Group's intention to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

	<ul style="list-style-type: none"> • Whistle-Blowing Policy This policy is disclosed in Practice 3.2 of this report. • Anti-Money Laundering (AML) The Group remains steadfast in fulfilling its legal and regulatory obligations without exception and is committed to prevent the use of its products and services for money laundering or terrorism financing. The Group adopts a risk-based approach to assess and monitor financial crimes and its compliance with money laundering and counter-terrorism financing laws, namely the Anti-Money Laundering and Counter Terrorism Financing and Proceeds of Unlawful Activities Act 2001 as well as international best practices and recommendations introduced by The Financial Action Task Force (FATF) on Combating Money Laundering and Financing of Terrorism and Proliferation from time to time. The Group regularly assesses the adequacy of its systems and controls to ensure that they appropriately mitigate the Group's financial crime risks and reflect all legal and regulatory developments. The following key principles govern the Group's approach to controlling AML risk :- <ul style="list-style-type: none"> - Compliance with AML laws and regulations; - Cooperation with and support of regulators and law enforcement agencies in their efforts to prevent, detect and control financial crime; and - Serving customers and providing products and services consistent with the Group's AML risk appetite and commitment. Members of the Board, the Management and all employees are required to adhere to these standards to protect the Group and its reputation from being misused for money laundering and/or terrorism financing or other illegal purposes. Compliance trainings are conducted for the Group's employees on the regulatory requirements under the applicable laws, processes and systems that are used to assess possible money laundering or terrorism financing risks as well as the procedures that have to be followed.
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 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	:	<p>The Board had established a Whistleblowing Policy, to provide an avenue to raise concerns related to possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, in an appropriate manner and without fear of retaliation.</p> <p>The policy provides a transparent and confidential avenue for stakeholders to raise issues that include :-</p> <ul style="list-style-type: none">• Financial malpractice or impropriety or fraud;• Failure to comply with legal and regulatory obligations;• Danger to individual health and safety or to the environment and the cover-up of any of these in the workplace;• Negligence, criminal activity, breach of contract and law;• Miscarriage of justice;• Improper conduct or unethical behaviour; or• Concealment of any or a combination of the above. <p>Confidentiality and anonymity are assured to stakeholders who disclose their concerns in good faith and in doing so, have followed the appropriate disclosure procedures accordingly. In view of the seriousness of an allegation, the policy sets a clear procedural guide for stakeholders to follow in raising their concerns. This will ensure that issues can be addressed to the appropriate person and the proper course of action can be taken. Concerns that are expressed anonymously although less credible, will not be disregarded and will be acted on accordingly.</p> <p>The Whistleblowing Policy provides the contact details of the LPI Audit Committee Chairman and LPI Company Secretary as the Designated Persons, should stakeholders be in doubt of the Management's independence and objectivity regarding the concerns raised.</p> <p>Each allegation will be dealt with fairly and equitably. Actions will be taken based on the nature of the allegation and may be resolved by agreed upon action.</p>

	<p>The Designated Persons may initiate the formation of an Investigation Committee consisting of persons from the Management who are independent of the allegation, where deemed necessary.</p> <p>The contact details of the Designated Persons , are published on the Company's website at www.lpicapital.com.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The Board is ultimately responsible for managing sustainability matters within Group. The Board has established a Sustainability Council (i.e. Management Committee) comprising senior management of the subsidiary, chaired by the Chief Executive Officer of LPI Capital Bhd.</p> <p>The roles of the Board include :-</p> <ul style="list-style-type: none">• To review and approve the Group Sustainability Framework;• To review and approve the Group Sustainability Blueprint (including the Group's sustainability-related priorities, targets and goals);• To ensure the Group's sustainability priorities and its performance against sustainability-related targets and goals are communicated to its stakeholders. <p>The roles of the Sustainability Council include :-</p> <ul style="list-style-type: none">• To oversee the implementation of the Group Sustainability Blueprint;• To monitor the Group's sustainability performance against the targets and goals;• To ensure the Group's policies and operations are in line with the sustainability-related targets and goals as approved by the Board;• To perform sustainability assessment (i.e. stakeholder prioritisation and materiality assessment) for the Group. <p>The Group's operating arm, Lonpac Insurance Bhd had established a Sustainability Committee comprising various control functions chaired by the Chief Executive Officer of Lonpac Insurance Bhd. A designated department, the Enterprise Risk Management and Sustainability department assists the Sustainability Committee to address, communicate, and coordinate the implementation of sustainability-related matters across Lonpac's business units.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.2

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	:	<p>The Group had ensured that its communication with the shareholders and various stakeholders was transparent and timely.</p> <p>The Group is committed to being accountable and responsive to the expectations and interests of its stakeholders. The Group identified seven key stakeholder groups that are directly or indirectly engaged in the value creation activities of the Group. They are as follows : -</p> <ul style="list-style-type: none"> • Employees and the Board; • Business partners and service providers; • Shareholders and investors; • Customers; • Associations and communities; • Legal entities; and • Media. <p>The Group conducts materiality assessment regularly, to understand the needs and concerns of the key stakeholder groups. The responses are being used to review the Group’s list of material sustainability matters.</p> <p>The Integrated Annual Report disclosed all the identified material matters, together with the sustainability targets and indicators as well as the performance for the year under review.</p> <p>The sustainability-related performance against its targets and goals were reported to the Board and the Sustainability Council on a quarterly basis.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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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	:	<p>The Group Risk Management and Internal Control Framework sets out the approach to the identification, assessment, management, monitoring and reporting of risks. The Board would ensure the risk appetite is set and regularly review the performance against the risk tolerance limits.</p> <p>The Board had ensured an appropriate tone from the top with clear management accountability reinforced with the Group's code of conduct, influences the behaviour of employees throughout the Group and drives a consistent consideration of risk as a natural part of decision making.</p> <p>The Board had carried out a robust assessment of the key risks faced by the Group, including those that would threaten its business model, future performance, solvency and liquidity. Stress-testing was conducted to identify potential threats due to exceptional but plausible adverse events. Various management committees were established to oversee various functions within the Group and ensure effective and efficient implementation of the Group policies and framework.</p> <p>The Management had put in place actions to mitigate risks, and controls to maintain risk exposures within acceptable levels defined by the risk tolerance limit approved by the Board. Regular discussion of the Group specific trends, changes in the business environment and claim processes enable the Group to adapt to the market effectively and manage its insurance risks, including exposure to natural disasters.</p> <p>Integration of ESG and climate change matters into business operations allows the Group to contribute towards the sustainability agenda. Climate-related risk tolerance limits had been set by the Board, to ensure exposure to climate-related risks remained manageable.</p> <p>The Board reviews the Directors' Training Development Plan (DTDP) at the beginning of the year to ensure that, through the plan, Directors can upskill themselves with knowledge and skills to fulfil their responsibilities as Directors. Directors of the Group attend several sustainability and climate workshops and conferences organised throughout the year by regulators or external parties, such as JC3 and BNM.</p>

	<p>The quarterly evaluation of sustainability targets and performance is discussed by Lonpac’s and LPI’s Board Risk Committee. Findings are then tabled to the wider Boards of both companies for discussion, who are also responsible for approving the Group’s Sustainability Framework and Sustainability Blueprint. Regular discussions between the Management and the Board ensure the Directors stay abreast of and understand the sustainability issues relevant to the Group and its business.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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	:	<p>The Group Remuneration policies were revised with the incorporation of sustainability performance linked to the remuneration of the Board and employees of the Group.</p> <p>The Nomination and Remuneration Committees of LPI Capital Bhd and the subsidiary, Lonpac Insurance Bhd, would determine the remuneration of Directors, taking into account the demands, complexities and performance of the respective companies including managing material sustainability risks and opportunities as well as the skills and experience required.</p> <p>Sustainability is a criterion for the Board Skills Matrix of both LPI and Lonpac, and has been integrated with the Group's long term business strategy. To that end, both Boards are taking proactive measures to ensure the diversity of skills and experience of their Board. Additionally, the Nomination and Remuneration Committees for both LPI and Lonpac are responsible for the evaluation of their respective Boards, including sustainability competency.</p> <p>Both the LPI and Lonpac Board of Directors approved the revised LPI Group Directors' Remuneration Policy and Procedures, which state that the Nomination and Remuneration Committee must factor in the Director's performance in managing material sustainability risks and opportunities in its assessments of Directors. The Group's sustainability rating is one of the factors being considered in deciding on the remuneration of the Directors for both Boards.</p> <p>In line with the Group's Sustainability Blueprint, sustainability rating is considered in the performance assessment of the Management, other than compliance and audit ratings.</p>
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 4.5- 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	:	The subsidiary company, Lonpac Insurance Bhd (“Lonpac”), had appointed the Chief Risk Officer of Lonpac, to take care of the sustainability areas for the Group.

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	:	<p>The Terms of Reference ("TOR") of Nomination & Remuneration Committee ("NRC") of the Company and subsidiary, Lonpac Insurance Bhd ("Lonpac"), both stated that the respective NRC should review and recommend to its Board the overall composition of the Board and Board Committees based on objective criteria, merits and with due regard to the appropriate size, diversity, required mix of skills, experience, age, cultural background, gender, core competencies, and adequacy of balance between Executive Directors, Non-Executive Directors and Independent Directors, through an annual review.</p> <p>Both NRCs, in assisting their Board in the assessment of the Directors for appointment and re-appointment or re-election, would consider the following :-</p> <p>(i) Ensuring that all Directors fulfil the fit and proper requirements as stated in the Policy on Fit and Proper for Key Responsible Persons and Company Secretary :-</p> <ul style="list-style-type: none">- Probity, Personal Integrity and Reputation – the person must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.- Competence and Capability – the person must have the appropriate qualifications, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position.- Financial integrity – the person must manage his debts or financial affairs properly and prudently. <p>(ii) The Policy on Criteria and Skill Sets for the Board Members and Chief Executive Officer; and</p> <p>(iii) The Policy on maximum tenure of 9 years for Independent Directors.</p> <p>For subsidiary, Lonpac which is under the supervision of Bank Negara Malaysia ("BNM"), applications for the appointment or re-appointment of a Director, upon the Board's approval, should be submitted to BNM for approval, according to the Policy Documents issued by BNM.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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 majority of independent directors (“IDs”), with five out of seven directors being IDs.	
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 5.3

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	:	Upon completion of nine years, an independent director would continue to serve on the board as a non-independent director, if he/she was being re-appointed or re-elected to continue to serve 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

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	:	Adopted
Explanation on adoption of the practice	:	The Board has established a policy that limits the tenure of its independent directors to nine years.

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.

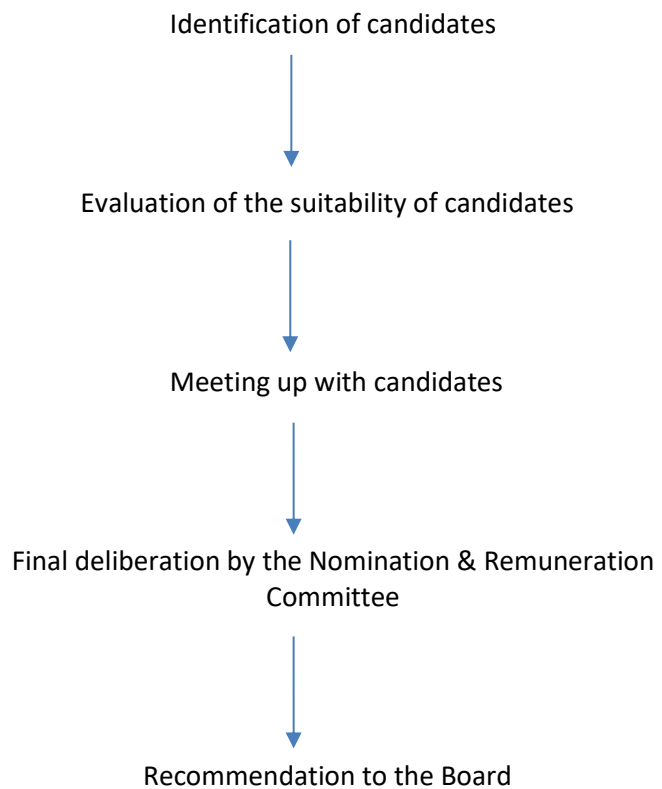
Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established the following policies for the new appointment of Board Members and Chief Executive Officer :-</p> <ul style="list-style-type: none">(i) Policy on Criteria and Skill Sets for the Board Members and Chief Executive Officer;(ii) Policy on Fit and Proper for Key Responsible Persons and Company Secretary; and(iii) Board Diversity Policy. <p>In the evaluation of the suitability of the potential candidate for appointment to the Board or appointment as Chief Executive Officer, the Nomination & Remuneration Committee considers the quality of the potential candidate as per the Board's Policy on Criteria and Skill Sets for the Board Members and Chief Executive Officer, as below :-</p> <ul style="list-style-type: none">(i) Personal qualities and competencies are required, such as leadership, strategic direction, professionalism, industry knowledge, expertise or special skills.(ii) Specific market or business knowledge is required, such as knowledge of legal and regulatory requirements; corporate governance, compliance, risk management and internal controls. <p>The criteria and skill sets for the Board Members and Chief Executive Officer are to ensure alignment with the strategic direction and emerging challenges faced by the Group.</p> <p>The Board, assisted by the Nomination & Remuneration Committee, considered the following fit and proper criteria in making the selection for the appointment of a director or management :-</p> <ul style="list-style-type: none">(i) Probity, Personal Integrity and Reputation – the person must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.(ii) Competency and Capability – the person must have the appropriate qualifications, training, skills, practical experience and

	<p>commitment to effectively fulfil the role and responsibilities of the position.</p> <p>(iii) Financial Integrity – the person must manage his financial affairs properly and prudently.</p> <p>All members of the Management of the Group were also required to declare whether on an individual basis, they hold an aggregate interest of 5% or more in the shares of the Company. This is to ensure that there is an appropriate separation between ownership and management of the Group.</p> <p>The Board recognises and embraces the benefits of a diverse board.</p> <p>The diversity of the Board’s collective skills, experience and age in the financial year 2023, as follows :-</p> <p>(i) Mr Tee Choon Yeow (aged 71)- Finance & Insurance (ii) Mr Tan Kok Guan (aged 67) – Insurance (iii) Mr Lee Chin Guan (aged 65) – Legal (iv) Mr Quah Poh Keat (aged 71) - Finance, Audit & Taxation (v) Ms Chan Kwai Hoe (aged 67) - Compliance & Insurance (vi) Ms Soo Chow Lai (aged 71) - Reinsurance & Investment (vii) Dato’ Chia Lee Kee (aged 70) – Corporate Governance</p> <p>The Board had put in place the following in the :-</p> <p>(i) <u>Appointment of Directors</u></p> <ul style="list-style-type: none"> • Nomination & Election Process and Removal of Board Members Policy for the Group <p>The appointment, re-appointment, removal and annual assessment of Directors are set out in a formal and transparent procedure, the primary responsibility of which has been delegated to the Nomination & Remuneration Committee. The Committee, after due process, shall submit its recommendation to the Board for approval.</p> <p>The Nomination & Remuneration Committee responsibilities :-</p> <ul style="list-style-type: none"> - Oversees the overall composition of the Board in terms of the appropriate size and skills as well as the balance between Executive Directors, Non-Executive and Independent Directors, and mix of skills and other core competencies required to be deemed fit and proper to be appointed as Director in accordance with all the relevant regulatory requirements through an annual review.
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- Ensures that all Directors fulfil the requirements as stated in the Policy on Fit and Proper for Key Responsible Persons and Company Secretary.
- Considers the following aspects in making the selection :-
 1. Probity, Personal Integrity and Reputation – the person must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
 2. Competence and Capability – the person must have the appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position.
 3. Financial integrity – the person must manage his debts or financial affairs properly and prudently.

The Board has a clear and transparent Nomination Process for the Appointment of Directors. The nomination process involves the following five stages :-



- Board Succession Planning Policy for the Group
 - Identify suitable candidates ahead of time in order to facilitate a rapid response to an anticipated retirement or unanticipated departure of directors and expansion of the Board.
 - Assess the competencies as well as the skills and experience of the new directors in order to ensure that they bring to

	<p>the Board the required skills and experience to fill the defined gaps.</p> <ul style="list-style-type: none"> - Ensure a smooth transition when directors resign from the Board and that skill gaps are addressed when appointing new directors. - The following (which may be subject to the relevant regulatory requirements imposed by authorities) are considered in Board succession planning :- <ol style="list-style-type: none"> 1. Composition of the Board. 2. Academic and professional qualifications, relevant experience and the character of the new director. 3. Minimum and maximum numbers for Board and Board Committees' membership. 4. Terms limits on Board, Board Committees and CEO positions. 5. Possibility of term renewal or maximum number of terms of appointment. 6. Independence requirements. 7. Fit and proper requirements. 8. Re-appointment or re-election of directors. 9. Time commitment. 10. Limit on common directorships held in the holding company and the subsidiary. 11. Diversity in the composition of the Board. <p>(ii) <u>Appointment of Management</u></p> <ul style="list-style-type: none"> • Succession Development Policy <ul style="list-style-type: none"> - to assess its leadership needs on a periodic basis; - to ensure that the selection of qualified leaders is diverse and a good fit for the Group's mission and objectives; - to further ensure that the identified potential leaders possess the right set of skills and knowledge that fits well with the Group's direction; and - to have at least 30% of Management filled by women. <p>As stated in the Board Charter of the Company and its subsidiary, Lonpac, each director is expected to meet his time commitment in carrying out his fiduciary duties as a director.</p>
<p>Explanation for departure :</p>	

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 5.6

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	:	<p>The Board had established a clear and transparent Nomination Process for the Appointment of Directors, regardless of the source of recommendation. The nomination process involved the following 5 stages:</p> <ul style="list-style-type: none">(i) Identify candidates;(ii) Evaluation of the suitability of candidates;(iii) Meeting up with candidates;(iv) Final deliberation by the Nomination & Remuneration Committee; and(v) Recommendation to the Board. <p>There was no appointment of a new director in 2023 for the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The Board had provided a statement and the reasons to support the re-election of the directors in the Company's Notice of Annual General Meeting.</p> <p>The profiles of the directors who are seeking re-election at the Annual General Meeting, are disclosed in the Board of Directors' Profiles/ Who Governs Us section of the Integrated Annual Report. These include their age, gender, tenure of service, working experience, directorships in other companies and any conflict of interest in the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 & Remuneration Committee was chaired by an Independent Director.	
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 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board comprised of three (3) women directors representing 42.86% of the full Board in 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Board would be disclosing in its Integrated Annual Report 2023 the Company's policy on gender diversity for the Board on page 100 of the Integrated Annual Report 2023; and gender diversity for the Management on page 68 of the Integrated Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<p><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></p>	
Application	Applied
Explanation on application of the practice	<p>The Board had via the Nomination & Remuneration Committee had conducted the Board Evaluation Exercise (“BEE”) for the Board members of LPI Capital Bhd (“LPI”) in 2023.</p> <p>The Nomination & Remuneration Committee had conducted the annual performance assessment via peer review, guided by the following process :-</p> <p style="text-align: center;">Each Director shall complete a comprehensive Board Evaluation Exercise (“BEE”) questionnaire , which covered areas of :-</p> <p style="text-align: center;">Board of Directors, Board Skills Matrix, Directors’ Self and Peer Assessment, Fit and Proper Assessment, Independence Assessment of Independent Directors, Board Committees’ Assessment</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Summary of the assessment report forwarded to the NRC for annual assessment</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">The NRC to review :</p> <ul style="list-style-type: none"> • Summary of the assessment report which included assessments on individual director, Board and Board Committees, fit and proper assessment and independence assessment of the Independent Director • Assessment of the Board as a whole and each Board Committee by benchmarking the activities carried out by the Board and respective Board Committee against the Board Charter and the terms of reference of each Board Committee



The NRC to collate the results of the assessments and submit to the Board for deliberation and approval

The analysis was based on the responses received from all seven (7) Directors on the category of the assessments as below:

Category of the assessment
Board of Directors' Assessment
Board Skill Matrix Assessment
Directors' Self and Peer Assessment
Fit and Proper Assessment
Independence Assessment of Independent Directors
Board Committees Assessment

LPI's overall score was 90% in 2023, as compared to 87% in 2022.

The positive highlights from the BEE 2023 were as follows :-

(a) Efficacy of the Board Chairman

The Chairman executes "fair process leadership" to reach practical and realistic decisions when the Board deliberates on highly complex matters, despite the uncertainties and unpredictability that could surface during such discussions.

(b) Boardroom Configuration and Composition

The Board has the right balance of skills, experience, and expertise necessary to meet the Company's objectives. There is a strong presence of Independent Directors and an appropriate balance of Non-Independent Directors and Executive Director that allows for cognitive variety in the decision-making process.

In supporting the Board, an appropriate number of dedicated Board Committees were established to oversee specialised areas in a focused manner. The members of these committees are well positioned to effectively discharge their committee roles and responsibilities to the best of their ability in supporting the Board.

(c) Boardroom Commitment and Proactivity

Members of the Board have a collective sense of accountability and respect for serving the Company's best interests with the best intentions. They consistently demonstrate willingness to devote their time and effort to understand the nuances of the Company and its business and participating in events outside the Boardroom.

(d) Boardroom Collegiality

Boardroom dynamics at the Company are distinguished by a monolith of professionalism, candour and collegiality. Everyone in the boardroom is given an equal opportunity to voice their views and ideas, engendering mutual trust and respect.

(e) Strategy Setting

The Board adopts the right touch by partnering with Management when it comes to the strategic aspirations and direction of the Company. On top of this, the Board demonstrates flexibility and agility in recalibrating, fine-tuning, and adding value to the strategies that are presented to them by Management.

(f) Efficacy of the Audit Committee (“AC”) Functionalities

The AC is well-positioned to apply a critical and probing view of the Company’s transactions and effectively challenge Management’s assertions on the financials.

The diversity and depth of the AC members’ professional background and experience which comprise relevant expertise such as accounting, legal, compliance and economics, have allowed the AC to be grounded on a robust body of knowledge and experience in performing its fiduciary duties and overseeing the Company and the Group’s financial accounts. As such, the AC takes proactive measures to safeguard the Company and the Group’s financial reporting and external/internal audit processes.

(g) Efficacy of the Nomination & Remuneration Committee (“NRC”) Functionalities

The NRC ensures that the Board has the right mix of skills, experience, independence and boardroom diversity that is imperative against the backdrop of a challenging business environment.

Furthermore, the NRC maintains a remuneration structure that takes into account the nature and complexity of the Company and a remuneration level that is highly competitive for the market. In instances where deliberations touch upon certain Directors’ or Management’s remuneration, it has become the norm for the concerned individual to abstain from the decision-making process and excuse themselves physically from the boardroom.

(h) Efficacy of the Risk, Compliance & Sustainability Committee (“RCSC”) Functionalities

The RCSC engages with Management to further enrich their understanding of the risk management processes and procedures of the Company. Members of the RCSC also undertake the initiative to enrich and enhance their knowledge of sustainability matters in the industry, as well as ensure that sustainability and business goals are aligned.

(i) Information Flow

The quality of Board papers is engrained with a high-level of granularity and covers a wide-ranging breadth of topics. Board papers are prepared and circulated in a timely manner. Board meetings are scheduled in advance and in practicable intervals throughout the year to capture and maintain strategic momentum amongst board members.

Directors also take time to ensure that meeting minutes accurately reflect the Board's deliberations and decisions in detail. The clear and timely dissemination of information contributes to the management of smooth board meetings and proceedings. In essence, the Board has not only emphasised timely and accurate information to the Board but can also enhance the quality of decision-making and rigour of board deliberation.

(j) Group Governance

Assessment findings revealed that the governance practices cascading from the parent to its subsidiary are clear and pragmatic despite the differences in legal and regulatory requirements between the two entities i.e., Lonpac Insurance Bhd ("Lonpac") is strictly guided by Bank Negara Malaysia, while LPI operates under the supervision of Bursa Malaysia Securities Berhad and Securities Commission Malaysia.

LPI ensures there is an open line of communication between the entities by sharing its agenda with Lonpac to ascertain if any topics need to be discussed at the subsidiary level. Lonpac's Board also alerts LPI's Board when there are subsidiary issues that warrant closer attention by the parent.

(k) Independent Directors

The independent directors of LPI have met the following independent criteria pursuant to Bursa Malaysia Securities Berhad(Bursa)'s Main Market Listing Requirements ("LR") :-

- not an executive director of LPI;
- are not, and have not been within the last 3 years, an officer (except as an independent director) of LPI;
- are not a major shareholder of LPI;
- are not a family member of any executive director, officer or major shareholder of LPI;
- are not acting as a nominee or representative of any executive director or major shareholder of LPI;
- have not been engaged as an adviser by LPI under such circumstances as prescribed by Bursa, or are not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation that provides professional advisory services to LPI; and
- have not engaged in any transaction with LPI under such circumstances as prescribed by Bursa, or are not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiary of LPI) that have engaged in any transaction with LPI.

	<p>(l) Fit and Proper</p> <p>All directors had complied with the following fit and proper requirements :-</p> <ul style="list-style-type: none"> - Fulfilled fit and proper criteria pursuant to Company’s Fit and Proper Policy for Key Responsible Persons and Company Secretary; - Had shown time commitment in attending all Board Meetings during the financial year, as specified in Bursa’s Main LR and the Board Charter; and - Attended at least 50% of the Board Meetings held in each financial year pursuant to Bursa’s Main LR. <p>(m) Succession Planning for Board Chairman and Senior Management Personnel</p> <p>Succession planning is a priority for the Company and the Board is well prepared to handle any situation.</p> <p>The Board had appointed an independent expert to perform Board Evaluation Exercise in 2021. The subsequent board evaluation exercise is expected to take place in 2024.</p>
<p>Explanation :</p> <p>for</p> <p>departure</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had established the Directors' Remuneration Policy and Procedures and the Employees' Remuneration Policy for the Group, as follows :-</p> <p><u>Directors' Remuneration Policy and Procedures for the Group</u></p> <p>This Remuneration Policy and Procedures serve as a guideline for the Board and the Nomination & Remuneration Committee to determine the remuneration of Directors, taking into account the demands, complexities and performance of the Company including its managing material sustainability risks and opportunities, as well as the skills and experience required.</p> <p>The Nomination & Remuneration Committee reviews the remuneration of the Directors annually and submits its recommendations to the Board on specific adjustments and/ or reward payments that reflect their respective contributions throughout the year, and are also competitive and in tandem with the Group's corporate objectives, culture and strategy.</p> <p>The principles for developing the remuneration package for its directors are as follows :-</p> <p>(a) Salaries payable to the Executive Director shall not include a commission on or percentage of turnover;</p> <p>The remuneration packages for Executive Director should involve a balance between fixed and performance-linked elements. The relative weightage of fixed and variable remuneration for target performance varies with level of responsibility, complexity of the role and typical market practice.</p>

The Executive Director's remuneration should be set at a competitive level for similar roles within comparable markets to recruit and retain high quality senior executives. Individual pay levels should reflect the performance, skills and experience of the Executive Director as well as the responsibility undertaken and be structured so as to link the short and long-term rewards to both corporate and individual performance.

(b) Fees payable to Non-Executive Directors are a fixed sum, and not paid by a commission on or percentage of profits or turnover; and

Non-Executive Directors' remuneration packages include consideration of their qualifications, experience and competence, as well as their responsibilities, time commitment and annual evaluation as undertaken by the Nomination & Remuneration Committee. In this regard, the Chairman of the Board shall be remunerated with a higher Director's fee to reflect the additional responsibilities assumed by them.

(c) Periodic benchmarking of remuneration will be undertaken to ascertain the competitiveness of the Company's remuneration packages vis-à-vis other companies. However, such comparisons will be utilised with caution, in view of the risk of an upward ratchet of remuneration levels with no corresponding improvement in corporate and individual performance, and to avoid paying more than is necessary.

The table below summarises the main components that shall form the remuneration packages of the Executive Director (ED) and Non-Executive Directors (NEDs) of the Group :-

Category-Fixed/Variable	Component	Component description
Fixed	Fees	A fixed Director's fee shall be paid to each Director. The Chairman of the Board shall receive a higher rate in terms of Director's Fees to reflect the additional responsibilities.
Fixed	Board Committee Chairman Fee	The Chairman of the Board Committee (regardless of the number of Board Committee

			chairmanship(s) he/she hold(s)) shall receive an annual fee to reflect the additional responsibilities.
	Fixed	Meeting attendance allowance	A payment shall be made to ED and NEDs on a per-meeting basis with the condition that attendance (physical or virtual) is a prerequisite for remittance.
	Fixed	Monthly allowance for the Board Committee(s)	A fixed monthly allowance shall be provided to NED in recognition of their roles and responsibilities in the Board Committee(s).
	Fixed	Base salary	A base-level fixed monthly cash payment shall be provided to ED for performing his day job (including managing material sustainability risks and opportunities).
	Fixed	Benefits	Benefits may be provided to increase the economic security of ED and NEDs and as an incentive to attract and retain talent.
	Variable	Bonus	A performance based sum (paid via cash, shares or stock options) or ex-gratia may be awarded to ED for attaining or exceeding his/ her

			assigned Key Performance Indicators.
<p>The proposed remuneration package by the Nomination & Remuneration Committee, shall be recommended to the Board for the shareholders approval.</p> <p>The Directors' Remuneration Policy and Procedures is reviewed periodically.</p> <p><u>Employees Remuneration Policy for the Group</u></p> <p>The Group Employees Remuneration Policy enables the furtherance of the Group's vision and missions. Remuneration for the employees of the Group shall be used to align individual performances with the Group's goals and objectives. Employee remunerations are supported by a robust performance management system underpinned by the fundamentals of sound risk management, ethics and corporate responsibility. Remunerations should drive employees' diligence, dedication and competency level towards successful implementation of the Group's goals and strategies.</p> <p>The remuneration policy applies to all levels and segments of employees within the Group including Management, Business Operations, Control and Support employees.</p> <p>In line with its core values, the Group's remuneration policy rests on these five (5) key principles :-</p> <p>(a) <u>Business Focused</u></p> <p>Remunerations must be relevant and aligned with the achievement of the Group's business results.</p> <p>(b) <u>Prudent</u></p> <p>The remuneration structure and quantum must reinforce the importance of sustainability, encourage ethical behaviours and sound risk management, as opposed to a short-term view on remuneration without consideration of consequences.</p> <p>(c) <u>Performance Driven</u></p> <p>The performance assessor must have adequate quantitative and qualitative measurements of performance before a practicable and measurable recommendation on remuneration is made.</p>			

	<p>(d) <u>Fair</u></p> <p>There must be no discrimination, biased treatment or any form of exploitation. Proper, fair and logical justification must ensue.</p> <p>(e) <u>Transparent</u></p> <p>Employees should understand the expectations set out and seek for clarification where necessary.</p> <p>The policy will be reviewed by the Nomination & Remuneration Committee on a periodic basis and approved by the Board.</p> <p>A copy of the Directors' Remuneration Policy and Procedures and the Employees Remuneration Policy for the Group are available on the Company's website at www.lpicapital.com.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established the Nomination & Remuneration Committee ("NRC") to review and recommend matters relating to the remuneration of the Board and the Management.</p> <p>The NRC had reviewed and recommended to the Board the remuneration system for Directors, Chief Executive Officer, Company Secretary and Senior Officers (except the Chief Internal Auditor ("CIA")) to ensure that rewards are in line with the business risk strategy, corporate values and long-term interest of the Company.</p> <p>The NRC had also overseen the performance evaluation of the Chief Executive Officer, Company Secretary and Senior Officers (except CIA) and recommended to the Board their promotions, specific adjustments in remuneration and/ or reward payments if any, reflecting their contributions for the year; and which are competitive and consistent with the Company's objectives, culture and strategy.</p> <p>The NRC ensured that the level of remuneration for Non-Executive Directors is linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.</p> <p>A copy of the Nomination & Remuneration Committee's Terms of Reference ("TOR") is available on the Company's website at www.lpicapital.com.</p>
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	<p>The remuneration breakdown of individual directors includes fees, salary, bonus, benefits-in-kind and other emoluments for year 2023 was set out as below :-</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="3">Each Director's Fees and Board Committee Chairman Fee (per annum)</th> </tr> </thead> <tbody> <tr> <td style="width: 33%;">Chairman</td> <td style="width: 33%;">Chairman of Audit Committee and Nomination and Remuneration Committee</td> <td style="width: 33%;">Other Directors</td> </tr> <tr> <td style="text-align: center;">RM300,000</td> <td style="text-align: center;">RM200,000</td> <td style="text-align: center;">RM165,000</td> </tr> </tbody> </table> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="width: 70%;">Meeting Attendance Allowances (per meeting attended)</th> <th style="width: 30%;">Per Member</th> </tr> </thead> <tbody> <tr> <td>• Board Meeting</td> <td style="text-align: center;">RM1,500</td> </tr> <tr> <td>• Audit Committee Meeting</td> <td style="text-align: center;">RM1,500</td> </tr> <tr> <td>• Risk, Compliance and Sustainability Committee Meeting</td> <td style="text-align: center;">RM1,500</td> </tr> <tr> <td>• Nomination and Remuneration Committee Meeting</td> <td style="text-align: center;">RM1,500</td> </tr> </tbody> </table> <table border="1" style="margin-left: 40px;"> <tr> <td style="width: 70%;">Board Committees Membership Allowance (per month)</td> <td style="width: 30%;">RM3,000 per Director</td> </tr> </table>	Each Director's Fees and Board Committee Chairman Fee (per annum)			Chairman	Chairman of Audit Committee and Nomination and Remuneration Committee	Other Directors	RM300,000	RM200,000	RM165,000	Meeting Attendance Allowances (per meeting attended)	Per Member	• Board Meeting	RM1,500	• Audit Committee Meeting	RM1,500	• Risk, Compliance and Sustainability Committee Meeting	RM1,500	• Nomination and Remuneration Committee Meeting	RM1,500	Board Committees Membership Allowance (per month)	RM3,000 per Director
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Chairman	Chairman of Audit Committee and Nomination and Remuneration Committee	Other Directors																				
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• Risk, Compliance and Sustainability Committee Meeting	RM1,500																					
• Nomination and Remuneration Committee Meeting	RM1,500																					
Board Committees Membership Allowance (per month)	RM3,000 per Director																					

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	Mr Tan Kok Guan	Executive Director	165	10.2	1572	1670.25	24.29	389.07	3830.81	165	10.2	1572	1670.25	24.29	389.07	3830.81
2	Mr Tee Choon Yeow	Independent Director	300	57	-	-	-	-	357	600	165	-	-	-	-	765
3	Mr Lee Chin Guan	Independent Director	200	60	-	-	-	-	260	380	162	-	-	-	-	542
4	Mr Quah Poh Keat	Non-Executive Non-Independent Director	165	49.5	-	-	-	-	214.5	345	148.5	-	-	-	-	493.5
5	Ms Chan Kwai Hoe	Independent Director	165	60	-	-	-	-	225	380	159	-	-	-	-	539
6	Ms Soo Chow Lai	Independent Director	165	58.5	-	-	-	-	223.5	165	58.5	-	-	-	-	223.5
7	Dato' Chia Lee Kee	Independent Director	165	58.5	-	-	-	-	223.5	165	58.5	-	-	-	-	223.5
8	Mr Looi Kong Meng	Executive Director	-	-	-	-	-	-	-	180	19.2	1068	912.25	22.7	237.63	2439.78
9	En. Mohd Suffian Bin Haji Haron	Independent Director	-	-	-	-	-	-	-	215	108	-	-	-	-	323
10	Mr Wong Ah Kow	Independent Director	-	-	-	-	-	-	-	215	102	-	-	-	-	317
11	Mr Ng Chwe Hwa	Independent Director	-	-	-	-	-	-	-	180	108	-	-	-	-	288
12	Mr Woo Chew Hong	Independent Director	-	-	-	-	-	-	-	215	93	-	-	-	-	308
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	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

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	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	The top five management's remuneration component in bands width of RM50,000 on named basis during the year 2023, as follows : -	
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	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Mr Tan Soo Boon, Raymond	Senior General Manager- Distribution Division	450,001-500,000	50,001-100,000	250,001-300,000	0-50,000	50,001-100,000	850,001-900,000
2	Mr Yow Kai Fook	Chief Operating Officer – Business Operations, Lonpac Insurance Bhd	500,001-550,000	0-50,000	300,001-350,000	0-50,000	100,001-150,000	950,001-1,000,000
3	Mr Chuang Chee Hing	Deputy Chief Executive Officer, Lonpac Insurance Bhd	900,001-950,000	0-50,000	700,001-750,000	0-50,000	150,001-200,000	1,850,001-1,900,000
4	Mr Looi Kong Meng	Executive Director/ Chief Executive Officer, Lonpac Insurance Bhd	1,050,001-1,100,000	0-50,000	900,001-950,000	0-50,000	200,001-250,000	2,400,001-2,450,000
5	Mr Tan Kok Guan	Executive Director/ Chief Executive Officer, LPI Capital Bhd	1,550,001-1,600,000	0-50,000	1,650,001-1,700,000	0-50,000	350,001-400,000	3,800,001-3,850,000

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 Chairman of the Audit Committee, is not the Chairman of 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

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 policy on observation of a cooling-off period of at least 3 years for a former key audit partner prior to the appointment as a member of the Audit Committee (“AC”), was incorporated in the Terms of Reference (“TOR”) of the AC. A copy of the TOR of AC is available on Company’s website at www.lpicapital.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

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee assessed the suitability, objectivity and independence of the external auditor in accordance with a Framework on the Appointment/ Reappointment of External Auditors ("Framework") which was approved by the Board of Directors.</p> <p>The Framework is in line with the guidance that follows Practice 9.3 of MCCG 2021 as well as the Policy Document on External Auditor issued by Bank Negara Malaysia.</p> <p>The review would be carried out annually prior to recommending the appointment/ reappointment of the external auditor to the Board for shareholders' approval, ensuring that the independence and objectivity of the external auditor as statutory auditors are not compromised. The Audit Committee carried out the review via an assessment checklist that covered the competency, audit quality and resource capacity of the external auditor as well as their independence and objectivity.</p> <p>In evaluating the external auditor's independence, the Audit Committee would obtain annual confirmation from the external auditor on their independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). The external auditor would also confirm that they have fulfilled their ethical responsibilities in accordance with the By-Laws and the IESBA Code.</p> <p>The Audit Committee had met up with the external auditor to discuss their audit plan, audit findings and their views with respect to the true and fair view of the financial statements of the Group. During the meeting, the Audit Committee also discussed with the external auditor any key changes to regulatory requirements and the latest developments in accounting and auditing standards. As provided under its Term of Reference, the Audit Committee would meet the external auditor without the presence of any executive Board members and management staff annually. Such meetings/ engagement with the</p>

	<p>external auditor enable the Audit Committee to evaluate their suitability, competency, objectivity and independence.</p> <p>In terms of appointing the external auditor for non-audit services, due care is taken to ensure that the appointment does not impede the independence, quality and conduct of the statutory audit. The Audit Committee has to be satisfied that the nature and extent of the non-audit services rendered by the external auditor are reasonable for them to maintain objectivity, and that the level of non-audit fees is appropriate so as not to impede the external auditor's independence, before recommending the proposed engagement to the Board for approval.</p> <p>The details of the fees paid/ payable to the external auditor for their provision of statutory audit, audit related and non-audit services are set out in the Company's Integrated Annual Report 2023 on page 131.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

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	:	In adopting the Malaysian Code on Corporate Governance recommendation, the Audit Committee was comprised solely of Independent 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 :	<p>As at 31 December 2023, the Audit Committee comprised five (5) members of whom are independent non-executive directors. The members of the Audit Committee have the relevant accounting or related experience and expertise in the financial services industry to effectively discharge their duties. One (1) of the Audit Committee members is a Chartered Accountant of the Malaysian Institute of Accountants. The qualifications and experience of the individual Audit Committee members are disclosed in the Board of Directors' Profile in the Integrated Annual Report 2023 on pages 103 to 105.</p> <p>The Audit Committee members are financially literate and are able to understand, analyse, critically and objectively review, challenge and make recommendations on matters under their purview, including the financial reporting process with the relevant skill sets, knowledge and experience.</p> <p>All members of the Audit Committee had undertaken continuous professional development. During the year, the Audit Committee members attended the following trainings :-</p> <table border="1"><thead><tr><th><i>Description of Training</i></th></tr></thead><tbody><tr><td><i>Insurance/Reinsurance/Insurance Business Development</i></td></tr><tr><td>19th Singapore International Reinsurance Conference 2023</td></tr><tr><td>BNM-FIDE FORUM Virtual Dialogue</td></tr><tr><td><i>Risk Management</i></td></tr><tr><td>Board Briefing on "Environmental Risk Management" by Oliver Wyman, Business Management Consulting Company</td></tr></tbody></table>	<i>Description of Training</i>	<i>Insurance/Reinsurance/Insurance Business Development</i>	19 th Singapore International Reinsurance Conference 2023	BNM-FIDE FORUM Virtual Dialogue	<i>Risk Management</i>	Board Briefing on "Environmental Risk Management" by Oliver Wyman, Business Management Consulting Company
<i>Description of Training</i>							
<i>Insurance/Reinsurance/Insurance Business Development</i>							
19 th Singapore International Reinsurance Conference 2023							
BNM-FIDE FORUM Virtual Dialogue							
<i>Risk Management</i>							
Board Briefing on "Environmental Risk Management" by Oliver Wyman, Business Management Consulting Company							

	Board Leadership
	Webinar Talk on "The Generational Divide: Bridging Differences and Building Collaboration" by Ms. Fyiona Yong of Wholistic Coachsulting Ltd., Hong Kong [Organised by Public Bank Berhad]
	Securities Commission's Audit Oversight Board Conversation with Audit Committees
	Technology Development
	Webinar Training Learning Session on "Artificial Intelligence and Driven Business Transformation - Online Wharton" by Professor Kartik Hosanagar
	Virtual Talk on The New Cyber Threat Landscape by Professor Öykü Işık of IMD
	Threat Landscape and Cybersecurity Best Practices
	Corporate Governance/ Sustainability (Environmental, Social and Governance)
	Assessment of the Board, Board Committees & Individual Directors [Organised by Malaysian Institute of Corporate Governance]
	Climate Risk Training Sessions Workshop 1: Climate Risk 101 and TCFD Overview [Organised by Marsh Advisory, Asia]
	Climate Risk Workshop (Part 1) – Risk Identification
	Climate Risk Workshop (Part 2) – Risk Prioritisation
	Introduction of Bursa Carbon Exchange and Centralised Sustainability Intelligence Platform
	Joint Committee on Climate Change (JC3) Journey to Zero Conference 2023
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Climate Risk on Businesses
	Compliance
	Webinar Talk on "AML/CFT Updates: Evolving Challenges & Expectations in Regulatory Compliance" by Dr. Vijayaraj R Kanniah, Visioon Business Solutions Sdn. Bhd.
	Any topics deemed relevant by the Directors
	Virtual Talk on Global Economic Outlook 2023 by Professor Antonio Fatas of INSEAD
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	<p data-bbox="544 667 1412 920">LPI Risk, Compliance & Sustainability Committee (“LPI RCSC”), LPI Audit Committee (“LPI AC”), Lonpac Audit Committee (“Lonpac AC”), Lonpac Risk & Sustainability Committee (“Lonpac RSC”), Lonpac Technology Committee (“Lonpac TC”) and Lonpac Compliance Committee (“Lonpac CC”), have the responsibilities to oversee the overall risk management processes by identifying principal business risks and ensuring appropriate implementation of systems to manage these risks.</p> <p data-bbox="544 958 1412 1361">LPI Group Risk Management and Internal Control Framework sets out the governing principles for the enterprise risk management and internal control activities of the Group. The framework involves a continual process of identifying, assessing, managing and reporting on the significant strategic, business and process level risks related to the achievement of the Group’s business objective, and to maintain an effective internal control environment within the Group. The effectiveness of the framework is assessed at least annually which includes a review of all significant risks by the respective risk owners and to assess the overall risk environment of the Group.</p> <p data-bbox="544 1400 1412 1552">The risk management infrastructure of the Group sets out accountabilities and responsibilities for the risk management process which underlines the principal risk management and control responsibilities:</p> <table border="1" data-bbox="544 1585 1412 1982"> <tr> <td data-bbox="544 1585 855 1803">Approval of risk management policies, risk appetite and risk tolerance</td> <td data-bbox="855 1585 1412 1803"> <ul style="list-style-type: none"> • LPI Board • Lonpac Board </td> </tr> <tr> <td data-bbox="544 1803 855 1982">Review risk management policies, risk appetite and risk tolerance</td> <td data-bbox="855 1803 1412 1982"> <ul style="list-style-type: none"> • LPI RCSC • Lonpac RSC • Lonpac CC • Lonpac TC </td> </tr> </table>	Approval of risk management policies, risk appetite and risk tolerance	<ul style="list-style-type: none"> • LPI Board • Lonpac Board 	Review risk management policies, risk appetite and risk tolerance	<ul style="list-style-type: none"> • LPI RCSC • Lonpac RSC • Lonpac CC • Lonpac TC
Approval of risk management policies, risk appetite and risk tolerance	<ul style="list-style-type: none"> • LPI Board • Lonpac Board 				
Review risk management policies, risk appetite and risk tolerance	<ul style="list-style-type: none"> • LPI RCSC • Lonpac RSC • Lonpac CC • Lonpac TC 				

Oversight and assurance	<ul style="list-style-type: none"> • LPI AC • Lonpac AC
Implementation of enterprise risk management sustainability, independent review and compliance	<ul style="list-style-type: none"> • Enterprise Risk Management & Sustainability (“ERMS”) Department • Internal Audit Department (“IAD”) • Information Security (“IS”) Department • Compliance Department
Implementation, development and giving feedback on risk management and sustainability policies	All other various individual departments.

The Board is responsible for the oversight of the Group’s Risk Management and Internal Control Framework, risk appetite/ risk tolerance, capital management framework and risk management policies.

The Board Committees are supported by the ERMS Department, IS Department, IAD and Compliance Department. The ERMS Department identifies and communicates the material risks (present and potential) in terms of the likelihood of exposures and their impact on the Group’s business to the Lonpac RSC, on at least a quarterly basis.

The IS Department establishes and reviews the implementation of technology risk management frameworks, monitors conformance, reviews the management of cyber risk, assists individual departments in making technology-based risk management decisions, and tracks threat and regulatory landscapes on a regular basis.

The IAD performs independent audits and assessments of the adequacy and reliability of the risk management processes and systems. The audits include an assessment of the effectiveness of the control activities undertaken by the individual departments, the effectiveness of the Management oversight and whether the internal control activities and processes remain comprehensive, robust and have been implemented as intended.

The Compliance Department ensures the Group is in compliance with applicable regulatory requirements at all times. The Compliance Department communicates compliance related issues to Lonpac CC on at least quarterly basis.

The individual departments are responsible for identifying, mitigating and managing risks within the lines of business and ensuring that the day-to-day business activities are carried out in accordance with all the established policies, procedures and limits.

	The risk management policies are subject to an annual review to ensure that they remain relevant and effective in managing the associated risks due to changes in the marketplace and regulatory environments.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		


Intended Outcome

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

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

Practice 10.2

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

Application	: Applied
Explanation on application of the practice	<p>: The Group Risk Management and Internal Control Framework (“Framework”) consists of six key components :-</p>  <pre> graph TD A[Governance & Oversight] --> B[Strategy & Objective] B --> C[Identification & Assessment] C --> D[Control Activities] D --> E[Monitoring & Review] E --> F[Communication & Reporting] F --> A </pre> <ul style="list-style-type: none"> i. Governance & Oversight - Governance sets the tone, reinforces the importance of, and establishes oversight responsibilities for the enterprise risk management and internal control activities throughout the Group. ii. Strategy & Objective - Each business strategy and objective have a risk profile, a set of risks that emanate from the strategy, which should be aligned with the Group’s core values and vision. iii. Identification & Assessment - Identification and assessment process ensures that risk events that may adversely affect the achievement of the Group’s strategy and objectives are proactively identified and assessed. By taking a portfolio view of the critical risks, including the sustainability aspects which are being prioritised based on their likelihood of occurrence and potential impact on the Group. iv. Control Activities - Control activities establish the appropriate control measures to mitigate the identified risks as well as the policies and procedures that ensure the effective implementation of the control measures.

v. **Monitoring & Review** - Monitoring and reviewing activities enable the performance of the Group's risk management and internal control activities to be evaluated over time, to determine if a revision is required in light of any deficiency in the Framework or any substantial changes to the Group's business and operating environment.

vi. **Communication & Reporting** - Communication and reporting involve a continual process of obtaining and sharing necessary information with regard to the Group's enterprise risk management and internal control activities, from both internal and external sources, which flows up, down, and across the Group.

The risk management process involves a continuing process of ranking business risks and focusing the planning effort on critical risks and sustainability components, in relation to the Group's core business processes.

The sustainability blueprints and their components are embedded into the business operations as well as the relevant policies of the Group. Relevant risk appetite and risk tolerance limits are established to support its sustainability blueprint.

The Internal Audit function is in place to assist both the Audit Committee of the Company and subsidiary respectively to discharge its functions effectively. The IAD monitors compliance with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any non-compliance. Audits are carried out on Head Office departments and branches, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report on the operational and management activities of these Head Office departments and branches. The findings of the internal audits are tabled at the respective Audit Committee meetings for deliberation and the Audit Committee's expectations on the corrective measures will be communicated to the respective heads of departments and branches. The annual Internal Audit Plans are reviewed and approved by the Audit Committee respectively.

Both the Audit Committees of the Group review any internal control issues identified by the IAD, the external auditor, regulatory authorities and the Management, and evaluate the adequacy and effectiveness of the risk management and internal control systems. The Audit Committees also review the internal audit function and quality of internal audits. The minutes of the Audit Committees' meetings are tabled to the Board.

The effectiveness of this Risk Management and Internal Control Framework is assessed at least annually, which includes a review of all critical risks and an assessment of the overall risk profile of the Group and/ or Lonpac, considering the effectiveness of the control activities

	implemented within the Group. Any changes to the Framework should be tabled to the LPI Board for deliberation and approval.	
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 Risk, Compliance and Sustainability Committee comprises a majority of independent directors (IDs), with five IDs out of six committee members.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group had an established Internal Audit function. The Internal Audit Department is governed by the Internal Audit Charter. The Charter was approved by the Board which sets the mission, objectives, independence, authority, objectivity, resources and scope of work of the Internal Audit function. The Charter was drawn up with reference to the Guidelines on Internal Audit Function of Licensed Institutions issued by Bank Negara Malaysia and International Standards for Professional Practice of Internal Auditing. The Board reviews the Internal Audit Charter once every three (3) years to ensure that it remains relevant.</p> <p>The Audit Committee had approved the evaluation process for the Internal Audit function based on Guidelines on Internal Audit Function of Licensed Institutions issued by Bank Negara Malaysia, which provide a formal and transparent procedure for the Audit Committee to evaluate the Internal Audit function. The Audit Committee evaluates the internal audit function once in every 2 years. In its evaluation, the Audit Committee ensures the effectiveness of the Internal Audit function and assesses the competency and experience of the Internal Audit staff as well as the adequacy of resources in order for the Internal Audit function to carry out its work effectively. The Audit Committee also ensures that the Internal Audit has the authority to carry out their work objectively and independently, free from any relationship or conflicts of interest.</p> <p>To reflect the independence of the Internal Audit function, the Internal Audit staff reports directly to the Chief Internal Auditor (“CIA”), or the senior officers of the Internal Audit Department. The CIA reports functionally to the Board through the Audit Committee. In this regard, the Audit Committee approves the appointment, replacement and dismissal of the CIA as well as evaluates the CIA’s performance and reviews the remuneration and/or bonus, if any, payable to the CIA.</p> <p>The details of the Audit Committee’s oversight over the Internal Audit function are set out under the Corporate Governance Overview Statement – Audit Committee Report of the Company’s Integrated Annual Report 2023 on pages 125 and 126.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal auditors are free from any relationships or conflicts of interest or undue influence of others to override professional and business judgement, which could impair their objectivity and independence. The independence of the Internal Audit function is derived from its direct reporting and unencumbered access to the Audit Committee. The Chief Internal Auditor (“CIA”) reports directly to the Audit Committee, functionally to the Board and administratively to the Chief Executive Officer of the Company.</p> <p>As at 31 December 2023, there were 19 internal auditors with relevant qualifications and experience in the IAD.</p> <p>The CIA is a holder of a Bachelor’s Degree with Honours in Accounting from the University of Malaya. She is a Chartered Accountant of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants. She is also a Chartered Member of The Institute of Internal Auditors Malaysia.</p> <p>The Internal Audit function conducts assessments and evaluations of the appropriateness and effectiveness of the Group’s governance, risk management and control processes in line with the Guidelines on Internal Audit Function of Licensed Institutions issued by Bank Negara Malaysia. During the year, the internal audit function is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing.</p> <p>As governed by its Internal Audit Charter, internally recruited auditors shall not conduct audits on area in which they previously performed as non-audit staff until twelve (12) months have passed or until an independent audit has been conducted during the intervening period, whichever is earlier.</p>

	<p>In order to maintain its independence and objectivity, the Internal Audit function does not have responsibility or authority over any audit area nor is involved in any activity that may impair the judgement of the Internal Audit function. For this purpose, when requested by the Management to give an opinion on the setting up of internal controls, such advisory services only constitute an ancillary task that would not impair the independence, objectivity and effectiveness of the Internal Audit function. The IAD is not restrained from making subsequent recommendations on the deficiencies or weaknesses of internal controls although it was previously involved in giving advice.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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	:	<p>EFFECTIVE COMMUNICATIONS WITH SHAREHOLDERS</p> <p><u>Integrated Annual Report</u></p> <p>LPI's Integrated Annual Report remains a key channel of communication with the Group's stakeholders. The contents of the Annual Report/ Integrated Annual Report of LPI met Bursa Malaysia Securities Berhad's Main Market Listing Requirements and other regulatory requirements of annual reports. The extensive information contents and disclosure requirements of Bursa Malaysia Securities Berhad governing listed companies' quarterly results announcements have also enhanced the transparency level of LPI Group.</p> <p>The Group also provided an executive summary of its Integrated Annual Report, highlighting key financial and corporate information as well as the analysis of the statements of financial position and profit or loss, in order to facilitate shareholders' easy access to such key information. The Group would disseminate its integrated annual report to its shareholders on a timely basis. The same information was made available to the shareholders electronically as soon as it was announced or published.</p> <p><u>General Meeting</u></p> <p>Another important avenue for communication and dialogue with the shareholders is the Company's General Meetings. All shareholders are encouraged to attend the Company's General Meeting and to participate in the proceedings. Shareholders are given both the opportunity and time to raise questions and seek clarification on the agenda items and on the performance of the Company and the Group. Shareholders can at any time communicate with the Board through the Company Secretary via a designated email published on the website and the Integrated Annual Report.</p>

The Directors, including the Chief Executive Officer/ Executive Director are responsible for providing clarification on issues raised by the shareholders at the Company's General Meeting and they attend General Meeting to clarify all enquiries from the shareholders. Shareholders' suggestions received during General Meeting are reviewed and considered for implementation, wherever possible.

In view of the COVID-19 pandemic, the 62nd Annual General Meeting ("AGM") was convened as a virtual meeting. The Notice of the 62nd AGM to shareholders was dated 1 March 2023, which was at least 28 days' notice for holding the Company's 62nd AGM on 12 April 2023. Shareholders were given a sufficient notice period to review the Group's financial results and evaluate the resolutions tabled at the general meeting.

At the virtual AGM, the Chief Executive Officer/ Executive Director of LPI presented a brief review of the financial performance of the Group.

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of general meeting shall be put to vote by poll. The electronic polling processes were managed by the Company's Share Registrar as Poll Administrator and Independent Scrutineers were appointed to verify and validate the results of the poll at the AGM.

Shareholders who attended the virtual AGM actively participated in the voting of resolutions, hence, the Company obtained a high voting approval rate on all resolutions tabled. A summary of the proceedings of the annual general meetings was made available on the corporate website of the Company.

Announcements to Bursa Malaysia and Media Release

LPI made announcements of its quarterly Group financial results and dividend announcements to Bursa Malaysia Securities Berhad and issued press releases of its quarterly results and dividend announcements. The press releases were not only to promote the dissemination of the financial results of the Group to a wide audience of investors and shareholders but also to keep the investing public and shareholders updated on the Group's business progress and development.

In order to maintain a high level of transparency and promote wider dissemination of corporate and financial disclosures, all information that was made public, such as LPI's Integrated Annual Report, the quarterly financial results announcement of the Group, summaries of key matters discussed at the AGM and other corporate information were available on the Group's website, www.lpicapital.com.

Prompt and timely dissemination of information is important for shareholders and investors to make informed investment decisions. Outdated information, although accurate and comprehensive, is less useful for such investment purposes. In view of this, the Group placed high priority on making available and disseminating information as early as possible. The releases of periodic financial information such as LPI's Integrated Annual Report were generally earliest amongst large listed companies and the Group's quarterly financial results were well ahead of the deadlines specified in Bursa Malaysia Securities Berhad's Main Market Listing Requirements, as reflected in the following tables:

Release of Annual Report/ Integrated Annual Report ("IAR")

Annual Report/ IAR	Date of Issue	No of Days After End of the Year	Deadline Imposed by Bursa Malaysia Securities Berhad
2018	26 February 2019	57	30 April 2019
2019	26 February 2020	57	30 April 2020
2020	3 March 2021	62	30 April 2021
2021	8 March 2022	67	30 April 2022
2022	1 March 2023	60	30 April 2023
2023	29 February 2024	60	30 April 2024

Release of 2023 Quarterly Result

Quarter	Date of Issue	No of Days After End of the Quarter	Deadline Imposed by Bursa Malaysia Securities Berhad
1st	20 April 2023	20	31 May 2023
2nd	25 August 2023	56	31 August 2023
3rd	24 October 2023	24	30 November 2023
4th	26 February 2024	57	28 February 2024

The Group had consistently achieved early issuance of its Integrated Annual Reports and release of quarterly financial results despite the high level of disclosure of financial information. The prompt and timely availability of information clearly enhances its value to the shareholders and investors and reflects the high standard of transparency within the Group.

Website

The Company's corporate website, www.lpicapital.com, provides comprehensive and easy access to relevant information about the Company and the Group. Information available on the corporate website includes corporate information, individual profiles of Directors and the Management, policies and procedures, share price and dividend information, financial results, financial calendar, annual reports/ integrated annual reports and announcements to Bursa Malaysia Securities Berhad.

INVESTOR RELATIONS

The Group's investor relations activities serve as an important communication channel with the shareholders, investors and the investment community, both in Malaysia and internationally.

The Group's investor relations function is undertaken by the very senior level of Management personnel, reflecting the commitment of the Group to maintain strong investor relations as well as to provide appropriate and substantive views and information on the Group to investors and equity research analysts.

<i>Investor Relations Activities in 2023</i>	Total
Meeting with analysts/ fund managers	5
Tele-conference/ interview	1

Investor relations activities such as meetings with fund managers and analysts are attended by the following designated Management to explain the Group's strategy, performance and major developments :-

Primary Contacts for Investor Relations Matters

Tan Kok Guan

Chief Executive Officer/Executive Director,
LPI Capital Bhd
Contact Details
Telephone number: (03) 2262 8633
Email: kgtan@lonpac.com

Looi Kong Meng

Chief Executive Officer/Executive Director,
Lonpac Insurance Bhd
Contact Details
Telephone number: (03) 2262 8620
Email: kmlooi@lonpac.com

	<p>Ng Seng Khin Chief Financial Officer Lonpac Insurance Bhd Contact Details Telephone number: (03) 2723 7835 Email : skng@lonpac.com</p> <p>The efforts and resources allocated to the investor relations function reflect LPI Group’s commitment to achieve a high standard of communication with, and a high level of transparency with its shareholders and the investment community.</p> <p>Information on the Group’s investor relations matters and the primary contacts is also available for the shareholders’ and other stakeholders’ views on the website at www.lpicapital.com.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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	:	Applied	
Explanation on application of the practice	:	The Company had adopted integrated reporting based on globally recognised framework in its Integrated Annual Report 2023. The Integrated Annual Report of the Company was prepared based on globally recognised framework issued by the International Integrated Reporting Council.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company had consistently been able to circulate its notice for an Annual General Meeting to the shareholders at least 28 days prior to the meeting, well ahead of the 21 days requirement under the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The notice of Annual General Meeting is also available on the Company's website. It is also accompanied by explanatory notes, to enable the shareholders to make informed decisions in exercising their rights.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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 the Directors attended the Company's 62 nd Annual General Meeting which was held virtually on 12 April 2023. The Chairmen of the Audit, Nomination & Remuneration and Risk, Compliance and Sustainability Committees were present to provide responses to any questions addressed to them.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had leveraged technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions at its virtual Annual General Meeting ("AGM") held on 12 April 2023.</p> <p>The entire AGM proceedings were held through Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIIH Online at https://tiih.online. The Administrative Notes of the AGM including the procedures for RPV facilities were published on the Company's website and shared with shareholders.</p> <p>RPV facilities in TIIH Online provide the option for shareholders to cast their votes virtually at general meeting without the need to appoint a proxy.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The 62nd Annual General Meeting ("AGM") was a virtual meeting. The Company had issued the Integrated Annual Report for the 62nd AGM together with administrative notes which encompassed guidance on the conduct of the virtual meeting, on 1 March 2023.</p> <p>The shareholders were allowed to submit their questions electronically through the online platform provided by the share registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIH Online website at https://tih.online prior to the AGM (from 1 March 2023), or used the query box to transmit questions to the Board of Directors via Remote Participation and Voting ("RPV") facilities during live streaming of the AGM.</p> <p>The Chairman of the AGM had also informed the shareholders during the live streaming of the AGM on 12 April 2023 that they could submit their questions and comments to the Board during the AGM via the RPV facilities, and the answers to all the questions were addressed by the CEO/ Executive Director, before the commencement of the poll voting.</p> <p>In view that the shareholders were allowed to submit questions commencing 1 March 2023 (the notice of AGM), they were given sufficient opportunity to pose their questions before and during the AGM. The Company had ensured that all the questions were answered. Questions received after the close of the AGM were replied to via emails.</p>
Explanation for departure	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: In view of the COVID-19 pandemic, the Company's held its 2020, 2021, 2022 and 2023 Annual General Meeting ("AGM") virtually. The Remote Participation and Voting ("RPV") facilities provided by the share registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIIH Online website at https://tiih.online allowed shareholders to pose questions to the Board and Chairman of the AGM via typed text in the query box. The shareholders submitted their questions at any time from the day of notice of AGM up to the time when the meeting was in progress. At the "Questions and Answers" session in the meeting agenda, the TIIH Online platform had the facilities to live broadcast the questions/remarks and answers; and the shareholders had experienced real time interaction with the Board during the AGM. Questions posed by shareholders had been made visible to all meeting participants during the meeting itself via Remote Participation and Voting ("RPV") facilities.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of the 62 nd AGM had been made available to shareholders no later than 30 business days after the AGM on the Company's website.
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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