

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of T7 Global Berhad (“**T7 Global**”) recognises and is committed in upholding a high benchmark of corporate governance and ensuring controls, systems and processes are well sustained for the Group. The Board will continuously evaluate the status of the Group’s corporate governance practices and procedures with a view to adopt and implement the practices of the Malaysian Code on Corporate Governance (“**MCCG**”) wherever applicable in the best interests of the stakeholders of the Group.

The Board is pleased to present the following Corporate Governance Overview Statement (“**CG Statement**”) that describe the extent of how the Group has applied and complied the three (3) principles which are set out in the MCCG throughout the financial year under review:-

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition

The Board composition is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”) which states that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors and Recommendation 3.5 of MCCG to have majority of Independent Directors where the Chairman of the Board is not an Independent Director.

All the Directors act in the best interest of the Group and believe that the current Board composition fairly reflects the interests of its shareholders to provide effective leadership, strategic direction and necessary governance to the Group. These Directors collectively have skills and experiences from different field of business, in terms of commercial, financial, technical, corporate and legal for the effective management of the Group’s businesses. The Directors’ profiles are set out in the Directors’ Profile section of this Annual Report.

The Group has also formalised a set of ethical standards through a code of conduct, which is subject to periodical review, to ensure Directors practice ethical, business-like and lawful conduct, including proper use of authority and appropriate decorum when acting as the Board.

The Board conducted assessments on the independence of the Independent Directors and is satisfied that the Independent Directors have met the independence criteria stated in the Listing Requirements. There are four (4) out of seven (7) Board members are Independent Directors.

All Board members fulfil the requirements to serve as Directors in no more than five (5) public listed companies to ensure sufficient time has been devoted to carry out their responsibilities.

None of the Independent Directors has served the Group exceeding a cumulative term of nine (9) years. At present, the Group does not have a formal policy to limit the tenure of independent director to nine (9) years. However, the Board is mindful of the recommendation in the MCCG to ensure effectiveness of Independent Directors.

The Board comprises Board members with different gender, background, skill sets and experiences in various industries, which enable T7 Global to make a difference.

Roles and Responsibilities of the Board

The Board of T7 Global meets at least five times a year. Circular resolutions will be passed for resolving additional matters.

The Chairman ensures smooth and effective functioning within the Board. The Executive Directors are responsible for overseeing the day-to-day operations and affairs of the Group. The Non-Executive Directors, both independent and non-independent, are responsible in providing insights, unbiased and independent views, advice and judgement towards the Board and bring impartiality to Board deliberations and decision making. The Non-Executive Directors play a vital check and balance role by challenging and scrutinising the Management's proposals and make recommendations in an objective manner to the decision-making process at the Board level.

The Board is fully aware of its responsibilities and has adopted key roles in strategising the direction of the Group and has assumed the following duties in demonstrating the following fiduciary and leadership roles:-

- Overseeing and monitoring the conduct of business, financial performance and any major capital-intensive investments of the Group;
- Reviewing and implementing appropriate budgets and strategic business plans of the Group, monitoring compliance with applicable financial reporting standards and integrity and adequacy of all financial information disclosure;
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to effectively monitor and manage risks;
- Reviewing the adequacy and integrity of the internal control and management information systems of the Group;
- Developing a corporate code of conduct within the Group to address any conflicts of interest relating to the stakeholders of the Group, and establishing and overseeing the development and implementation of the corporate communication policies with shareholders, stakeholders and the public.

Functions of the Board and Delegation to Management

Independent Directors to provide valuable opinion on T7 Global's issues including strategy, performance and key performance indicators of management team, resource management, risk management, code of conducts and etc. Day-to-day operation and management are delegated by Chairman and Executive Deputy Chairman.

The Board regularly controls and reviews its delegation and authority level to Chairman and Executive Deputy Chairman. In order to prevent any abuse of authority, strict procedure of authority and different levels of independence review are followed. Procedures of authority are clearly set up and all operation decisions are made after review.

Board Leadership and Responsibility in Discharging Fiduciary and Leadership Functions

The Board is the ultimate authority of T7 Global, which is responsible for authorising and reviewing all long-term and short-term business and strategic plans unless the matters require shareholders' approval. Specific goals set up with key performance indicators for management to implement those plans. Along with Independent Director's extensive experiences and expertise in various fields of business and industries, the management strives to achieve goals so as to protect minority shareholder's rights. Management reviews all matters reserved to the committees comprised solely of Independent Directors, and the Board.

Qualified and Competent Company Secretaries

The Board is supported by experienced and competent Company Secretaries in discharging its duties and responsibilities. The Board receives regular advices, updates and notifications from the Company Secretaries to ensure compliance with applicable laws, regulations and corporate governance matters. The Company Secretaries attend and ensure that all Board and Board Committee meetings are properly convened and all deliberations and

decisions are properly minuted and kept. They are also responsible in ensuring that Board's policies and procedures are followed, and the applicable statutory and regulatory requirements are observed.

Review of Board Charter

Review of Board Charter is conducted as per request in order to ensure the Board remains consistent with the Board's objectives and responsibilities and any new regulations that may have an impact on the discharge of the Board's responsibilities, more important, aligning with T7 Global's business strategy.

The Board Charter of the Company is available for reference on the Company's website at www.t7global.com.my.

Code of Ethics and Conduct

The Company established appropriate standards of business conduct and ethical behaviour to govern the exercise of the duties and responsibilities as Directors of the Company in order to uphold good corporate integrity.

The Code of Ethics and Conduct sets out the general principles and standards of business conduct and ethical behaviour for the Directors and employees of the Group in the performance and exercise of their responsibilities or when representing the Group and includes the expectation of professionalism and trustworthiness from the Directors and employees of the Group.

CORPORATE DISCLOSURE POLICY

The Board has, based on the recommendation of the MCCG, adopted a Corporate Disclosure Policy to ensure accurate, clear, timely and complete disclosure of material information necessary for informed investing and take reasonable steps to ensure that all who invest in the Group's securities enjoy equal access to such information to avoid an individual or selective disclosure. The said policy will be reviewed and improved from time to time.

The said policy applies to all Directors, Management, officers and employees of the Group. The policy shall be assessed, reviewed and updated annually by the corporate finance department, in accordance with the needs of T7 Global and as and when there are regulation changes that may have an impact on the Board in discharging their responsibilities. Any change and/or updates to the policy shall be recommended to the Board for approval.

The Corporate Disclosure Policy of the Company is available for reference on the Company's website at www.t7global.com.my.

SUPPLY OF INFORMATION

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. As such, the Board members have full and unrestricted access to all information concerning the Group's affairs. Prior to the Board or Board Committee meetings, all the Board members are provided with the agenda and Board papers containing information relevant to the business of the meeting to enable them to obtain further explanations, where necessary, in order to be properly briefed before the meeting. The Board papers including information on major financial, operational and corporate matters of the Group. The Board members also have access to the advice and services of the Company Secretaries, Senior Management and independent professional advisers including the external auditors.

Along with good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the following policies and procedures which are made available at the website of the Group. These include the following:-

- Code of Ethics and Conduct

- Shareholders' Right relating to General Meeting
- Whistleblowing Policy and Procedures

Board Diversity

The Board recognises that Board diversity is an essential element contributing to the sustainable development of the Group and it does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability. There is no specific target in the composition in terms of gender, age or ethnic of its Board members or members of Senior Management.

The Group values woman's contribution to the economy and promotes talented women to Management and leadership positions in operations.

The Nomination Committee ("NC") shall oversee the procedures in addition to the Board recruitment, Board performance evaluation and succession planning processes. We shall always aim to provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation in the Board, and also to have diversity in ethnicity and age on board as well as workforce.

The minimum 50% attendance requirement at the Board meetings is required to be complied as stipulated in the Listing Requirements.

DIRECTOR'S TRAINING

All Directors of the Group have completed the Mandatory Accreditation Programme ("MAP") by Bursa Malaysia Securities. The Group does not have a formal training program for new Director but they receive briefings and updates on the Group's businesses, operations, risk management, internal control, finance and relevant legislation, rules and regulations. The briefings and updates aim at communication to the newly appointed Directors, the Group's vision and mission, its philosophy and nature of the business, current issues within the Group, the corporate strategy and the expectation of the Group concerning input of the Director.

The Directors are encouraged to attend various external and internal professional courses, briefings, and seminars relevant to the Group to keep themselves abreast with latest development in the industry, regulatory updates or changes and to enhance their skills and knowledge.

The Board acknowledges that the Directors through varied experiences and qualifications provided the desired contribution and support to the functions of the Board. Directors' training is an on-going process as Directors recognise the need to continually develop and refresh their knowledge and skills, and to update themselves on market development.

All the Directors are encouraged to attend continuous education programmes and seminars to keep abreast of relevant changes in laws and regulations and the development in the industry.

Additionally, the Directors are also updated on a continuing basis on new and/ or revised requirements to the Listing Requirements as and when the same were advised by the Bursa Malaysia Securities. The Directors will continue to undergo other relevant training programmes, conferences and seminars that may further enhance their skills and knowledge. The individual Directors are to evaluate and determine relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions towards the Group.

BOARD COMMITTEE

The Board has established different Board committees to assist the Board in discharging its duties. These committees are as follows:-

Audit and Risk Management Committee

The composition of the Audit and Risk Management Committee, its function and a summary of its activities are set out in the Audit and Risk Management Committee Report of this Annual Report.

NC

The Board recognises the importance in having a Board with appropriate mix of skills, competencies and expertise, as well as the fundamental to how policies and strategies are shaped and contribute to the quality of decision making.

Therefore, the formal procedures for term of reference were set up by NC as follows:-

- Nomination, selection, election and succession policies
- Nomination, selection, election and succession policies for members of the Board and Board Committees have been set up aligning with T7 Global's overall corporate strategy
- Director appointment criteria evaluation
- Extensive assessment is conducted for new Director candidates, which includes reference check, skills set and interviews
- Review annually the overall composition of the Board in terms of size and skills, balance between Executive Directors and Non-Executive Directors, independence and mix of other core competencies required for the Group
- Assess annually the effectiveness of the Board and several key personnel in the Management as a whole;
- Overseeing Board induction and training programmes

The NC meets at least once in each financial year and additional meetings may be arranged at any time when necessary.

The NC held meetings for the review of new nominee(s) proposed to be appointed to the Board, as Executive Director(s) and as Independent Director(s) of the Group during the financial year then ended and also reviewed the existing Directors retiring by rotation pursuant to Clause 123 of the Company's Constitution and those who are eligible for re-election at the forthcoming AGM.

The composition of the Board has been reviewed by the NC and the NC is of the view that the current Board composition is appropriate and effective, taking into account the nature and scope of the Group's operations. The Board is satisfied that the current Board composition fairly reflects the interests of the minority shareholders in the Group and provides the appropriate balance and size to govern the Group effectively. The Board comprises persons who as a group provide the relevant core competencies and mix of skills in the areas of oil and gas, financial, legal and business to meet the Group's requirements. The Directors' objective judgement on corporate affairs and collective experience and knowledge are invaluable to the Group.

The summary of activities carried out by the NC during the financial year are as follows:

- Reviewed and assessed the suitability of candidate for appointment as Director;
- Reviewed the current composition of the Board, mix of skills, experience, gender diversity and other qualities of the Board;
- Reviewed the assessment of the effectiveness of the Board as a whole, the Board Committees, the contribution and performance of each individual Directors and the term of office and effectiveness of the Audit Committee as a whole;
- Reviewed and recommended to the Board on the re-election of Directors retiring at the AGM;

- Reviewed the meetings attendance of the Board and members of the Board Committees and the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company;
- Reviewed the training programmes attended by the Board and the training needs of the Directors for the financial year ending 31 December 2019.
- Reviewed the length of service of each Independent Non-Executive Director pursuant to Practice 4.2 of the Code and to assess the independence of the Independent Non-Executive Directors.

Remuneration Committee (“RC”)

The Board has established a remuneration policy and procedure to facilitate the RC to review, consider and recommend to the Board the levels and elements of remuneration of Directors with executive functions and the Senior Management. The Board as a whole recommends to shareholders the allowances of the Non-Executive Directors and the Executive Chairman after considering the recommendation of the RC.

The RC meets at least once a year in each financial year and additional meetings may be called any time when necessary.

The remuneration packages of the Executive Directors are approved by the Board. The Directors’ remuneration scheme is structured to attract, retain and motivate them in order to achieve sustainable growth and business success.

The Board reviews the remuneration of the Executive Directors annually subject to their respective service contracts whereby the respective EDs are not allowed to involve in the discussion or contribute to any decision making on their own remuneration package.

The Board believes that appropriate and competitive remuneration is important to attract, retain and motivate Directors of the necessary calibre, expertise and experience to lead the Group. In line with this philosophy, remuneration for the Executive Directors is aligned to individual and corporate performance. For Non-Executive Directors, the fees are set based on the responsibilities shouldered by the respective Directors. Individual Directors do not participate in determining their own remuneration package.

The RC recommends policy for assessing compensation package for Executive Directors. It also reviews and recommends to the Board for approvals, the remuneration packages and other employment conditions for the Executive Directors.

The remuneration of Executive Directors is made up of basic salaries, monetary incentives and fringe benefits; and is linked to the achievement of corporate performance targets. Salaries for Executive Directors consist of both fixed (i.e. base salary) and variable (performance-based incentive) remuneration components. The remuneration levels of Executive Directors are structured to enable the Company to attract and retain the most qualified Executive Directors. The Company may provide competitive benefits to Executive Directors, such as a fully expensed car or cash alternative in lieu of car, company driver, fuel expenses, private medical insurance and life insurance. Allowances relating to business expenses (i.e. entertainment and travel) incurred are reimbursed such that no additional compensation is given to the Executive Directors.

The remuneration of Non-Executive Directors is made up of Directors’ fees, meeting allowances and other benefits. The level of remuneration for Non-Executive Directors shall reflect the experience and level of responsibilities undertaken by the Non-Executive Director concerned. The remuneration of a Non-Executive Director shall and is not based on commission, percentage of profits, or turnover. Non-Executive Directors are not entitled to receive performance-based bonuses nor participate in short-term and/or long-term incentive plans. The remuneration of Non-Executive Directors is reviewed by the RC and the Board annually.

Share Issuance Scheme Committee (“SISC”)

The SISC shall be vested with such powers and duties as are conferred upon it by the Board including the following powers:-

- To administer the Share Issuance Scheme (“SIS”) and to grant share options in accordance to the By-Laws;

- To recommend to the Board to establish, amend, and revoke By-Laws, rules and regulations to facilitate the implementation of the SIS;
- To construct and interpret the provisions hereof in the best interest of the Group; and
- Generally, to exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interest of the Group.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The Audit and Risk Management Committee assists the Board in reviewing and scrutinising the information in terms of the appropriateness, accuracy and completeness of disclosure and in ensuring that the Group's financial statements comply with applicable financial reporting standards. The Audit and Risk Management Committee reviews and monitors the accuracy and integrity of the Group's quarterly and annual financial statements and submits these statements to the Board for approval and release within the stipulated time frame.

Assessment of External Auditors

In line with Practice 8.3 of the MCCG, the Audit and Risk Management Committee has assessed the suitability, objectivity and independence of the External Auditors. The assessment is conducted on yearly basis by the Audit and Risk Management Committee, using the prescribed External Auditors' Evaluation Form, with emphasis of evaluation based on the competence, adequacy of experience and resources, quality of the audit performances, independence and objectivity of the External Auditors, reasonableness of audit fees and comparison of audit and non-audit fees.

The Company's External Auditors are invited to attend the Audit and Risk Management Committee meetings when deemed necessary. The External Auditors are to meet with the AC without the presence of the Management at least twice during the financial year.

The Audit and Risk Management Committee, as part of its review, has obtained assurance from the External Auditors confirming that they have in place policies on rotation for partners of an audit engagement to ensure objectivity, independence and integrity of the audit and declared their independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Annually, the Audit and Risk Management Committee also reviews the appointment, performance and remuneration of the External Auditors including audit and non-audit services, to ensure that the independence and objectivity of the External Auditors are not compromised, before recommending them to the shareholders for re-appointment in the AGM.

The Audit and Risk Management Committee was satisfied with the performance, suitability and independence of the External Auditors of the Company based on the quality of services and sufficiency of resources they provided to the Group, in terms of the firm and the professional employees assigned to the audit.

Risk Management and Internal Control Framework

The Board acknowledges that risk management is an integral part of good management practices. Risk is inherent in all business activities. It is not the Group's objective to eliminate risk totally, but to review, prioritise and manage risks involved in all the Group's activities and to balance between the cost of managing and treating risks, and the anticipated benefits that will be derived.

The risk management and internal control functions were assumed and overseen by the Audit and Risk Management Committee of the Company. The Management is responsible for implementing Board approved policies and

procedures on risk management by identifying and evaluating risks, and monitoring the risks vis-a-vis achievement of business objectives within the risk appetite parameters.

The Board has established an internal audit function which is currently outsourced to a professional firm. Functionally, the Internal Auditors report to the Audit and Risk Management Committee directly and they are responsible for conducting reviews and appraisals of the effectiveness of the governance, internal controls and processes within the Group.

Further details of the Group's state of risk management and internal control systems are reported in the Statement on Risk Management and Internal Control set out in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

RELATIONSHIP WITH SHAREHOLDERS

T7 Global values every shareholder. The Board acknowledges it is a need to establish high quality, ongoing dialogue and communication with shareholders and maintain trust. Therefore, the shareholder communication policy was created to serve as a guide and management of shareholder's requirements.

Information is disseminated through the following channels:-

- Annual Report;
- Circulars/Statement to shareholders;
- Various disclosures and announcement to Bursa Securities Malaysia Berhad; and
- Company's website at www.t7global.com.my.

Access to Information

In addition, shareholders and investors can have a channel of communication with the Group Corporate Finance to direct any queries and provide feedback to the Group.

Email : t7@t7global.com.my

The stakeholders may obtain up-to-date information about T7 Global Berhad by assessing the website, <http://www.t7global.com.my> or by accessing Bursa Malaysia Securities Berhad' website <http://www.bursamalaysia.com>. Information required by the shareholders such as financial results, board charter, code of ethics and conduct, and so on can be found from the corporate's website. The shareholders are informed of their rights to demand for poll prior to the commencement of each general meeting.

Conduct of General Meetings

The main forum of dialogue with shareholders of the Company is the Company's AGM. The AGM represents the primary platform for interactions between shareholders, Directors and Senior Management of the Company. The Company provides information in the Notice of AGM, which are sent to shareholders at least 28 days prior to the AGM, on the details of general meeting, resolutions to be tabled for approval and shareholders' entitlement to attend general meeting, and their right to appoint proxy(ies) to encourage shareholders' participation at general meeting.

All Directors, Senior Management and the External Auditors will attend the general meetings. During the general meetings, shareholders who attend the general meetings are encouraged and given sufficient opportunity as well as time by the Board to raise questions pertaining to the Annual Report, resolutions being proposed and the business of the Company or the Group in general prior to seeking approval from members and proxies on the resolutions. All Directors and the chair of every Board Committees, as well as Senior Management, where appropriate, will provide feedbacks, answers and clarifications to the questions raised from the shareholders during the general meetings.

In line with Paragraph 8.29A of the Listing Requirements

on the requirement for poll voting for any resolution set out in the notice of general meetings, at the Fifteenth AGM held last year, poll voting was used to facilitate the voting process for resolutions tabled. An independent scrutineer was also appointed to scrutinise the polling process.