CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	0206
COMPANY NAME	**:**	Gagasan Nadi Cergas Berhad
FINANCIAL YEAR	**:**	December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board of Directors ("Board") of Gagasan Nadi Cergas Berhad ("Gagasan Nadi Cergas" or "the Company" or "the Group") discharges its duties and responsibilities through regular meetings to review corporate strategies, operations, and performance of the Company. All Board members bring independent judgment to bear on issues such as strategy, performance, resources, and standards of conduct. The Board has oversight on matters delegated to Management, whereby updates are periodically reported. All Board authority conferred on Management is delegated through the Group Managing Director ("GMD"), so that the authority and accountability of Management are considered to be the authority and accountability of the GMD so far as the Board is concerned. The Board also assumes its principal responsibilities, which include reviewing and approving strategic plans, overseeing the conduct of the Company's business, succession planning, establishing shareholders communication policy and procedures, and reviewing the adequacy and effectiveness of the Group's risk management and internal control systems. Towards this, the Board has delegated specific responsibilities to the following Board Committees: (i) Audit & Risk Management Committee ("ARMC") (ii) Nomination Committee ("NC") (iii) Remuneration Committee ("RC") The Board Committees review all matters within their respective Terms of Reference ("TOR") and make recommendations to the Board for approval. The Board is kept apprised of the activities of the Board Committees through the circulation of minutes of Board Committee meetings, as well as updates on meeting deliberations and decisions provided by the respective Chairmen of the Board Committees at each Board meeting.

	With the support of the Board Committees, the Board is able to discharge its roles and responsibilities more effectively. However, the ultimate responsibility of the Board Committees' decisions and recommendations rest with the Board as a whole. The key roles and responsibilities of the Board and the Board Committees are set out in the Board Charter and the respective TORs of the Board Committees and are available on the Company's corporate website: www.nadicergas.com.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman is an Independent Non-Executive Director of the Board and is primarily responsible for matters pertaining to the Board and the overall conduct of the Group. He is committed to good corporate governance practices and to lead the Board towards high performing culture. The other key responsibilities of the Chairman are as follows: • leading the Board in the adoption of good corporate governance practices; • ensuring Board meetings are effective, including setting Board agenda and that Board members receive complete and accurate information in a timely manner; • leading Board meetings and ensuring that no Board member, whether Executive or Non-Executive dominates the discussions; • encouraging active participation among the Directors and allowing constructive deliberations and dissenting views to be freely expressed; and • ensuring appropriate steps are taken to provide effective communication with stakeholders. On 27 November 2025, the Chairman together with other Non-Executive Directors had a meeting to discuss on strategic, governance and operational issues affecting the Group. The various issues raised by the Non-Executive Directors were recorded and presented to Management for appropriate actions to be taken.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 1.3
The positions of Chairman and CEO are held by different individuals.

Application	:	Applied	
Explanation on application of the practice	:	The positions of Chairman and GMD of the Company are held by separate individuals, with clear and distinct roles formally set out in the Board Charter of the Company, to ensure an appropriate balance of power and authority, as well as checks and balances between the Chairman and the GMD. The Chairman of the Board, Ir. Dr. Muhamad Fuad Bin Abdullah leads and manages the Board by focusing on strategy, governance and compliance, whereas the GMD, Dato' Sr Hj Wan Azman Bin Wan Kamal oversees the day-to-day operations of the Group and the implementation of the Board's decisions and policies. The key roles and accountabilities of the Chairman and GMD are set out in the Board Charter, which is available on the Company's corporate website: www.nadicergas.com.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

<table>
<tr><td colspan="3">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'.</td></tr>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2">Ir. Dr. Muhammad Fuad Bin Abdullah, the Independent Non-Executive Chairman of the Company is the Chairman of NC, and a member of the RC and ARMC.</td></tr>
<tr><td colspan="2">The Board acknowledges that having the same individual serve as Chairman of the Board and as a member of other Board Committees may give rise to a risk of self-review and could affect the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees. This departure is mainly due to the relatively small size of the current Board.

Nevertheless, the Chairman is not involved in the management and operational matters of the Company, and he provides constructive insights and opinions to the Board and the Board Committees in his respective capacities as Board Chairman and as a member of the Board Committees.</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	The Group is currently outsourcing the corporate secretarial function to Tricor Corporate Services Sdn Bhd. The Board is supported by two (2) suitably qualified and competent Company Secretaries in the discharge of its functions. Both are Associate Members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretaries play a significant role in supporting the Board to ensure that all governance matters and Board procedures are duly followed, and that applicable laws, regulations and the Code of Ethics and Conduct are complied with. These include obligations of Directors relating to disclosure of interests and any conflicts of interest in transactions with the Group. The Company Secretaries also assist the NC to lead the annual evaluation process to assess the effectiveness of the Board, Board Committees and individual Directors, by facilitating Board and Board Committees performance evaluations, self-assessments and peer reviews. The Company Secretaries constantly keep themselves abreast of development in the capital market environment, regulatory changes and corporate governance practices by attending relevant conferences and training programmes. All Directors have ready and unrestricted access to the advice and services of the Company Secretaries. The Directors may also seek independent professional advice, where necessary, at the Company's expense, in furtherance of their duties and responsibilities, to enable them to make informed and independent decisions. The roles and responsibilities of the Company Secretaries are set out in the Board Charter, which is available on the Company's corporate website: www.nadicergas.com.
Explanation for departure	:	

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

Intended Outcome
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	:	An annual meeting calendar is prepared and circulated by the Company at the beginning of each year which provides details of the scheduled dates for meetings of the Board, Board Committees and the Annual General Meeting. The Board meets at least four (4) times annually to review and approve the Group's financial, operational and business performance. Additional meetings are convened as and when necessary. During the financial year ended 31 December 2025 ("FY2025"), the Board and the AC each held five (5) meetings, while the NC held two (2) meetings and the RC held one (1) meeting. The Board and Board Committee members are provided with accurate information and complete meeting materials at least five (5) business days prior to each meeting, to ensure that Directors have sufficient time to prepare and to make informed decisions. Management is invited to attend Board and Board Committee meetings to brief and provide explanations on matters relating to the meeting agenda. The deliberations and decisions at the Board and Board Committee meetings are properly documented in the minutes, including instances where Directors abstained from deliberations or voting. Upon conclusion of the meetings, the minutes are circulated to all Directors for review prior to confirmation at the subsequent meeting. Between Board meetings, Board's decisions or approvals on urgent or administrative matters are obtained via circular resolutions, supported by the relevant information and explanations. The same procedure applies to the Board Committees.
Explanation for departure	:	

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

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

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

Practice 2.1
The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has a Board Charter that clearly outlines the duties and responsibilities, authorities and functions of the Chairman, the Board, the Board Committees and the GMD. It also outlines the procedures for Board meetings, Directors' remuneration policy, and shareholders' communication policies. The Board Charter and the Terms of Reference of the Board Committees are reviewed periodically and updated in accordance with the needs of the Company or as required by any new regulations that may impact the discharge of the Board's responsibilities. On 29 May 2025, the Board Charter and the Terms of References of the ARMC, NC and RC were reviewed and updated. The Board Charter is available on the Company's corporate website: www.nadicergas.com.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is committed to maintain a corporate culture that promotes ethical behaviour within the Group in the conduct of its business. The Group's commitment to good business practices is formalised through the Company's Code of Ethics and Conduct. The Code of Ethics and Conduct summarises the core areas of ethics and conduct that the Company must proactively observe to uphold the highest standards of professionalism and exemplary corporate conduct. The Code of Ethics and Conduct is periodically reviewed and is available on the Company's corporate website: www.nadicergas.com.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 3.2
The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied	
Explanation on application of the practice	:	The Board has adopted a Whistleblowing Policy to promote a culture of integrity and ethical behaviour among all employees and stakeholders. The Board believes that the Whistleblowing Policy will create a positive environment where any employees or external parties can report genuine concerns or any breach or suspected breach of any provisions of laws or regulations, without risk of reprisal, to safeguard their confidentiality and enable prompt corrective actions to be taken, where appropriate. Whistleblower may lodge reports directly to the Chairman of the ARMC. During FY2025, no whistleblowing report was received by the ARMC. The policy is periodically reviewed and is available on the Company's corporate website: www.nadicergas.com.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board, together with Management, recognises the importance of ensuring that sustainability risks and opportunities are considered in the development of the Company's business strategies and plans. The Board has set the sustainability strategies and priorities in planning and managing sustainability risks and opportunities, and Management, under the guidance of the Board, has also set relevant science-based targets to support the Group to grow in a sustainable path. The Group's sustainability governance structure, sustainability matters and initiatives are disclosed in the Sustainability Statement included in the Company's Annual Report.	
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 4.2
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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Board and Management have communicated the Company's sustainability strategies, priorities and targets, as well as performance against sustainability targets, to internal and external stakeholders through the following channels:

Internal stakeholders
• Internal management meetings
• E-mail communication

External and internal stakeholders
• Sustainability Statement included in the Annual Report
• Annual General Meeting ("AGM")

For further information on the Group's sustainability strategies, priorities and targets, as well as performance against these targets, please refer to the Company's Sustainability Statement included in the Annual Report 2025, which is available on the Company's corporate website: www.nadicergas.com.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
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</table>

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

Practice 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application :	Applied	
Explanation on application of the practice :	The Board is committed to keeping up with sustainability issues that are relevant to the Company's evolving operating environment. This may include but is not limited to internal and external training and development programs for the Board. The Board has established the Group's sustainability core values under the "4D" acronym; Durable, Do It Right, Diligence, and Dynamic. These values guide the integration of sustainable practices in the Group's business operations, upon which the Group's Sustainability Strategy is based. The Sustainability Strategy has been instrumental in providing direction for planning and implementing sustainability initiatives within the Group.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	A detailed study to establish a meaningful and appropriate criteria for the performance evaluations of the Board and Senior Management to address the Group's material sustainability risks and opportunities, is still being developed.	
		Notwithstanding the absence of a formalised evaluation framework in addressing the Group's material sustainability risks and opportunities, the Board has nonetheless taken into consideration the responsibilities of the Executive Directors and Senior Management in managing the Group's material sustainability risks and opportunities when conducting their performance evaluation.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board targets to establish appropriate performance evaluation criteria for the Board and Senior Management in addressing the Group's material sustainability risks and opportunities by 2026.	
Timeframe	:	Within 1 year	

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	:	Not Adopted
Explanation on adoption of the practice	:	

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

Practice 5.1
The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied	
Explanation on application of the practice	:	The Board, through the NC, reviews the Board composition to determine if the Board has an optimal size, appropriate diversity, and a balance mix of skills and experience to drive the Company's business objectives and strategic goals. The appointment of Directors is undertaken by the Board as a whole, following review and recommendation by the NC. To assess the effectiveness of the Board for FY2025, the Board appointed Tricor Corporate Services Sdn Bhd, to provide an independent and objective evaluation of the Directors' performance. The assessments were conducted using peer and self-assessments questionnaires to evaluate the effectiveness of the Board, Board Committees and individual Directors. The Board was satisfied with the contribution, performance, calibre, and personality of all Directors who have demonstrated effective oversight and appropriate delegation of responsibilities. No significant weaknesses were identified from the assessments. The NC is responsible for recommending to the Board, the Directors who are standing for re-election at the forthcoming AGM. The NC also ensures that the annual re-election of Directors is subject to a satisfactory evaluation of their performance and contribution to the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">As at 31 March 2026, the Board consists of six (6) members, of whom four (4) are Independent Non-Executive Directors and two (2) are Executive Directors.

The Independent Directors constitute a majority of the Board, in line with the recommendation of the Malaysian Code on Corporate Governance (“MCCG”), and exceed the minimum requirement prescribed under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“ACE LR”).

The Board comprises members from diverse professional backgrounds, with the requisite expertise, skills, and relevant market and industry knowledge to support the Group’s strategic objectives. The Board will continue to review its size and composition as and when necessary.

All four (4) Independent Non-Executive Directors meet the independence criteria set out in the ACE LR.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
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<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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	:	The NC assesses the independence of the Independent Directors and monitors their tenure on an annual basis. Currently, none of the Independent Directors of the Company has exceeded a cumulative tenure of nine (9) years. Therefore, this practice does not apply to the Company at this juncture.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.4 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2">The Board recognises the importance and benefits of providing fair and equal opportunities and nurturing diversity within the Group, and is committed to ensure diversity in skills, experience, age, cultural background and gender at the Board and Senior Management level.

The NC is entrusted to develop policies and procedures for the recruitment process and annual assessment of Directors, which serve as guides for the NC in discharging its duties in the areas of nomination, evaluation, selection and appointment process of new Directors.

The appointment of any additional Director is made as and when deemed necessary, based on the skill set requirement of the Board. The NC will make its recommendation, after considering the competency, knowledge, expertise, experience, professionalism, integrity, and time commitment of the candidate, including assessing the independence of the candidate if the appointment is for an Independent Non-Executive Director.

The appointment of Senior Management is also based on objective criteria and merit, with due regard for diversity in skills, experience, age, cultural background and gender.</td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">There was no new appointment to the Board during the FY2025.

The Board has delegated the responsibility to establish a formal and transparent procedure for the nomination and appointment of new Directors to the NC. Such responsibilities include screening, conducting the initial selection of candidates, and performing the requisite evaluation and assessment of the candidate's ability to discharge their duties effectively and efficiently, prior to making any recommendations to the Board for approval.

The NC will ensure that the selected candidates possess the appropriate skills, core competencies, experience, and integrity to effectively discharge their roles as Director.

The NC utilises various sources, including independent sources, to identify suitable candidates for future directorship, as and when necessary.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
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</table>

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	:	Shareholders were provided with detailed information on the Directors standing for re-election at the Company's 8^{th} AGM held on 4 June 2025. Similarly, for the forthcoming 9^{th} AGM to be held on 9 June 2026, shareholders are provided with detailed information on the Directors standing for re-election through the Board of Directors' Profile disclosed in the Company's Annual Report 2025. The Board had also provided in the Explanatory Notes to the Notice of the 9^{th} AGM, a brief description of the two (2) retiring directors, namely Professor Emerita Siti Naasishah Binti Hambali and Dato' Seri Hj. Rosli Bin Isa including their interests, positions and relationships within or outside the Company (if any), as well as the Board's statement in supporting the NC's recommendation for their re-election. This enables shareholders to make informed decisions on the re-election of Directors.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	The NC is chaired by Ir. Dr. Muhammad Fuad Bin Abdullah, an Independent Non-Executive Chairman of the Company. The NC, which comprises exclusively Independent Non-Executive Directors, is as follows: **Chairman** Ir. Dr. Muhammad Fuad Bin Abdullah *Independent Non-Executive Chairman* **Members** Professor Emerita Siti Naaishah Hambali *Independent Non-Executive Director* Chng Boon Huat *Independent Non-Executive Director* Dato' Seri Hj. Rosli Bin Isa (appointed w.e.f. 4 March 2026) *Independent Non-Executive Director* The primary responsibilities of the NC are set out in its Terms of Reference, which is available on the Company's corporate website: www.nadicergas.com.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 5.9
The board comprises at least 30% women directors.

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	During the FY2025, the Board had one (1) female Director, representing 20% women representation on the Board. Following the appointment of an additional Independent Director in March 2026, the Board composition changed, resulting in a corresponding reduction in women representation from 20% to 16.67%. The NC and the Board regularly review the Board's composition to improve its skills set, including gender diversity.	
	To meet the 30% women directors' composition target, the NC and the Board continuously seek to expand the pool of potential women candidates for Board candidacy. The NC reviews and recommends the criteria for the appointment of Directors, taking into consideration the competency, knowledge, expertise, experience, professionalism, integrity, and time commitment of the candidates. The Board endeavours to take incremental steps to achieve the gender diversity target recommended under MCCG, and the NC is tasked to identify suitable women candidates with the requisite skills, qualifications and experience, including through independent sources. Although the Board has yet achieved 30% women representation, the Board ensures that all Board Committees have at least one (1) women Director to participate in the decision-making process.	
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 5.10
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 has established a Board and Senior Management Diversity Policy on 30 May 2022 that sets out the approach of the Board on the composition of the Board of Directors and Senior Management of the Group. The Group's gender policy states that the Board shall maintain at least one (1) woman Director with a target of having at least 30% women directors on the Board, and at least 20% women in Senior Management positions. However, the Board currently has one (1) female Director, representing 20% women directors on the Board as at 31 December 2025. The Board recognises the importance of providing fair and equal opportunities and nurturing diversity within the Group and will source suitable women candidates for Board candidacy, if the need arises. In the Senior Management positions, the Group has already achieved 25% women representation.	
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 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.

<table>
<tr><td colspan="2">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.</td></tr>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The NC conducts annual evaluation of the Board, Board Committees and each individual Director. For the year under review, Tricor Corporate Services Sdn Bhd was appointed to assist the NC in conducting the annual assessment.

The annual assessments, including Board's and Board Committees' effectiveness assessments, Directors' and Board Committee members' self and peer assessments were conducted by way of questionnaires.

The results of the annual assessment for the year under review were generally positive, with all areas evaluated rated between "Good" and "Excellent". Nevertheless, in order to further elevate the Board and Board Committees' effectiveness and performance, the Board agreed to focus on the following matters during the financial year ending 31 December 2026:

• Strategic planning,
• Risk management, and
• Capacity of Senior Management team.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td></td></tr>
<tr><td></td></tr>
<tr><td colspan="2">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td></td></tr>
</table>

Timeframe :		

Intended Outcome

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

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

Practice 7.1

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

Application :	Applied	
Explanation on application of the practice :	The Board has established a formal and transparent process for approving the remuneration of the GMD, Executive Director, Non-Executive Directors and Senior Management. The remuneration packages of the Directors and Senior Management are reviewed by the RC on an annual basis. Any changes made would be recommended to the Board for approval. The RC also reviewing the remuneration policies from time to time to ensure that the guidelines and procedures to determine the remuneration packages of Directors and Senior Management are fairly and appropriately formulated, in line with market practices and industry benchmarks, and remain competitive for talent attraction and retention. The remuneration to be paid to the Non-Executive Directors is also reviewed by the RC and will be tabled to the shareholders at the forthcoming AGM for approval.	
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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	The members of the RC, which comprises exclusively Independent Non-Executive Directors, are as follows: **Chairperson** Professor Emerita Siti Naaishah Hambali *Independent Non-Executive Director* **Members** Ir. Dr. Muhamad Fuad Bin Abdullah *Independent Non-Executive Chairman* Chng Boon Huat *Independent Non-Executive Director* Dato' Seri Hj. Rosli Bin Isa (appointed w.e.f. 4 March 2026) *Independent Non-Executive Director* The primary responsibilities of the RC which include implementing policies and procedures on remuneration, and reviewing and recommending matters relating to the remuneration of the Board and Senior Management, are set out in its Terms of Reference, which is available on the Company's corporate website: www.nadicergas.com.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration for FY2025 are tabulated in the following page.

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	Dato' Sr Hj Wan Azman Bin Wan Kamal	Executive Director	0	0	0	0	0	0	0	0	0	1,980.0	0	15.5	238.4	2,233.9
2	Dato' Sri Subahan Bin Kamal (Resigned on 20 April 2026)	Executive Director	0	0	0	0	0	0	0	0	0	900.0	0	0	109.4	1,009.4
3	Ir. Dr. Muhamad Fuad Bin Abdullah	Independent Director	126.0	6.0	0	0	0	0	132.0	126.0	6.0	0	0	0	0	132.0
4	Professor Emerita Siti Naaishah Hambali	Independent Director	114.0	6.0	0	0	0	0	120.0	114.0	6.0	0	0	0	0	120.0
5	Chng Boon Huat	Independent Director	120.0	6.0	0	0	0	0	126.0	120.0	6.0	0	0	0	0	126.0

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

Practice 8.2
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	The Company is of the view that it would not be in its best interest to make such disclosure on a named basis, given the competitive nature of the human resource market. The Company also seeks to maintain the confidentiality of employees' remuneration packages. The retention of Senior Management is critical to the successful implementation of the Company's strategic plan. The Company is of the view that disclosing the remuneration of Senior Management would be detrimental, as it may lead to competing organisations to attempt to 'poach' experienced Senior Management personnel, as well as place upward pressure on executive remuneration packages as lower-paid senior executives may seek parity.	
	The aggregate amount of remuneration paid to the top three (3) Senior Management for FY2025 was RM1,705,568 and the component of the remuneration includes salary, allowances, bonus, benefit-in-kind and other emoluments.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

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								
2								
3								
4								
5								

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 ARMC is chaired by Mr Chng Boon Huat, who is an Independent Non-Executive Director. He is not the Chairman of the Board. Having the positions of Board Chairman and ARMC Chairman assumed by different individuals allow the Board to objectively review the ARMC findings and recommendations. The ARMC Chairman is also able to provide full commitment and devote adequate time to review all matters within the scope of the ARMC's responsibilities.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.2
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	:	In line with the amendments to the MCCG, the ARMC's TOR was updated on 23 November 2021 to require a former key audit partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. To-date, the ARMC does not have any member who is a former key audit partner of the Company's external audit firm.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	The Company has an External Auditor Policy to assess the suitability, objectivity and independence of the external auditor. A performance review of the external auditor, Messrs Crowe Malaysia PLT is conducted annually by the ARMC. As set out in the External Auditor Policy, the ARMC has conducted an annual assessment on the suitability, objectivity, performance and independence of the external auditor, as well as the effectiveness of the audit process for FY2025, taking into consideration the following: • calibre of external audit firm; • adequacy of resources; • quality of audit services; • effectiveness of recommendations to addressing weaknesses observed during the audit; • adequacy of audit scope; • appropriateness of audit fees; • communication and interaction with Management and the internal auditors; • timeliness in escalating audit issues to the ARMC; and • the information as presented in its Annual Transparency Report. Following the assessment, the ARMC and Management were satisfied that the external auditor has been independent and professional throughout the conduct of the audit process, and that the audit services rendered met the quality expected by the ARMC and Management. The ARMC was satisfied in its review that the provision of non-audit services by the external auditor to the Group for FY2025 did not in any way impair their objectivity and independence. Messrs Crowe Malaysia PLT has confirmed to the ARMC that they have continuously complied with the relevant ethical requirements regarding their independence throughout the conduct of the audit engagement with the Group, in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants

	and the Malaysian Institute of Accountants By-Laws (on Professional Ethics, Conduct and Practice). Following the above assessment, ARMC had on 20 April 2026 recommended to the Board for the re-appointment of Messrs Crowe Malaysia PLT as the Company's external auditor for the ensuing year.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	
Timeframe :	

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC, which comprises solely Independent Non-Executive Directors, is as follows: **Chairman** Chng Boon Huat *Independent Non-Executive Director* **Members** Ir. Dr. Muhammad Fuad Bin Abdullah *Independent Non-Executive Chairman* Professor Emerita Siti Naaishah Hambali *Independent Non-Executive Director*

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

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

Application	:	Applied
Explanation on application of the practice	:	The ARMC is chaired by Chng Boon Huat who is a qualified accountant. The qualifications, skills, experience and expertise vary among the ARMC members who are from diverse fraternities such as finance, law, engineering, audit and public service/management. With their knowledge/vast experience, they are not only capable of understanding matters under the ARMC's purview but also be able to provide sound advice to the Board in term of governance, regulatory compliance, financial reporting, internal and external audit reports as well as other matters to be considered by the ARMC. The Board reviews and assesses the performance of the ARMC and its members through the annual assessment. Based on the outcome of the assessment, the Board was satisfied with the performance of the ARMC. During the financial year under review, all ARMC members have undertaken continuous professional development by attending various conferences, seminars and training programmes relevant to their role as ARMC members, to enhance their knowledge in order to efficiently discharge their duties and responsibilities.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

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

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

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application :	Applied	
Explanation on application of the practice :	The Board has established and implemented an effective risk management and internal control framework based on the Internal Control Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). Risk management function is carried out by the Compliance Department, with the results thereof communicated to the Board by the ARMC to ensure that an effective risk management framework is in place. The Board, based on the recommendation of the ARMC, has engaged Sterling Business Alignment Consulting Sdn Bhd as the Company's outsourced internal auditors, to independently assess the adequacy, efficiency and effectiveness of the Group's internal control system. The Group's internal control system which encompasses risk management practices as well as financial, operational and compliance controls is reviewed by the internal auditors who report directly to the ARMC on a quarterly basis, where the risk areas and controls are identified, evaluated, monitored and managed to ensure that adequate and effective internal controls are in place.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The key features of the risk management and internal control system together with its adequacy and effectiveness are set out in the Statement on Risk Management and Internal Control, which is included in the Company's 2025 Annual Report.	
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 10.3 - 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 :	Not Adopted
Explanation on adoption of the practice :	

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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Board is fully aware of the importance of the internal audit function and has engaged Sterling Business Alignment Consulting Sdn Bhd, an independent internal audit firm to provide independent assessment on the adequacy, efficiency and effectiveness of the Group’s internal control system.

The internal auditors work closely with the Compliance Department to carry out the internal audit activities and presents its internal audit reports directly to the ARMC on a quarterly basis.

The results and proposed corrective actions as set out in the internal audit report were reviewed by the ARMC, and Management was responsible for ensuring that the agreed corrective actions to address identified weaknesses were implemented within the agreed timeframe.

The Compliance Department conducted follow-up audits to ensure that the proposed corrective actions were implemented accordingly, and the follow-up audit reports were presented to the ARMC on a quarterly basis for review. In this respect, the Compliance Department has added value by giving further assurance to the ARMC that the Group’s risk management and internal control processes are adequate and effective.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

Practice 11.2
The board should disclose–
- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	The internal auditors to review and report on the adequacy and effectiveness of the internal control system of the Group. The internal auditors work closely with the Company's Compliance Department to ensure that independent and objective reviews on the state of internal controls of the Group's major business segments are reported to the ARMC. The lead internal audit team performing audit for the Group for the year under review consists of: 1. Dr. So Hsien Ying, the Principal Consultant responsible for the internal audit of the Group. She has more than 30 years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review. She is a Doctor in Business Administration (Wales), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), a Certified Internal Control Professional (US), a permanent member of the Internal Control Institute (US), an associate member of IIAM and a member of the Malaysian Alliance of Corporate Directors. 2. Cheng Chean, a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA) and a Fellow Member of the Chartered Certified Accountant (FCCA). Mr Cheng has 22 years of hands-on experience in the fields of external audit, internal audit and internal control review. The internal auditors and the Compliance Department report directly to the ARMC to preserve their independence and objectivity, and their audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence. The risk management framework and the internal control system put in place are based on internationally recognised Internal Control Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

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

Intended Outcome
There is 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.

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2">The Board recognises the importance of effective, transparent, regular and timely communication with the shareholders and other stakeholders to keep them informed of the Group's latest financial performance, businesses and corporate developments.

Presently, the Board and Management of the Company communicate regularly with its shareholders and other stakeholders through the following channels of communication:

(i) Bursa Malaysia Securities Berhad
The Company releases all material announcements via Bursa LINK, and the shareholders and the public in general may obtain such announcements and financial information from the website of Bursa Malaysia Securities Berhad.

(ii) Corporate Website
The Company's corporate website, www.nadicergas.com incorporates an "Investors" section which provides information such as Group's businesses, corporate information, corporate governance and Board Charter, Terms of References of Board Committees, governance policies as well as other relevant investors' information.</td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td>Application :</td><td colspan="2">Not applicable – Not a Large Company</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

Practice 13.1
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application :	Applied	
Explanation on application of the practice :	The Board ensures that the Notice of AGM is despatched at least 28 days prior to the meeting. The Notice of the 8th AGM and the Annual Report were issued on 29 April 2025 for the AGM held on 4 June 2025. The 9th AGM is scheduled to be held on 9 June 2026. The Notice of the 9th AGM, together with the proxy form and administrative guide, were issued on 29 April 2026 and made available on the Company's website on 29 April 2026, which is more than 28 days prior to the AGM. Sufficient notice is given to shareholders to enable them to make the necessary arrangements to attend the Company's AGM. In order to facilitate informed decision-making by the shareholders, the Notice of the AGM was also accompanied by explanatory notes and relevant background information, where applicable, to enable the shareholders to properly consider the resolutions that would be discussed and decided at the meeting.	
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
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	:	The Company's 8th AGM and Extraordinary General Meeting ("EGM") were conducted physically at Tropicana Golt & Country Resort on 4 June 2025 and 4 December 2025, respectively in line with best practices. All Directors, relevant Senior Management and external auditors were present at the 8th AGM to address queries raised by shareholders. The Principal Adviser was also present at the EGM. All shareholders, corporate representatives and proxies were encouraged to participate in the proceedings of the general meetings and to raise questions before the resolutions are put to a vote. All issues and questions raised by shareholders were addressed by the Board and/or Management.	
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
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.

<table>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2">As mentioned in the previous Practice, the 8th AGM and EGM were conducted on a physical basis to enable effective participation and engagement with shareholders.

Shareholders who were unable to attend in person were allowed to appoint proxies to attend, speak, and vote on their behalf.</td></tr>
<tr><td colspan="2">After considering the small number of shareholders in the Company and the associated costs, the Board had opted not to adopt a hybrid meeting format. Nevertheless, the Board will consider the use of relevant technology to facilitate and enhance shareholders' remote participation at future general meetings, if necessary.

The Company appointed Scrutineer Solutions Sdn Bhd as the scrutineers to verify the poll results for each resolution tabled at the 8th AGM and EGM. Based on the poll results, the Chairman declared that all resolutions, as tabled under the Agenda of the meetings were carried. The poll results were also announced via Bursa LINK on the same day for the benefit of all shareholders.</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

Practice 13.4
The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.			
Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the 8th AGM and EGM ensured that shareholders were given sufficient opportunities to raise questions relating to the affairs of the Company by allocating adequate time for the Question and Answer (Q&A) session during the general meetings. The partner of Crowe Malaysia PLT, Mr. Jimmy Ung, and the Principal Adviser were also present at the 8th AGM and/or EGM to answer questions relating to the financial statements and the corporate exercise. However, no questions were raised by the shareholders at the 8th AGM. The Minutes of the 8th AGM and EGM together with the responses from the Board and/or Management to questions raised by the shareholders were published on the Company's website within 30 business days after the 8th AGM and EGM.	
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
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.			
Application	:	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice	:		
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
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.

<table>
<tr><td colspan="3">Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</td></tr>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Minutes of the 8th AGM and EGM held on 4 June 2025 and 4 December 2025 were published on the Company's website on 2 July 2025 and 9 January 2026, respectively, which was within 30 business days after the meeting.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT 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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