

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5205  
**COMPANY NAME** : Eversendai Corporation Berhad  
**FINANCIAL YEAR** : December 31, 2019

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

#### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Eversendai Corporation Berhad is led by an experienced, competent and diversified Board that is made up of Directors with appropriate competencies, knowledge, skills and experience from diverse sectors and backgrounds and in the Group's core businesses. The Board is committed to uphold the highest standards of corporate governance and discharge its duties with due care, skills and diligence for the success of the Group.</p> <p>The Board's roles and responsibilities include, without limitation to, the following:</p> <ul style="list-style-type: none"><li>• Reviewing and adopting strategic business plans for the Group's effective business performance. In setting the Group's strategic business plans, the Board relies on the reports provided by the Group Managing Director who oversees the entire business and operations of the Group;</li><li>• Overseeing the conduct of the Group's business to evaluate whether the business is being effectively managed. At each Board meeting, the Group Managing Director will brief the Directors on the current operations, issues faced and plans of the Group for the Board to be kept abreast on the conduct, business activities and development of the Group;</li><li>• Identifying principal risks and ensuring implementation of appropriate systems to effectively manage and monitor the identified risks;</li><li>• Reviewing the adequacy and effectiveness of the Group's risk management and internal control system which is embedded in all aspects of the Group's activities, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;</li><li>• Developing corporate objectives, policies and strategies;</li><li>• Reviewing and approving acquisitions and disposals of undertakings and properties of substantial value and major investments; and</li><li>• Ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, spearheaded by the Group Managing Director through effective participation at general meetings. The Board subscribes to high standards of transparency and accountability in the disclosure of information to its shareholders, potential investors and the</li></ul>

	<p>public. Eversendai Corporation Berhad uses various channels for effective communication with the shareholders and other stakeholders including releasing timely announcements and disclosures to Bursa Malaysia Securities Berhad, conducting general meetings and updating information available at the Company's website at <a href="http://www.eversendai.com">www.eversendai.com</a>.</p> <p>The Board is guided by its Board Charter and Code of Conduct for Directors which clearly sets out the Board's strategic intent, roles and responsibilities in discharging its fiduciary and leadership functions, and the standard of conduct expected of Directors respectively.</p> <p>In discharging the Board's duties and responsibilities, the Board has delegated certain duties and responsibilities to the following Board Committees: -</p> <p>(a) Audit Committee;  (b) Risk Management Committee;  (c) Nominating Committee; and  (d) Remuneration Committee.</p> <p>The Chairman of each Board Committee will report to the Board on issues deliberated at each committee meeting.</p> <p>Eversendai Corporation Berhad is committed to adopting the five (5) principles of the Guidelines on Adequate Procedures ("GAP"), pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission ("MACC") Act. Full implementation is currently in progress.</p>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is led by the Chairman, Tan Sri Dato' Nathan A/L Elumalay, who has provided effective leadership, strategic direction and necessary governance to the Group. He is primarily responsible for:</p> <ul style="list-style-type: none"><li>• Leading the Board in the administration of management and providing effective leadership to the Board;</li><li>• Setting the Board agenda with the Company Secretary for each meeting scheduled and ensuring that the Board members are given enough time for discussion of all agenda items;</li><li>• Leading the Board meetings and discussions in an effective manner and instilling the culture of openness and debate manner at the Board;</li><li>• Leading the Board by ensuring that Eversendai Corporation Berhad complies and adheres to all the relevant laws and regulations as well as corporate governance best practices;</li><li>• Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;</li><li>• Acting as the spokesperson for the Board;</li><li>• Ensuring effective function of the Board, overseeing and facilitating the Board, Committees and Board members' evaluation reviews and succession planning alongside the Chairman of the Nominating Committee;</li><li>• Leading the Board in establishing and monitoring good corporate governance practice in the Company;</li><li>• Guiding and mediating Board actions with respect to organisational priorities and governance concerns; and</li><li>• Performing other responsibilities assigned by the Board from time to time.</li></ul> <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in Paragraph 5 of the Board Charter which is available on the company website at <a href="http://www.eversendai.com">www.eversendai.com</a>.</p>
<b>Explanation for departure</b>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Code recommends that the positions of the Chairman and Chief Executive Officer (CEO) are held by different individuals.</p> <p>Although the roles of Chairman of the Board and Group Managing Director are combined, the Board is of the view that there is a strong independent element on the Board and that there are adequate measures and controls to ensure balance of power and authority, so that no individual has unfettered powers of decision. The more significant measures and controls are summarized below.</p> <p>All Executive and Non-Executive Directors have unrestricted and timely access to all relevant information necessary for informed decision-making. The Executive Chairman encourages participation and deliberation by Board members to tap their collective wisdom and to promote consensus building as much as possible.</p> <p>Matters which are reserved for the Board's approval and delegation of powers to the Board Committees, Group Managing Director, Chief Executive Officer and Management are expressly set out in an approved framework on limits of authority. Business affairs of the Group are governed by the Group's Discretionary Authority Limits and manuals on policies and procedures. Any non-compliance issues are brought to the attention of the Management, Audit Committee and/or the Board, for effective supervisory decision-making and proper governance.</p> <p>As the Group is expanding and its business growing, the division of authority is constantly reviewed to ensure that Management's efficiency and performance remain at its level best.</p>

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b>	:	The Board is of the view that there are adequate measures and controls to ensure balance of power.	
<b>Timeframe</b>	:	N/A	N/A

### 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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary of Eversendai Corporation Berhad, Mr. Cheok Kim Chee is qualified to act as Company Secretary under section 235(2) of the Companies Act 2016. He is a member of the Malaysian Association of Company Secretaries</p> <p>The Company Secretary plays an important advisory role to the Board and takes charge of ensuring overall compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and Companies Act 2016, and other relevant laws and regulations.</p> <p>The Company Secretary also:</p> <ul style="list-style-type: none"><li>• Provides support to the Board in fulfilling its fiduciary duties and leadership role in shaping the corporate governance ("CG") of Eversendai Corporation Berhad.</li><li>• Ensures that all appointments to the Board and Committees are properly made.</li><li>• Maintains records for the purposes of meeting statutory obligations.</li><li>• Ensures that obligations arising from the MMLR or other regulatory requirements are met.</li><li>• Facilitates the provision of information as may be requested by the Directors from time to time.</li></ul> <p>The Company Secretary attends the relevant professional development programmes as required by Companies Commission of Malaysia and the Professional Body practicing as a Company Secretary. The Company Secretary also attends seminars conducted by Bursa Malaysia Securities Berhad. The Board is satisfied with the performance and support rendered by the Company Secretary.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supplied with and assured of full and timely access to all relevant information to honour its duties effectively. A set of Board papers (together with a detailed agenda in the case of a meeting) is furnished to the Board members in advance of each Board meeting or Directors' Circular Resolution for consideration, guidance and where required, for decisions.</p> <p>In addition to the updated board meeting papers and reports, the Board is also furnished with ad-hoc reports to ensure that they are appraised on key business, financial, operational, corporate, legal, regulatory and industry matters, as and when the need arises.</p> <p>The Directors also have direct access to the advice and services of the Group Internal Audit Department and Company Secretary in addition to other members of Senior Management. The Board is constantly advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities. The Board may, at the Group's expense, seek external and independent professional advice and assistance from experts in furtherance of their duties.</p> <p>Minutes of meetings are circulated to the Board and Board Committees in a timely manner and signed by the Chairman as a correct record of the proceedings of the meetings.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has adopted a Charter, which sets out, amongst others, the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter serves as a source reference and primary induction literature, providing insights to prospective Board members and Senior Management. It clearly explains the relationship and interaction between the Board, Board Committees and individual Directors. It also sets out the Code of Ethics and Conduct that the members of the Board must observe in the performance of their duties. The Board Charter was adopted by the Board on 25 February 2013 and is subject to review to ensure regulatory compliance. Details of the Board Charter is available online in the Governance and Responsibility section at <a href="http://www.eversendai.com">www.eversendai.com</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Eversendai's ethical framework to guide actions and behaviours of all relevant stakeholders (inclusive of the Board) is outlined in the Code of Conduct, Anti-Bribery and Corruption Policy, Whistleblower Policy and Policies and Procedures for the management of Human Resources, Finance, Procurement, Operations, Health, Safety and Environment.  The Board will review the Code to ensure regulatory compliance and relevance.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>: Eversendai calls for the highest standards of integrity from all its employees and stakeholders. Eversendai views seriously any wrongdoing on the part of any of its relevant stakeholders, especially with regard to their obligations to Eversendai's interests.</p> <p>The Company's Whistleblower Policy ("WBP") provides an avenue to help all relevant stakeholders to raise concerns without fear of retaliation or any detrimental action.</p> <p>Relevant stakeholders can report any misconduct if they are aware including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• fraud;</li> <li>• misappropriation of assets;</li> <li>• sexual harassment;</li> <li>• criminal breach of trust;</li> <li>• illicit and corrupt practices;</li> <li>• questionable or improper accounting;</li> <li>• misuse of confidential information;</li> <li>• acts or omissions which are deemed to be against the interest of the Company, laws, regulations or public policies;</li> <li>• giving false or misleading information (including suppression of any material facts or information);</li> <li>• breaches of Group Policies and Code of Conduct; or</li> <li>• the deliberate concealment of any of the above matter or other acts of misconduct.</li> </ul> <p><b>Procedures</b></p> <p>Protected disclosures shall be submitted with a covering letter bearing the identity of the whistle blower to the Head of Company and the Group Managing Director who will discuss with the Board and if deemed fit shall detach the covering letter and forward the protected disclosure to the Head of Human Resource Management for investigation and report within 30 days to the Board.</p>

	<p><b>Protection</b>  The Company recognises that the decision to report a concern can be a difficult one to make. The identity of the Whistle Blowers shall be kept confidential to the extent possible and permitted under law. However, if the need arises for the matter to be taken up in court, the Whistleblower should be willing to present himself/herself to court and furnish details of the malpractices highlighted by him/her.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**Intended Outcome**

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

**Practice 4.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>There are six (6) members on the Board, comprising the Executive Chairman (who is also the Group Managing Director), two (2) Executive Directors and three (3) Independent Non-Executive Directors. The composition of the Board meets the Main Market Listing Requirements of Bursa Malaysia Securities Berhad of at least one-third (1/3) of the board being independent.</p> <p>All Independent Directors act independently of Management and are not involved in any other relationship with the Group that may impair their independent judgement and decision-making. The composition and size of the Board is reviewed annually to ensure its appropriateness and effectiveness.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.2

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 justify and seek shareholders' approval annually. If the board continues to retain the independent director after the twelfth year, the board should seek shareholders' approval annually through a two-tier voting process.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>To-date, one (1) Senior Independent Non-Executive Director, namely Mohammad Nizar Bin Idris, has served the Board for more than nine (9) years. Mohammad Nizar Bin Idris had completed his 9-year tenure on 1 June 2019 and has been recommended by the Board to be retained as Senior Independent Non-Executive Director, subject to the approval of shareholders at the forthcoming AGM.</p> <p>The Board has via the Nominating Committee, reviewed and assessed the performances and independence of Mohammad Nizar Bin Idris and is satisfied that his independence has never been compromised by his long relationship with the Board and is of the view that he is able to continue exercising independent judgement to ensure the checks and balances required for the business of the Group. The Nominating Committee and the Board recognise the benefits of the experience, valuable insight and expertise of Mohammad Nizar Bin Idris, and are certain that his continued service will serve the interest of the Company and its shareholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.3 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b>	:	Not adopted.
<b>Explanation on adoption of the practice</b>	:	



**Intended Outcome**

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

**Practice 4.4**

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.

<b>Application</b>	:	Applied																																						
<b>Explanation on application of the practice</b>	:	<p>The Board comprises of members with diverse professional backgrounds, skills, extensive experience and knowledge in the areas of engineering, steel fabrication, information technology, finance, business, general management and strategy required for the successful direction of the Group.</p> <p>The diversity in the age and gender of the Board is as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th>30 - 39</th> <th>50 - 59</th> <th>60 - 69</th> <th>70 - 79</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td><b>Number of Directors</b></td> <td>1</td> <td>2</td> <td>2</td> <td>1</td> <td>5</td> <td>1</td> </tr> </tbody> </table> <p>Having assessed the size, composition and diversity of the Board annually, the Nomination Committee and the Board confirmed that the existing Board's composition has the requisite competencies and capacity to effectively discharge its functions and responsibilities.</p> <p>The diversity in the age and gender of the Senior Management is as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th>40 - 49</th> <th>50-59</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td><b>Number of Senior Management</b></td> <td>3</td> <td>7</td> <td>9</td> <td>1</td> </tr> </tbody> </table> <p>The profiles of the members of the Board and Senior Management are provided for on pages 22 to 28 in the Annual Report.</p>						Age Group				Gender		30 - 39	50 - 59	60 - 69	70 - 79	Male	Female	<b>Number of Directors</b>	1	2	2	1	5	1		Age Group		Gender		40 - 49	50-59	Male	Female	<b>Number of Senior Management</b>	3	7	9	1
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<b>Measure</b>	:																																							
<b>Timeframe</b>	:																																							

**Intended Outcome**

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

**Practice 4.5**

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	For the year ended 31 December 2019, the Board comprises of six (6) Directors, one (1) of whom is a woman or 17% female representation.	
		<p>The Board acknowledges the importance of boardroom diversity and the recommended practice pertaining to the establishment of a gender diversity policy. Despite no specific targets being set in relation to boardroom diversity, the Board is committed to improving boardroom diversity in terms of race, religion, gender, regional and industry experience, cultural and geographical background, ethnicity, age and perspective.</p> <p>The Board supports gender diversity at all levels which include the Board, Senior Management and general workforce. The Board acknowledges that this is an area for continuous improvement.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board, through the Nominating Committee, will continue to search for suitable and well qualified women candidates to join the Board.	
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.6**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nominating Committee ("NC"), comprising of three (3) Independent Directors, makes independent recommendations for appointments to the Board. In making these recommendations, the NC assesses the suitability of candidates, taking into account the required mix of skills, knowledge, expertise and experience, professionalism, integrity, gender diversity, competencies and other qualities, before recommending them to the Board for appointment.</p> <p>In searching for suitable candidates for appointment as Director, the NC receives recommendation from existing directors, senior management and major shareholders.</p> <p>The NC also has the authority to obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.7**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nominating Committee (“NC”) is chaired by a Senior Independent Non-Executive Director. All the members of NC are Independent Non-Executive Directors.</p> <p>The NC of the Board consists of:</p> <ul style="list-style-type: none"><li>• Mohammad Nizar Bin Idris (Senior Independent Non-Executive Director and Chairman of the Nominating Committee);</li><li>• Nazariah Binti Ibrahim (Independent Non-Executive Director); and</li><li>• Datuk Iskandar Bin Sarudin (Independent Non-Executive Director).</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.1**

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has an on-going responsibility of assessing the Directors. Upon the completion of every financial year, the Nominating Committee (“NC”) undertakes a Board Assessment and Evaluation process to assess the effectiveness of the Board in discharging its duties and responsibilities effectively and efficiently.</p> <p>The Board Assessment and Evaluation is primarily based on answers to a detailed questionnaire prepared internally by the Group’s Legal and Secretarial Department considering applicable best practices. The assessment questionnaire is distributed to all the respective Board members and covers topics which include, amongst others, the responsibilities of the Board in relation to strategic planning, risk management, performance management, financial reporting, audit and internal processes, human capital management, corporate social responsibility, communication, corporate governance, and shareholders’ interest and value.</p> <p>Other areas being assessed include Board composition and size, the contribution of each member of the Board at meetings, the Board’s decision-making and output, information and support rendered to the Board as well as meeting arrangements.</p> <p>Actionable improvement programmes will be identified, upon review of the results of the Board and committee assessment by the Nominating Committee and the Board. Such programmes may include training needs of individual Directors.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

**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 6.1**

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Remuneration Committee ("RC") reviews on a yearly basis the individual remuneration packages of Eversendai's Directors and makes appropriate recommendations to the Board. The present policies on the remuneration of executive directors and senior management considers the scope of work, responsibility, experience, qualification, market situation, performance of the company and individual performance.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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 6.2

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee ("RC") of the Board consists of the following Directors:</p> <ul style="list-style-type: none"><li>• Datuk Iskandar Bin Sarudin (Independent Non-Executive Director and Chairman of the Remuneration Committee); and</li><li>• Mohammad Nizar Bin Idris (Senior Independent Non-Executive Director).</li></ul> <p>The RC is entrusted with the following responsibilities:</p> <ul style="list-style-type: none"><li>• Recommending to the Board the policy and framework for Directors' remuneration as well as the remuneration and terms of service of the Executive Directors;</li><li>• Evaluating the performance and reward of the Executive Directors, including ensuring performance targets are established to achieve alignment with the interests of shareholders of the Company, with an appropriate balance between long and short-term goals;</li><li>• Designing and implementing an evaluation procedure for Executive Directors; and</li><li>• Reviewing, on a yearly basis, the individual remuneration packages of Executive Directors and making appropriate recommendations to the Board.</li></ul> <p>The RC meets as and when necessary and can also make decisions by way of circular resolutions. The RC had, for the financial year, reviewed the remuneration packages of the Executive Directors of the Company.</p> <p>There are written Terms of Reference for the RC which is available on the Company's website at <a href="http://www.eversendai.com">www.eversendai.com</a>.</p>



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

**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 7.1**

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.

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b>	The details of the remuneration of the directors during the year ended 31 December 2019 are disclosed in the Corporate Governance Overview Statement in the Annual Report 2019.	
<b>Explanation for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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 7.2

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.

<b>Application</b> :	Departure													
<b>Explanation on application of the practice</b> :														
<b>Explanation for departure</b> :	<p>The Board is of the opinion that disclosure of senior management's remuneration on name basis is not encouraged as a precautionary measure of privacy, safekeeping and retainability of senior management and might potentially cause conflict among the senior staff.</p> <p>The top senior management's remuneration range for the year 2019 is disclosed as per the table below:</p> <table border="1"><thead><tr><th>Range of remuneration</th><th>Number of Senior Management</th></tr></thead><tbody><tr><td>RM751,000 to RM800,000</td><td>1</td></tr><tr><td>RM700,001 to RM750,000</td><td>1</td></tr><tr><td>RM600,001 to RM650,000</td><td>2</td></tr><tr><td>RM450,001 to RM500,000</td><td>1</td></tr><tr><td><b>Total</b></td><td><b>5</b></td></tr></tbody></table> <p>Via the Remuneration Committee, the Board ensures that senior management's remuneration is linked to Company and individual performance and appropriate with their scope of responsibility.</p>		Range of remuneration	Number of Senior Management	RM751,000 to RM800,000	1	RM700,001 to RM750,000	1	RM600,001 to RM650,000	2	RM450,001 to RM500,000	1	<b>Total</b>	<b>5</b>
Range of remuneration	Number of Senior Management													
RM751,000 to RM800,000	1													
RM700,001 to RM750,000	1													
RM600,001 to RM650,000	2													
RM450,001 to RM500,000	1													
<b>Total</b>	<b>5</b>													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
<b>Measure</b> :	The Board will continue evaluating the implications of such disclosure and will make the necessary disclosure provided that it is in the best interest of the Group to do so.													
<b>Timeframe</b> :	Others	The Company intends to maintain the current practice to preserve the confidentiality of such information												

**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 7.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	<p>At this juncture, the Board is of the opinion that the disclosure of senior management's remuneration on a named basis would not be in the best interest of the Group due to confidentiality and might potentially cause conflict among the senior staff.</p> <p>The Board ensures that the remuneration of the senior management commensurate with performance of the company and their individual performance.</p>

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee ("AC") consists exclusively of independent non-executive directors.</p> <p>The AC is chaired by Nazariah Binti Ibrahim. She has more than 37 years of experience in the finance field. The Chairwoman of the AC is a member of the Malaysian Institute of Accountants and Fellow Member of Association of Chartered Certified Accountants.</p> <p>Nazariah Binti Ibrahim was appointed as the Chairwoman of the AC on 30 December 2019.</p> <p>Having the positions of the Board Chairman and Chairman of the AC held by different individuals allows the Board to objectively review the findings of AC and its recommendations.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 8.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The company complies with the practice 8.2 of Malaysian Code of Corporate Governance. None of the members of the Board were former key audit partners within the cooling-off period of two (2) years. Hence, there is no such person being appointed as a member of the Audit Committee.</p> <p>The requirements as to <i>"Any former key audit partner must have observed a cooling-off period of at least 2 years before one is eligible for appointment as AC member"</i> in Practice 8.1 of the Malaysian Code on Corporate Governance is also set out under the Terms of Reference of the Audit Committee.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 8.3**

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee ("AC") has policies to assess the suitability, objectivity and independence of the Independent Auditor.</p> <p>During the financial year ended 31 December 2019, the AC met with the Independent Auditors once in the absence of the management.</p> <p>The AC is responsible for assessing the capabilities and independence of Independent Auditors and to make recommendations to the Board on the appointment, re-appointment and termination of Independent Auditors.</p> <p>The AC reviews the suitability and independence of Independent Auditors. The review process covers the Independent Auditor's independence, performance, quality of audit work, adequacy of recourses and the audit fee.</p> <p>The AC was further assured by Messrs Baker Tilly Monteiro Heng in writing that its personnel were and have been independent, throughout the conduct of the audit of the financial statement for the year ended 31 December 2019 and met the by-laws (on professional ethics, conduct and practice) by Malaysian Institute of Accountants and the International Ethics Standards Board and Accountant's Code of Ethics for Professional Accountants.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	In agreement with Malaysian Code of Corporate Governance recommendation, the Audit Committee comprises of three (3) Independent Non-Executive Directors with a diverse skill set in accountancy, law and administration.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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 8.5**

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Collectively, the members of the Audit Committee ("AC") possess a wide range of necessary skills to discharge their duties and are financially and legally literate. The profiles of the members are provided in the Annual Report. The Chairwoman of the AC is a Chartered Accountant.</p> <p>The Company is committed to ensure that its AC members keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p> <p>All members of the Audit Committee had undertaken continuous professional development. Details of the training and seminars attended by the Directors during the financial year under review are set out in the Corporate Governance Overview Statement in 2019 Annual Report.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 9.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established the necessary risk and internal control infrastructure encompassing the risk assessment process, internal control measures, organisational oversight and reporting function to instill the appropriate discipline to continuously improve risk management and internal control capabilities. Details of the risk management framework and internal control systems are set out in the Statement on Risk Management and Internal Control in the 2019 Annual Report.</p> <p>The Board is of the view that the Risk Management and Internal Control Framework in place for the year under review is adequate and effective.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has adopted ISO 31000 Risk Management as a guideline in managing risk throughout the Group. Risk owners are responsible to identify, mitigate, prevent or reduce significant risks that would hinder the Group from achieving its objectives. Each key business unit has nominated Risk Coordinators who are responsible to guide risk owners to identify, monitor and develop action plans to mitigate the risks. The Risk Coordinators are supported by a Risk Management Unit who monitors and guides the Risk Coordinators on risk areas. The Risk Management Unit reviews every new risk identified and authenticates the viability of action plans provided by each Risk Coordinator.</p> <p>The Risk Management Unit will present quarterly reports on the enterprise risk map and analysis of the Enterprise Risk Management ("ERM") register, status of progress and propose changes for improvements to Risk Management Committee and the Board for review.</p> <p>The Board has disclosed the key features of its risk management and internal control system as well as its adequacy and effectiveness on pages 66 to 69 in the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 9.3 - 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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Risk Management Committee ("RMC") comprises wholly of Independent Non-Executive Directors. The membership classification of each RMC member is as follows:</p> <ul style="list-style-type: none"> <li>• Mohammad Nizar Bin Idris (Senior Independent Non-Executive Director and Chairman of the Risk Management Committee);</li> <li>• Nazariah Binti Ibrahim (Independent Non-Executive Director); and</li> <li>• Datuk Iskandar Bin Sarudin (Independent Non-Executive Director).</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has an established internal audit function performed by the in-house Group Internal Audit Department (“GIAD”) which is in charge of the overall internal audit activities of the Group. GIAD functionally reports to the Audit Committee (“AC”) and administratively to the Group Managing Director.</p> <p>The GIAD continues to independently review key processes, monitor compliance with policies and procedures, evaluate the adequacy and effectiveness of internal control and risk management systems and highlight significant findings, enhancements and corrective measures in respect of any non-compliance on a timely basis. Its work practices are governed by the Internal Audit Charter, which is approved by the AC.</p> <p>The Internal Audit Charter had authorised GIAD to:</p> <ul style="list-style-type: none"><li>• Have unrestricted access to all the Company’s records, information, properties and personnel relevant to the performance of the internal audit function and activities:</li><li>• Determine the scope of work and exercise diligent efforts covering Eversendai’s critical operating functions and core activities:</li><li>• Obtain the necessary cooperation and adequate assistance from staff in various operating units and departments where they perform audits; and</li><li>• Obtain assistance of professionals, from within or outside the Group where considered necessary.</li></ul> <p>The annual audit plan, established primarily on a risk-based approach, is reviewed and approved by the AC annually before the commencement of the following financial year and an update is given to the AC every quarter. The AC oversees the GIAD’s function, its independence, scope of work and resources. The Head of the GIAD, on a quarterly basis, presents to the AC audit results and significant matters raised in the audit reports for the audits undertaken in respective areas of operation. Follow-up audits are also carried out to determine the status of implementation of agreed corrective actions based on the previous audit issues reported.</p> <p>The details of the Audit Committee’s oversight over the Internal Audit function is set out under the Audit Committee Report in the 2019 Annual Report.</p>

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

### 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 10.2

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group Internal Audit Department (“GIAD”) has adopted the International Professional Practices Framework (“IPPF”) issued by Institute of Internal Auditors as its practicing standards for the Group. The audit chart was established based on the IPPF standards.</p> <p>Referring to International Standard for the Professional Practice of Internal Auditing standard 1110 “Organisational Independence”, the Head of Internal Audit will annually assess the internal audit personnel to ensure they are free from any relationships or conflict of interest with the Group. If any irregularities are discovered, the Head of Internal Audit will present the findings to the AC.</p> <p>The Internal Audit Personnel are free from any family relationships with any Director and/or major shareholders and do not have any conflict of interest with the Group.</p> <p>The GIAD Head is Mr. Vimalashankar Navarathnam. He is a Member of the Malaysian Institute of Certified Public Accountants (“MICPA”), Malaysian Institute of Accountants (“MIA”) and Chartered Accountants Australia and New Zealand (“CAANZ”). He graduated from University Putra Malaysia with a Bachelor’s Degree in Accounting. He joined the GIAD on 16<sup>th</sup> March 2020.</p> <p>The Group Internal Audit Function has been divided into three regional offices which are based in Malaysia for Malaysia and Singapore Operations, in India for India Operations and in Dubai for the Middle East Operations. All regional internal auditors functionally report to their respective regional office heads.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		



**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 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group strives to maintain an open and transparent channel with its stakeholders, institutional investors and the investing public at large with the objective of providing clear and complete information of the Group's performance and financial standing.</p> <p>Announcements on all significant developments and matters of the Group are made to Bursa Malaysia Securities Berhad. Shareholders and stakeholders are provided with a regular overview of the Group's performance via the financial results which are released on a quarterly basis within the mandatory period. The Investor Relations section of the Eversendai website holds all the announcements made by the Company to Bursa Securities.</p> <p>As part of the Company's active investor relations program, discussions and dialogues are held with fund managers, financial analysts, shareholders, potential investors and members of the media to convey information about the Company's performance, strategy and other matters affecting shareholders' interest.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 11.2**

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

<b>Application</b>	:	N/A	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company is not a large company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The notice of the Seventeenth Annual General Meeting of the Company will be issued at least 28 days prior to the Annual General Meeting date.  The Company is therefore in compliance with Practice 12.1 of the Code and Companies Act, 2016 which requires notice of not less than 21 days.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All Directors and Chairmen of the Board Committees are present to provide clarification on shareholders' queries. Where appropriate, the Chairman of the Board will endeavor to provide the shareholders with written answers to any significant questions that cannot be readily answered during the Annual General Meeting ("AGM"). Shareholders are welcome to raise questions by contacting the Company at any time throughout the year and not only at the AGM.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.3**

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders’ participation at General Meetings.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	At present, the Company does not leverage on technology to facilitate voting in absentia and remote shareholders’ participation at the Annual General Meeting (“AGM”). However, the Board will monitor development in this area for future consideration.	
		<p>The AGM have always been held in the Klang Valley at locations which are accessible by the shareholders.</p> <p>A shareholder of the Company can vote in person or appoint a proxy to attend and vote on his/her behalf. Voting at the AGM is by poll and the Company utilises an electronic voting system to expedite the voting and facilitate the tabulation process in a seamless manner.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

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

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

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