

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 1368  
**COMPANY NAME** : UEM Edgenta Berhad  
**FINANCIAL YEAR** : December 31, 2020

## **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ultimate and overall responsibility for corporate governance, strategic direction, financial and organisational matters of the Group lies with the Board. In discharging its roles and responsibilities, the Board is guided by the Board Charter and the Discretionary Authority Limits ("DAL") which outlines the duties and responsibilities of the Board, as well as matters that the Board may delegate to the Board Committees, the Managing Director/Chief Executive Officer and Management.</p> <p>The DAL is constantly reviewed to ensure proper governance and control without jeopardizing opportunities. During the year under review, the Board Charter was reviewed and revised on 26 February 2020 and 25 November 2020.</p> <p>The Board met regularly to perform its principal responsibilities, which are amongst others, as follows:-</p> <ol style="list-style-type: none"><li>1) Establishing, reviewing and adopting the strategic plans and direction for the Group.</li><li>2) Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed.</li><li>3) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.</li><li>4) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management.</li><li>5) Developing and implementing an investor relations programme or Corporate Disclosure Policy for the Group.</li><li>6) Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines.</li></ol> <p>On 19 &amp; 20 October 2020, the Board of Directors met with Management virtually for a Board Strategy Meeting. Due to COVID-19, the theme for the Strategy Meeting was "Navigating Uncertainty: Thriving in the New Normal".</p>

	<p>At this meeting, the progress and year to date performance of the Company as compared to the performance target set by the Board early of the year was deliberated. The Board of Directors also interacts directly with Head of Divisions to understand their key operational challenges and gaps, deliberating on the next steps to be taken by each business unit, and also set the Group's strategy, plan and budget for 2021 and beyond.</p> <p>Subsequent to the Board Strategy Meeting, the Management then presented their Annual Operating Plan 2021 at the Board Meeting held on 25 November 2020. The presented Annual Operating Plan 2021 contained the strategies and business plans that was decided at the Board Strategy Meeting in October 2020.</p> <p>As change is constantly happening at an accelerated speed, the Board had endorsed a new set of core values on 25 November 2020 to set a new cultural foundation towards realizing the plan for "Edgenta of the Future". On 25 January 2021, the new Edgenta Way, a new set of core values, <b>FIRST</b> was formally launched.</p> <p>FIRST are the values that UEM Edgenta believe in and display as an organisation. It is the way how UEM Edgenta handle work commitments and more importantly, together with the Code of Conduct, support the promise in delivering value to all stakeholders.</p> <div data-bbox="647 999 1318 1357"> </div>
<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 1.2

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 Chairman of the Board, who is an Independent Non-Executive Director, together with the other Board members, are responsible for setting the policy framework within which the Management is to work.</p> <p>His main responsibility is to lead and manage the work of the Board in order to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. He serves as the main liaison person between the Board and the Management. Together with the other Non-Executive and Independent Directors, he leads the discussion on the strategies and policies recommended by the Management. He also chairs the meetings of the Board and the shareholders.</p> <p>The duties and responsibilities of the Chairman are set out in the item 2.0 in Appendix 1 of the Board Charter, which is available at <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</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.

Application	:	Applied	
Explanation on application of the practice	:	The positions of Chairman of the Board and Managing Director/Chief Executive Office ("MD/CEO") of the Company are held by separate individuals who are unrelated to each other.	
		Chairman of the Board	Tan Sri Dr. Azmil Khalid
		MD/CEO	En. Syahrulizam Samsudin
		The separation of roles is to ensure a balance of power and authority between the Chairman and the MD/CEO. Their positions are separated and clearly defined under items 2.0 and 3.0 respectively in Appendix 1 of the Board Charter, which is available at <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</a>	
		The Chairman leads the Board to ensure the Board effectively discharges its leadership, control roles and assists the Board fulfils the goals it sets by assigning specific tasks to members of the Board. He also acts as liaison between the Board and Management, carries out other duties as requested by the Board as a whole, depending on need and circumstances.	
	The MD/CEO is primarily responsible for overseeing the day-to-day management of the business with power, discretions, and delegations authorised in the Discretionary Authority Limits and implementing the policies and strategies adopted by the Board. He is accountable for leading the Management team, implementing the policies/decisions approved by the Board, building a dynamic corporate culture with the requisite skills and competency and acting as the Group's chief spokesperson. He is also responsible for developing and recommending to the Board annual operating plans and budgets that support the Group's long-term vision, strategy and vision, formulating and monitoring the implementation of major corporate policies.		
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 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 Board is supported by a Company Secretary, Ms. Chiew Siew Yuen who is accountable to the Board through the Chairman of the Board and Committees on all governance matters. Ms. Chiew Siew Yuen has fifteen (15) years' experience in corporate secretarial practice and is an associate member of the Malaysian Institute of Chartered Secretaries and Administrators.</p> <p>The Company Secretary is a central source of information and advises the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company. The Board members have unlimited access to the professional advice and services of the Company Secretary.</p> <p><u>Roles of the Company Secretary</u></p> <ol style="list-style-type: none"><li>1) Provides advisory with regard to the Company's Constitution, Board policies and procedures, corporate governance best practices, and ensure compliance with regulatory requirement, listing rules, codes and legislation.</li><li>2) Attends and ensure that all Board and Board Committees decisions are well recorded in the minutes and subsequently action items are communicated promptly to the Management for implementation.</li><li>3) Assist in reviewing the Board agendas and Board papers, where applicable prior to circulation to the Board.</li><li>4) Coordinate and ensure the timely completion and circulation of Board and Committee papers.</li><li>5) Facilitates induction programmes for new directors and assists with professional development of Directors.</li><li>6) Ensure processes and proceedings of general meetings are in place and properly managed.</li><li>7) Facilitates the Board in conducting the annual Board Effectiveness Assessment.</li></ol> <p>The Company Secretary maintains up-to-date knowledge of the regulatory requirements by attending relevant continuous professional development programmes as required and is in a position to advise the Board and its Committees on compliance matters as appropriate.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging its function.</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

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>As guided in the Company's Board Charter, the meeting materials are to be furnished to the Directors at least 5 business days in advance of each meeting. This is to ensure Directors have sufficient time to read and evaluate the matters to be discussed and have a meaningful deliberation on the matters tabled for decision making.</p> <p>The Board papers contain both quantitative and qualitative information and are presented in a manner which is concise and include comprehensive management reports, minutes of meetings, proposal papers and supporting documents. This will enable Directors to review, consider, and if necessary, obtain further information or research on the matters to be deliberated in order to be properly prepared at the meetings, thereby enabling informed decisions to be made.</p> <p>To ensure that the meeting materials are provided to Directors within the stipulated time, the Company Secretary sends out an email to Management notifying the meeting date and the submission deadlines of the meeting materials.</p> <p>Upon receipt of the meeting materials, they would be disseminated to all directors in a paperless manner via an iPad-based solution which stores meeting documents digitally in a secured manner. An email would be sent to Directors notifying that the papers are available for access on their iPads.</p> <p>All deliberations and outcomes were documented in the minutes. The Company Secretary would facilitate post-board meetings with the MD/CEO and Senior Management, to ensure action items were communicated for Management's action. The Company Secretary also follow up on the status of the actions to be taken by the Management for reporting to the Board.</p> <p>The minutes are circulated to the Board for perusal together with the meeting materials for the next meeting.</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>	:		
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**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>	:	<p>Pursuant to item 15.0 of the Board Charter, the Board Charter shall be reviewed by the Board periodically to ensure it remain consistent with the Company's objective, latest practices and laws.</p> <p>The Board Charter was last revised effective from 1 January 2020. The revision was to ensure it is in line and relevant with the Companies Act 2016, Malaysian Code of Corporate Governance and Main Market Listing Requirements and also updated to include the additional duties and responsibilities of the Board arising from the establishment of Integrity and Compliance Function (equivalent of the "Integrity and Governance Unit" as per the Guideline for the Management of Integrity &amp; Governance Unit issued by Malaysian Anti-Corruption Commission).</p> <p>The Board Charter sets out the following for guidance:-</p> <ol style="list-style-type: none"> <li>1) Duties and Responsibilities of the Board, which addressed the issues and decisions reserved for the Board.</li> <li>2) Principal responsibilities of the Board Committees.</li> <li>3) Duties and Responsibilities of the Chairman, MD/CEO and Non-Executive Director/Independent Director.</li> </ol> <p>The Board Charter is available for access at <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</a></p>
<b>Explanation for departure</b>	:	
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<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>	:	<p>The Company's Code of Conduct, which incorporates a Code of Ethics, requires all officers and employees to observe high standards of business and personal ethics in carrying out duties and responsibilities. As employers and representatives of UEM Edgenta, or any of its subsidiaries, they must practise honesty and integrity in fulfilling their duties and responsibilities, and comply with all applicable laws and regulations. It is thus the responsibility of all officers and employees to comply with the Code of Conduct and to report violations or suspected violations thereto.</p> <p>The Company's Code of Conduct for employees was recently refreshed in February 2021 to include the new Core Values. The Company's Code of Conduct for employees is available at:- <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</a></p> <p>The Company also has a separate Code of Ethics for Directors, which is included in the Board Charter under item 13.0 and is available at:- <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</a></p> <p>UEM Edgenta is committed to promote and support a working environment which reflects the Company's commitment to maintain highest level of integrity and ethical standards through the conduct of our operations.</p> <p>In line with that, the Risk, Integrity and Compliance Mandatory E-Learning which consist of the following 4 modules was rolled out in Q3 2020:-</p> <ul style="list-style-type: none"><li>a) Code of Conduct for Employees</li><li>b) Anti-Bribery and Anti-Corruption</li><li>c) Code of Conduct for Business Partners</li><li>d) Fundamental of Risk Management</li></ul> <p>All employees are required to complete the mandatory e-learning with a passing mark of 80% and above.</p> <p>UEM Edgenta Berhad continues to be committed in promoting values of integrity and good governance as well as the intolerance on the abuse of power and corrupt practices in any form throughout the organisation.</p>

	<p>The Company also adopts a “No Festive Gift Policy” whereby all personnel of the Company are barred from accepting gifts or gratuities from external parties. All gift delivered would be returned. Signage of “No Festive Gift Policy” is also placed at the reception at the Lobby for the information of all visitors.</p> <p>Besides the Code of Conduct for Employees and Directors, the Company also has a Code of Conduct for Business Partners, which is also available at:-  <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</a></p>	
<b>Explanation for departure</b>	:	
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<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>The Company is committed to the highest standards of professionalism, honesty, integrity and ethical behaviour in the conduct of its business and operations. With this, the Whistleblowing Policy has been formulated to enable employees of UEM Edgenta Berhad and members of the public to report instances of unethical behaviours, improper conduct, actual or suspected fraud and/or abuse with the Company.</p> <p>A Whistleblowing Committee consist of the following members is also set up to assist in investigation purposes:-</p> <ol style="list-style-type: none"><li>1) Chairman of BGRC</li><li>2) Head of Risk, Integrity &amp; Compliance</li><li>3) Head of Internal Audit</li><li>4) Company Secretary</li><li>5) Heal of Legal (Effective 1 March 2021)</li></ol> <p>All communications made in good faith that discloses or demonstrates information that may evidence malpractice or unethical activity will be addressed to the Chairman of the Board of Directors or the Chairman of the Board Governance and Risk Committee ("BGRC").</p> <p>The Whistleblowing Policy is available at <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</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

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 directors.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2020, the Board had nine (9) members, comprising an Independent Non-Executive Chairman, one (1) Executive Director, three (3) Non-Independent Non-Executive Directors and four (4) Independent Non-Executive Directors as follows:-	
		Tan Sri Dr. Azmil Khalid	Independent Non-Executive Chairman
		En. Syahrulizam Samsudin	MD/CEO
		Dato' Mohd Izani Ghani	Non-Independent Non-Executive Director
		Dato' Noorazman Abd Aziz	Non-Independent Non-Executive Director
		Robert Tan Bun Poo	Independent Non-Executive Director
		Elakumari Kantilal	Non-Independent Non-Executive Director
		Dato' George Stewart LaBrooy	Independent Non-Executive Director
		Emily Kok	Independent Non-Executive Director
		Rowina Ghazali Seth	Independent Non-Executive Director
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 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 annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
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**

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><u>Appointment of Board Members</u></p> <p>The Board has put in place adequate and effective selection process and procedures for the recruitment or appointment of new Directors and members of the Board Committees.</p> <p>In assessing and making recommendations to the Board on the candidacy of Directors or appointment of Directors to Board committees, the Nomination and Remuneration Committee ("NRC") considers the candidates' competencies, commitment, contribution and performance, skills, knowledge, expertise and experience, professionalism, background, character and integrity, leadership qualities, boardroom diversity including gender diversity. In the case of candidates for the position of Independent Non-Executive Directors, the NRC also evaluates the candidates' ability to discharge such responsibilities/functions as expected from an Independent Non-Executive Director.</p> <p>For the appointment of new Directors, the Company adopts the nomination process which involves identification of candidates, assessment of candidates based on the criteria, covering both qualification and experience set by the Board, meeting with the candidates, and deliberation and recommendation of suitable candidates by the NRC to the Board for approval.</p> <p>The process of appointment of new Directors are as follows:-</p> <div><pre>graph LR; A[Identification of Competencies/Skills] --&gt; B[Selection of Candidates]; B --&gt; C[Interaction Session with Candidates]; C --&gt; D[NRC's assessment and deliberation]; D --&gt; E[Recommendation for Board's Approval]</pre></div> <p>The NRC assess and recommends to the Board the candidacy of Senior Management of Grade UT2 whose appointment are based on objective criteria, merit with due regards for diversity in skill, experience, age, cultural background and gender.</p> <p>The appointment of board members and senior management are guided by the items 2.2.1 and 2.2.15 respectively in the Terms of Reference of NRC.</p> <p>The Terms of Reference of NRC are available at <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</a></p>
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<b>Explanation for departure</b>		
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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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Although the Board does not have any gender diversity policies and targets or any set measures to meet any target, nonetheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial or gender bias.</p> <p>As at 31 December 2020, out of the 9 Board members, three (3) are females. This translates to 33.3% women directors on the Board of UEM Edgenta.</p> <p>As part of Company's effort to encourage and prepare more talented women executives for Board services, the Company appointed six (6) senior lady executives as Director on the Board of its subsidiaries.</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 4.6**

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.

Application	:	Applied	
Explanation on application of the practice	:	Besides recommendations from existing Board Members, Management and Major Shareholders, the Board conducts desktop searches to identify suitably qualified candidates.	
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 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 NRC's Chairman is Pn. Rowina Ghazali Seth, an Independent Non-Executive Director of the Company.</p> <p>The duties and responsibilities of the Chairman of NRC are as set out in the Terms of Reference of NRC.</p> <p>The Terms of Reference of NRC are available at <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</a></p>
<b>Explanation for departure</b>	:	
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<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 conducts annual evaluation of its activities and performance.</p> <p>For financial year under review, the Board evaluation was facilitated by the Company Secretary via the online portal.</p> <p>The Board considered the engagement of an independent experts for the FY2020 evaluation. However, in view of COVID-19, the Company had initiated several cost saving measures and hence the engagement of independent experts is put on hold for FY2020 and would be revisited next year.</p> <p>Through its Board Effectiveness Assessment ("BEA") which is designed to identify the strengths and weaknesses of the Board operations and established a common understanding of the Board's roles and responsibilities with a view to maximising Board performance, the Board via NRC evaluates the overall Board's performance against criteria that the Board determines are important to its success.</p> <p>Self and peer evaluation questionnaire are sent to the Directors via online portal for their completion and at the same time to obtain their feedback, views and suggestions to improve the performance of the Board and its Board Committees. The evaluation criteria includes the Board's structure, operations and interaction and roles and responsibilities of the Board and its committees. In addition, the BEA also includes the evaluation on the Board's composition in regards to the mix of skills, character, experience, integrity, competence and time commitment.</p> <p>The outcome of the BEA 2020 are as follows:-</p> <ol style="list-style-type: none"><li>1) The Directors had contributed positively to the Board as a whole by providing quality input and adding value to Board meetings. Members of the Board demonstrated strong commitment and pride in discharging their duties and responsibilities.</li><li>2) The Directors and Chief Financial Officer has the character, experience, integrity, competence and time to effectively discharge their roles.</li><li>3) All members of the Board agreed that the Chairman of the Board demonstrates effective and excellent leadership.</li></ol>

	<p>4) The Board has the relevant mix of skills and experience to function effectively.</p> <p>The independent Directors are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement and objective or the ability to act in the best interests of the Company.</p> <p>Based on the ratings of the assessments, the following key strengths were noted:-</p> <ol style="list-style-type: none"> <li>1) A diversified and well-balanced Board with representation in most skill sets.</li> <li>2) Adequate secretarial support was provided.</li> <li>3) Effective policies on Investor Relations programme were in place to ensure optimisation of stakeholder' value.</li> <li>4) The Board had an appropriate level of involvement in developing the Company's strategy and sufficient time was allocated for this.</li> <li>5) The Group's internal controls and system are effective and in compliance.</li> </ol> <p>Arising from the Board's feedback through the BEA 2020, the following areas are identified for focus of actions:-</p> <ol style="list-style-type: none"> <li>1) Board Structure</li> <li>2) Board Meeting (frequency and duration)</li> <li>3) Board Meeting Papers</li> <li>4) Area of expertise that would benefit the Board</li> <li>5) Board Roles and Responsibilities on focus areas</li> </ol>
<b>Explanation for departure</b>	<div></div> <div></div>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	<div></div>
<b>Timeframe</b>	<div></div> <div></div>

### 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>	:	<p>The Directors' remuneration is reviewed from time to time and is determined at levels which enable UEM Edgenta Group to attract and retain Directors with the relevant experience and expertise needed to manage the Group effectively.</p> <p>Non-Executive Directors are paid a fixed base fee on a quarterly basis. With the recommendation from the NRC, the Board as a whole determines the remuneration for Non-Executive Director with directors concerned abstaining from deliberation or voting on decision in respect of their remuneration. The aggregate amount of Directors' fee to be paid to Non-Executive Directors is subject to the approval of the shareholders at general meeting.</p> <p>The MD/CEO is subject to a 3-year service contract with the Company. He is not paid an attendance allowance nor Directors' fees. His remuneration is structured so as to link rewards to corporate and individual performance. Performance is measured against specified targets by reference to the Group's Annual Business Plan. The reward process also takes into account relevant market comparisons and competitive pressures in the industry. The deliberation of his performance is done without the presence of any executives.</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

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.

Application	:	Applied										
Explanation on application of the practice	:	At the end of the financial year, the NRC comprises three (3) Non-Executive Directors, out of which two (2) are Independent. The NRC consist of the following members:-										
		<table><tr><th>Name of members</th><th>Designation</th></tr><tr><td>Rowina Ghazali Seth</td><td>Independent Non-Executive Director (Chairman)</td></tr><tr><td>Dato' Mohd Izani Ghani</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Dato' George Stewart LaBrooy (Appointed on 31 March 2020)</td><td>Independent Non-Executive Director</td></tr><tr><td>Juniwati Rahmat Hussin (Resigned on 31 March 2020)</td><td>Independent Non-Executive Director (Chairman)</td></tr></table>	Name of members	Designation	Rowina Ghazali Seth	Independent Non-Executive Director (Chairman)	Dato' Mohd Izani Ghani	Non-Independent Non-Executive Director	Dato' George Stewart LaBrooy (Appointed on 31 March 2020)	Independent Non-Executive Director	Juniwati Rahmat Hussin (Resigned on 31 March 2020)	Independent Non-Executive Director (Chairman)
	Name of members	Designation										
	Rowina Ghazali Seth	Independent Non-Executive Director (Chairman)										
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	Dato' George Stewart LaBrooy (Appointed on 31 March 2020)	Independent Non-Executive Director										
	Juniwati Rahmat Hussin (Resigned on 31 March 2020)	Independent Non-Executive Director (Chairman)										
	The duties and responsibilities of the NRC are as set out in the Terms of Reference of the NRC, which is available for access at <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</a>											
Explanation for departure	:											
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.												
Measure	:											

<b>Timeframe</b>	:		
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## 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> :	<p>The Remuneration breakdown of individual directors which includes fees, salary, bonus, benefits in-kind and other emoluments for FY2020 is set out as follows:-</p> <p><b><u>Non-Executive Director</u></b></p> <table><tr><th></th><th></th><th colspan="3">COMPANY</th><th colspan="3">GROUP</th></tr><tr><th></th><th>Non-Executive Director (RM'000)</th><th>DIRECTORS' FEE</th><th>BENEFITS-IN-KIND</th><th>TOTAL</th><th>DIRECTORS' FEE</th><th>BENEFITS-IN-KIND</th><th>TOTAL</th></tr><tr><td>1</td><td>Tan Sri Dr. Azmil Khalid</td><td>225</td><td>41<sup>#</sup></td><td>266</td><td>225</td><td>41</td><td>266</td></tr><tr><td>2</td><td>Dato' Mohd Izani Ghani <sup>*1</sup></td><td>123</td><td>0</td><td>123</td><td>123</td><td>0</td><td>123</td></tr><tr><td>3</td><td>Dato' Noorazman Abd Aziz</td><td>123</td><td>0</td><td>123</td><td>123</td><td>0</td><td>123</td></tr><tr><td>4</td><td>Robert Tan Bun Poo</td><td>169</td><td>0</td><td>169</td><td>169</td><td>0</td><td>169</td></tr><tr><td>5</td><td>Elakumari Kantilal</td><td>163</td><td>0</td><td>163</td><td>163</td><td>0</td><td>163</td></tr><tr><td>6</td><td>Dato' George Stewart LaBrooy</td><td>148</td><td>0</td><td>148</td><td>148</td><td>0</td><td>148</td></tr><tr><td>7</td><td>Emily Kok</td><td>153</td><td>0</td><td>153</td><td>153</td><td>0</td><td>153</td></tr><tr><td>8</td><td>Rowina Ghazali Seth</td><td>146</td><td>0</td><td>146</td><td>146</td><td>0</td><td>146</td></tr><tr><td>9</td><td>Juniwati Rahmat Hussin <sup>*2</sup></td><td>33</td><td>0</td><td>33</td><td>33</td><td>0</td><td>33</td></tr><tr><td></td><td><b>TOTAL</b></td><td><b>1,283</b></td><td><b>41</b></td><td><b>1,324</b></td><td><b>1,283</b></td><td><b>41</b></td><td><b>1,324</b></td></tr></table> <p><u>Note:</u></p> <p><sup>*1</sup> RM25,343.40 was paid to Khazanah Nasional Berhad and the remaining was paid to UEM Group Berhad</p> <p><sup>*2</sup> Resigned on 31 March 2020</p> <p><sup>#</sup> Chairman's Car Allowance</p> <p><b><u>Executive Director</u></b></p> <table><tr><th>Executive Director (RM'000)</th><th>SALARY</th><th>BONUS</th><th>CONTRIBUTION TO DEFINED CONTRIBUTION PLANS</th><th>ALLOWANCES</th><th>BIK</th><th>TOTAL</th></tr><tr><td>En, Syahrurizam Samsudin <sup>*1</sup></td><td>510,000</td><td>nil</td><td>63,288</td><td>17,400</td><td>18,377</td><td><b>609,065</b></td></tr><tr><td>Dato' Azmir Merican (Resigned on 21 April 2020)</td><td>287,833</td><td>708,133 <sup>*3</sup></td><td>155,898</td><td>18,333</td><td>96,774</td><td><b>1,266,968</b></td></tr></table> <p><u>Note:</u></p> <p><sup>*1</sup> Effective 1 July 2020</p> <p><sup>*2</sup> BIK value for Driver and other emoluments</p> <p><sup>*3</sup> 2019 Performance Bonus &amp; Completion Bonus as per contract term</p>			COMPANY			GROUP				Non-Executive Director (RM'000)	DIRECTORS' FEE	BENEFITS-IN-KIND	TOTAL	DIRECTORS' FEE	BENEFITS-IN-KIND	TOTAL	1	Tan Sri Dr. Azmil Khalid	225	41 <sup>#</sup>	266	225	41	266	2	Dato' Mohd Izani Ghani <sup>*1</sup>	123	0	123	123	0	123	3	Dato' Noorazman Abd Aziz	123	0	123	123	0	123	4	Robert Tan Bun Poo	169	0	169	169	0	169	5	Elakumari Kantilal	163	0	163	163	0	163	6	Dato' George Stewart LaBrooy	148	0	148	148	0	148	7	Emily Kok	153	0	153	153	0	153	8	Rowina Ghazali Seth	146	0	146	146	0	146	9	Juniwati Rahmat Hussin <sup>*2</sup>	33	0	33	33	0	33		<b>TOTAL</b>	<b>1,283</b>	<b>41</b>	<b>1,324</b>	<b>1,283</b>	<b>41</b>	<b>1,324</b>	Executive Director (RM'000)	SALARY	BONUS	CONTRIBUTION TO DEFINED CONTRIBUTION PLANS	ALLOWANCES	BIK	TOTAL	En, Syahrurizam Samsudin <sup>*1</sup>	510,000	nil	63,288	17,400	18,377	<b>609,065</b>	Dato' Azmir Merican (Resigned on 21 April 2020)	287,833	708,133 <sup>*3</sup>	155,898	18,333	96,774	<b>1,266,968</b>
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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

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.

Application	:	Departure	
Explanation on application of the practice	:	N/A	
Explanation for departure	:	The Board is of the opinion that the disclosure of the Senior Management's individual remuneration components would not be in the best interest of the Group due to confidentiality and talent retention purposes.	
		As an alternative to the recommended practices, the Board agreed on the disclosure of remuneration paid to top 5 Senior Management of the Group as follows:	
		Top Five Senior Management (not including MD/CEO)	Number of Senior Management
		From RM500,001 - RM750,000	1
		From RM750,001 - RM1,000,000	3
		From RM1,000,001 - RM1,250,000	1
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 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>	:	

**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") comprises three (3) members who are all Non-Executive Directors, a majority Independent.</p> <p>The Chairman of the Audit Committee is Mr. Robert Tan Bun Poo, an Independent Non-Executive Director. He has been appointed as Chairman of the AC since 25 June 2013.</p> <p>Mr. Robert Tan Bun Poo is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants (MICPA), Malaysian Institute of Taxation and a Fellow of the Institute of Chartered Accountants in Australia.</p> <p>The Chairman of the Board is Tan Sri Dr. Azmil Khalid.</p> <p>For further reference of the roles and responsibilities of the AC Chairman, the Terms of Reference of AC are available at <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</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**

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>	:	No members of the Board were former key audit partners.  The Terms of Reference of the AC stipulated that former key audit partners must observe a cooling-off period of at least two (2) years before being appointed as a member of AC.	
<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 Board, through the AC maintains a transparent and professional relationship with the Internal and External Auditors. The AC has been explicitly accorded the authority to communicate directly with both the Internal and External Auditors. Currently, Messrs Ernst &amp; Young provides independent and professional external auditing services to the Group.</p> <p>The AC conducted the yearly assessment on the suitability and independence of the External Auditors.</p> <p>The External Auditors are evaluated and considered on the following:</p> <ul style="list-style-type: none"><li>• the competency, reputation and performance;</li><li>• the timeliness and quality of their communications with the AC and the Company;</li><li>• the quality of services and sufficiency of resources provided by the engagement team during the audit and throughout the financial year; and</li><li>• their independence, objectivity and professional scepticism.</li></ul> <p>The AC met up with the External Auditors twice in the year 2020 in the absence of the MD/CEO and Management.</p> <p>The Company has established policies via the Terms of Reference ("TOR") of the AC on governing the provision of non-audit services that can be provided by the External Auditors. The TOR is reviewed regularly and the last revised version was effective on 1 January 2020.</p> <p>The External Auditors had confirmed to the Board their independence in providing their services for the year under review.</p> <p>The Board was satisfied with the outcome of the assessment of the External Auditors on their suitability and independence, and recommending for their re-appointment at the forthcoming annual general meeting, subject to the approval of the 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**

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>	:	Not Adopted
<b>Explanation on adoption of the practice</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>The AC consists of three (3) members, all of whom are Non-Executive Directors, with a majority of them being Independent Directors. This complies with Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The AC Chairman, Mr. Robert Tan Bun Poo, is a member of the Malaysian Institute of Accountants ("MIA") and the Malaysian Institute of Certified Public Accountants. Meanwhile, Ms. Elakumari Kantilal is a member of the MIA.</p> <p>Details of the continuous professional development of AC members, are as follows:-</p> <p><b><u>Mr. Robert Tan Bun Poo</u></b></p> <ol style="list-style-type: none"><li>1) Personal Data Protection Act 2010</li><li>2) Restructuring and Corporate Rescue – Flattening the Insolvency Curve</li><li>3) Valuation in Practice for Transactions and Reporting: Part 1 – Valuation Fundamentals</li><li>4) Knowledge Sharing Session with MACC: Corporate Malaysia's New Norm</li><li>5) Anti-Money Laundering</li><li>6) Fraud Risk Management Workshop</li><li>7) Applying ISAs in a Pandemic Environment including Implications of Going Concerns</li><li>8) Cyber Security Awareness</li></ol> <p><b><u>Ms. Elakumari Kantilal</u></b></p> <ol style="list-style-type: none"><li>1) Anti-Money Laundering and Anti-Terrorism Financing</li><li>2) Knowledge Sharing Session with Malaysian Anti-Corruption Commission ("MACC"): Corporate Malaysia's New Norm</li><li>3) Section 17A of MACC Act AMLCFT 2018</li><li>4) Economic Outlook for end 2020 - 2021</li><li>5) Anti-Bribery and Anti-Corruption Training</li></ol>

	<p><b><u>Ms. Emily Kok</u></b></p> <ol style="list-style-type: none"> <li>1) Raising Defences: Section 17A MACC Act</li> <li>2) Cybersecurity Considerations amid a Global Pandemic</li> <li>3) Employment in the time of COVID-19</li> <li>4) Corporate Strategy and Economic Downturns: Lessons Learned</li> <li>5) Tightening the Screws on Corruption Risk Management</li> <li>6) China, Malaysia and Singapore Business Corridors – Navigating the New Normal</li> <li>7) Fraud Risk Management Workshop</li> <li>8) The Role of Audit Committees in Ensuring Organisational Integrity, Risk &amp; Governance</li> </ol>	
<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

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 overall responsibility for the system of Risk Management and Internal Control which includes financial controls, operational and compliance controls to ensure that shareholders' investments, customers' interests and the Company's assets are safeguarded.</p> <p>The Statement on Risk Management and Internal Control as set out on pages 138 to 147 of the Annual Report 2020 provides an overview of the state of internal controls within the Group.</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 Board through the Board Governance and Risk Committee ("BGRC") oversee the Company's risk management framework and policies.</p> <p>At every quarter meetings, the BGRC reviewed the Risk Management Status Report and the Integrity &amp; Compliance Updates of the Company.</p> <p>In addition, the BGRC reviewed the Integrity &amp; Compliance Report to MACC bi-annually.</p> <p>For the financial year 2020, in addition to the Risk Management Status Reports, Integrity &amp; Compliance Updates and Integrity &amp; Compliance Report, the BGRC had also reviewed the Integrity &amp; Compliance Plan for the year, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement, Corporate Governance Report, Third Party Management Framework, Corruption Risk Assessment Updates, Adequate Procedures Review, Authorities' Raid Visit Procedures, Business Continuity Management Plan 2020, Divisional Business Continuity Plan Review, Whistleblowing cases and MCCG Gap Analysis.</p> <p>Kindly refer to the Statement on Risk Management and Internal Control in the Annual Report 2020 for the Risk Management Framework and Policies and Procedures of the Company.</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>Effective from 1 January 2020, the following changes took place:-</p> <ol style="list-style-type: none"><li>1) The Separation of Audit and Risk Committee to Audit Committee and Risk Committee; and</li><li>2) The Risk Committee was renamed as Board Governance and Risk Committee ("BGRC").</li></ol> <p>The BGRC operates within its terms of reference, mainly to undertake governance and compliance duties and responsibilities in addition to the oversight of risk management matters.</p> <p>At the end of the financial year, the BGRC comprises four (4) Non-Executive Directors, out of which three (3) are Independent. The BGRC consist of the following members:-</p> <table><tr><th>Name of members</th><th>Designation</th></tr><tr><td>Dato' George Stewart LaBrooy</td><td>Independent Non-Executive Director (Chairman)</td></tr><tr><td>Tan Sri Dr. Azmil Khalid</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Noorazman Abd Aziz</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Rowina Ghazali Seth</td><td>Independent Non-Executive Director</td></tr></table> <p>The Terms of Reference of BGRC are available at <a href="https://www.uemedgenta.com/about-us/corporate-governance">https://www.uemedgenta.com/about-us/corporate-governance</a></p>	Name of members	Designation	Dato' George Stewart LaBrooy	Independent Non-Executive Director (Chairman)	Tan Sri Dr. Azmil Khalid	Independent Non-Executive Director	Dato' Noorazman Abd Aziz	Non-Independent Non-Executive Director	Rowina Ghazali Seth	Independent Non-Executive Director
Name of members	Designation											
Dato' George Stewart LaBrooy	Independent Non-Executive Director (Chairman)											
Tan Sri Dr. Azmil Khalid	Independent Non-Executive Director											
Dato' Noorazman Abd Aziz	Non-Independent Non-Executive Director											
Rowina Ghazali Seth	Independent Non-Executive Director											



### 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>Internal Audit Department (“IAD”) is established as an independent appraisal function to assist both the AC and the Board of Directors in discharging their duties and to provide assurance to the Management and the Board of Directors that all aspects of the operations of the Company are functioning within the acceptable limits and expectations. The IAD carries out the internal audit function of the Group.</p> <p>The Head of the Internal Audit reports functionally to AC and administratively to the MD/CEO of the Company. The AC assessed the overall performance of internal audit function and approved the Internal Audit Department’s performance scorecard.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

## Intended Outcome

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 Internal Audit function of the Company is performed by in-house Internal Audit Department (“IAD”) which provides the Audit Committee independent assessment and assurance on the adequacy and effectiveness of the UEMEd Group’s system of internal controls.</p> <p>For the purpose of preserving its independence, the IAD reports functionally to the Audit Committee and administratively to the Managing Director/Chief Executive Officer. To ensure objectivity, all IAD personnel have no direct responsibilities or authority over any of the activities it reviews. For FY2020, the Head of Internal Audit and all the IAD personnel have declared that they were and had been independent, objective and have complied with the declaration of conflict of interest requirements while performing audit reviews.</p> <p>En. Yusri Yunus was the Head of Internal Audit until his resignation on 5 July 2020. He is a Member of the Institute of Internal Auditors, Malaysia (“IIAM”) and holds Bachelor of Commerce degree from The Australian National University of Canberra, Australia and has accumulated over 25 years’ experience in a wide range of industries, Multi-National Company and Government Linked Company in the area of accounting, finance and internal auditing.</p> <p>Ms. Yee Poh Chun was appointed as the new Head of Internal Audit on 12 November 2020. She holds a Bachelor of Science (Hons) in Business and Management from the University of Bradford, United Kingdom and is a Certified Internal Auditor (CIA) by the Institute of Internal Auditors, a Certified Banking Auditors by the Asian Institute of Chartered Bankers and a Fellow of the Association of Chartered Certified Accountants. She has 20 years of experience in the field of internal auditing, compliance, risk management, operations and marketing across several industries, including financial services, broadcasting and hospitality.</p> <p>As at 31 December 2020, IAD had a total of 11 personnel. Besides relevant work experiences gained from internal and/or external auditing, all IAD personnel have a minimum of tertiary education from various fields, including accounting, finance, business &amp; management and corporate administration.</p>

	<p>In addition, some IAD personnel are Certified Internal Auditor, Disaster Recovery Certified Specialist (DCRS), Information Technology Infrastructure Library (ITIL) Certified and Chartered Global Management Accountant (CGMA).</p> <p>The IAD activities and processes are closely guided by the International Professional Practice Framework (IPPF) on Internal Auditing issued by the Institute of Internal Auditors and the five elements of the Committee of Sponsoring Organisations of the Treadway Commission (COSO), as well as UEMEd Code of Ethics.</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 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>UEM Edgenta Berhad ensures that communication with shareholders and various stakeholders are transparent, timely and complete.</p> <p>Besides announcements released by the Company through BursaLINK, which are also available on the Company's website, the public may access for more information about the Company at <a href="http://www.uemedgenta.com">www.uemedgenta.com</a>.</p> <p>Besides the above, the Company also held analyst briefings and issue press releases to disseminate information to the public at large.</p> <p>Shareholders may forward any concern/queries to Investor Relations at <a href="mailto:ir@edgenta.com">ir@edgenta.com</a> and all relevant and appropriate issues raised will be addressed accordingly.</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>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company embarked on its fourth Integrated Reporting this year, and it has fully adopted integrated reporting based on a globally recognised framework.	
<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 12.1**

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>	:	<p>In year 2020, the Notice of Annual General Meeting (“AGM”) was given to shareholders 28 days prior to the AGM. The notice was given on 28 May 2020 and the AGM was held on 26 June 2020.</p> <p>For 2021 AGM, Notice of AGM was given to shareholders on 27 April 2021 and the AGM is scheduled to be held on 17 June 2021.</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**

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>	:	<p>All Directors attended the AGM held on 26 June 2020.</p> <p>The AGM is the principal forum for dialogue with shareholders. Shareholders are provided with an opportunity to participate in the question and answer session in which shareholders may raise questions pertaining to the business activities of the Company. To encourage participation of shareholders at general meetings, the Chairman invites questions from shareholders for every agenda items of the meeting.</p> <p>Besides the Directors, the Senior Management and External Auditors were also in attendance to respond to shareholders queries. For Extraordinary General Meetings, representatives from the Principal Adviser and Legal Counsel were also invited to attend the meetings.</p> <p>The responses to questions submitted in advance of the AGM by the Minority Shareholders Watch Group and several retail shareholders were also shared with the shareholders during the meeting.</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**

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>	:	Applied	
<b>Explanation on application of the practice</b>	:	The 57 <sup>th</sup> Annual General Meeting (“AGM”) held on 26 June 2020 was conducted in its entirety via live streaming and online remote voting at the Broadcasting venue at Menara UEM.	
<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>	:		