

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2879
COMPANY NAME : Chemical Company of Malaysia 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 CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Chemical Company of Malaysia Berhad ("CCMB" or the "Company") is committed to observing the highest standard of corporate governance practices that is characterised by the tenets of accountability, transparency and integrity. In fulfilling its role as stewards of the Company, the Board is dedicated to discharging its duties with unfettered objectivity, due care and skill in the best interest of the Company.</p> <p>To ensure effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to Board Committees namely; the Nomination and Remuneration Committee, Audit and Compliance Committee, Finance and Investment Committee and Risk Management Committee. The Board has established clear functions which are reserved for the Board and those delegated to Board Committees and Management.</p> <p>The Board is charged with leading the Group and managing the long-term strategic objectives and direction of the Group. It is also responsible for establishing and maintaining corporate governance standards prescribed by the applicable laws and regulations.</p> <p>The Board has played an active role in the development of the Group's strategic direction and monitoring its performance and implementation which is premised on six pillars of growth which, amongst others, include capacity expansions, operational efficiencies and enhanced R&D. During the financial year 2019,</p>

	<p>the Board deliberated on the short, medium and long-term strategies for the Group together with its proposed business plans for the year 2020. The Board, together with Management, reviewed the Group's performance vis-à-vis its short and long-term strategies and had satisfied itself that all appropriate considerations have been taken into account in ensuring that the Group's strategy was on track and would be achieved as planned.</p> <p>Taking stock of the current operating environment, the Board deliberated on the challenges and opportunities availed to the Group and approved the 2020 Group Business Plan at its Board meeting in November 2019.</p> <p>The Board has also set the Key Performance Indicators ("KPIs") to measure and monitor the performance and progress in moving towards achieving the Group's strategic objectives. KPIs were tabled to the Board and deliberated on a quarterly basis. The Board was also kept informed of the significant operational highlights, issues and performance of the Group as and when necessary and from time to time, through various reports or updates to ensure they are kept updated with the latest development of the Group. For 2020, changes were made to the KPIs' components to align them to the Group's strategic plan.</p> <p>The Board, through the Risk Management Committee (RMC), determines the Group's level of risk tolerance and actively identifies, assesses and monitors the Group's principal risks to safeguard shareholders' investments and Group's assets. The RMC is responsible for overseeing the Group's risk management framework and internal compliance and control systems. In managing risks, the Board has developed an Enterprise Risk Management ("ERM") Framework for the Group in line with the universally accepted standard ISO 31000 for Risk Management. A Risk Management Policy has been established to ensure the Group has an effective risk management programme and control system to facilitate the Group in meeting all its business objectives.</p> <p>The internal control mechanism is embedded within the organization structure in all its processes. The internal control system is independently reviewed by the Group Assurance Unit to ensure its adequacy and integrity.</p>
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	<p>In recognising that the goal of sustainable development is to “meet the needs of the present without compromising the ability of future generations to meet their own needs” and that the Group’s long term strategic plan supports long term value creation, the Board had identified twelve material sustainability risks and opportunities (Material Matters) which were material to the Group, of which, seven were ranked as being extremely high in priority. The details of the Material Matters can be found in the Sustainability Report 2019 which is available on the Company’s website at www.ccmberhad.com/investor-relations.php</p> <p>The Board, through the Nomination and Remuneration Committee (NRC), is responsible in ensuring that an effective succession plan for Board members and Key Responsible Persons (“KRPs”) is in place. The Terms of Reference of the NRC provides that it is responsible for the formulation of the nomination, selection and succession policies for the Board and KRPs. It is also responsible in reviewing the performance of the Board, Board Committees, Individual Directors and KRPs and identifying the necessary training, coaching and mentoring required for them. In addition to this, the NRC is also responsible for establishing and reviewing remuneration policies and procedures and remuneration for the Board, the Group Managing Director and KRPs. In 2019, the NRC has placed focus on the Board’s succession given that most of the Board members had reached nine years of service with the Company in 2019, as outlined in the Company’s policy limiting the tenure of directors on the Board to nine (9) years, be it independent or non-independent directors. The NRC had identified and assessed board candidacies based on the Group’s Selection and Nomination Procedure to ensure that they are of sufficient calibre and are from diverse background, ethnicity, age and gender. At the same time, the NRC also reviewed the Board Committees’ composition and made the necessary recommendations to the Board on the revised composition based on the directors, background, experience and skills. The Board had approved the recommendations of the NRC in respect of the new board appointments and revised board committees’ composition after due process took place.</p>
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	<p>During the year, the NRC also reviewed the Succession Plan of the KRPs including the gaps and actions to be taken to address these gaps. The Succession Plan of the KRPs will continue to be a permanent agenda of the NRC until all the gaps are closed.</p> <p>In establishing the values and ethical standards of the Company, all Directors adhere to the Directors' Code of Best Practice which governs the conduct of Directors. In addition, the Board has approved a Code of Conduct, which is premised on the Group's six core values of Passion, Excellence, Teamwork, Integrity, Responsible and Respect. The Code of Conduct governs the conduct of employees as well as acts as a reference point for their day-to-day decision-making. In anticipation of the implementation of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has reviewed and made changes to the Group's policies relating to anti-bribery and corruption matters, in particular, on Gifts, Hospitality and Entertainment Policy and Whistle Blowing Policy.</p> <p>The Board also values dialogue with stakeholders and appreciates the keen interest of shareholders on the Group's performance. In this regard, the Board has established a Shareholders and Investors Communication Policy to meet or otherwise communicate with the shareholders of Group. The Company had conducted its Annual General Meeting in May 2019 to keep its shareholders informed and updated of the Company's performance and progress. In addition, numerous investor relations exercises were held formally and informally, to ensure that its stakeholders were up to speed with the development of the Company and the Group. All communications and slides in respect of the Group's investor relations exercise could be accessed at the Company's website at www.ccmerhad.com/investor-relations.php</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman plays a pivotal role in the Company in creating conditions for a high performing board.</p> <p>The Chairman is responsible for providing leadership to the Board and ensuring the effective functioning of the Board. In fulfilling this role, the Chairman's responsibilities include, amongst others:</p> <ul style="list-style-type: none">• Setting the meeting agenda and ensuring Directors receive complete, accurate and timely meeting materials;• Leading Board meetings and discussions which include encouraging all Directors to actively participate and contribute in meetings discussions whilst allowing dissenting views to be freely expressed;• Facilitating information flow between Board and Management;• Ensuring continuous and effective communication with stakeholders and ensuring feedback and input received from stakeholders are taken into consideration by the Board; and• Providing leadership in establishing and maintaining high standards of corporate governance practices. <p>The detailed roles and responsibilities of the Chairman are encapsulated in the Board Charter.</p> <p>After undergoing a rigorous evaluation process based on the Group's Board Nomination and Selection Process, the Company had, on 18 March 2019, appointed Dato' Idris bin Kechot as the Non-Independent Non-Executive Chairman of the Company. Dato' Idris bin Kechot has more than 30 years of experience in equity evaluation, equity trading and portfolio management of the proprietary and unit trust portfolios. His appointment as the Non-Independent Non-Executive Chairman of the Company is expected to contribute positively to the growth of the CCM Group.</p>

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

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of exercising objective oversight over Management in order to safeguard the interest of CCMB and its stakeholders. Flowing from this, the Board seeks to ensure that there is an appropriate balance of power to prevent any single individual from dominating deliberations and the decision-making process.</p> <p>Accordingly, the positions of Chairman and the Managing Director are held by different individuals. The Chairman is responsible for providing leadership to the Board and providing oversight on Management whilst the Managing Director is responsible for managing and overseeing the day-to-day business and activities of CCMB within the ambit of policy and strategic decisions made by the Board.</p> <p>The respective duties and responsibilities of the Chairman and the Managing Director are contained in the Board Charter.</p> <p>The Chairmanship of the Board is currently held by Dato' Idris bin Kechot, who assumed the role on 18 March 2019. Meanwhile the position of the Managing Director is assumed by Puan Nik Fazila binti Nik Mohamed Shihabuddin.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by a suitably qualified and competent Company Secretary, namely, Puan Noor Azwah binti Samsudin, who fulfils the requirements enshrined in Section 235(2) of Companies Act 2016. Puan Noor Azwah possesses a legal qualification and is an affiliate member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). She has accumulated vast legal and corporate secretarial experience throughout her career.</p> <p>The Company Secretary plays a multidimensional advisory role in supporting the Board to uphold high standards of corporate governance. As a counsel to the Board, she plays an advisory role to the Board particularly with regard to the Company's Constitution, Board policies and procedures and supports the Board on the Group's governance structure to ensure its relevance and effectiveness. She also provides the Board with periodic updates regarding regulatory developments and assists the Board in interpreting and applying pertinent corporate governance promulgations. These updates are provided through various technological means. In addition, the Company Secretary has a permanent agenda at Board of Directors meetings to keep the Board informed and abreast with the latest regulatory developments.</p> <p>The Company Secretary also provides support in facilitating the flow of information to the Board. All communication between Management and the Board are channelled through the Company Secretary to ensure the integrity of information. The Company Secretary additionally serves as a liaison for stakeholders' communication and engagement on corporate governance issues.</p>

	<p>In order to upskill herself and keep abreast with the latest developments in corporate governance realm, the Company Secretary has attended relevant training and professional development programmes during the financial year.</p> <p>Whilst the position of the Company Secretary is combined with that of the Head of Legal, it should be noted that the element of impartiality in the corporate governance advisory role remains intact as relevant safeguards have been put in place. For example, the Company Secretary does not act as an advocate for the Company on litigation matters and court proceedings.</p> <p>The Company Secretary has a direct functional reporting line to the Chairman and the Company Secretary has been accorded with appropriate standing and authority to enable her to discharge her duties in an impartial and effective manner. The appointment or removal of the Company Secretary is the prerogative of the Board.</p> <p>The role and responsibilities of the Company Secretary is outlined in the Board Charter.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of information supply in promoting informed Board discussions and deliberations. The Chairman, together with Management and Company Secretary, are responsible for ensuring Directors receive adequate and timely information prior to Board or Board Committee meetings.</p> <p>The Board Charter contains a policy stipulation which necessitates meeting materials to be distributed to Directors within a minimum of seven days prior to the respective Board or Board Committees' meetings. Exceptions may be made for urgent or ad hoc matters whereby meeting materials would be provided shorter than seven days, provided that the Directors have been informed beforehand of the delay.</p> <p>The meeting materials provided to Directors include a formal meeting agenda as well as Board papers prepared by Management and Company Secretary. The Board papers, include, amongst others:</p> <ul style="list-style-type: none">• Minutes of Meetings/Reports of all Board Committees;• Business plan and strategic direction;• Current operating and business issues;• Annual budget review, forecasts and projections;• Quarterly and annual financial reports;• Potential acquisitions and disposal of assets of substantial value;• Major investment and financial decisions;• Key policies, procedures and authority limits; and• Reports, advices and opinions of external consultants/advisors as had been sought for. <p>The board papers could be accessed online through a collaborative software which allows the Directors to securely access, read and review Board documents at any time and place.</p>

	<p>The online software allows for a speedier dissemination of board papers as compared to the traditional method of printing board papers.</p> <p>The Company Secretary records the meeting minutes of the Board and Board Committees and endeavours to circulate them to Directors within 21 days upon the conclusion of the meetings. The meeting minutes capture the decisions made, including the key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The meeting minutes would be tabled for confirmation of the Board at the ensuing board meeting.</p> <p>Board decisions / recommendations made at Board meetings would be communicated by the Company Secretary to the relevant Management vide email communication or circulation of draft minutes within three days of the meeting for immediate action to be taken by Management. The Company Secretary will also follow up with Management on the status of action taken with reference to the previous minutes of meetings for updating to the Board at the next Board meeting. Action items will remain as matters arising in the Board Meeting Agenda until they are fully resolved or closed.</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

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has put in place a Board Charter which is reviewed on a periodic basis and made available on the Group's website which is accessible at www.ccmbberhad.com. The Board Charter serves as a primary reference point on governance matters for Directors as well as an induction literature for newly-appointed Directors.</p> <p>The Board Charter is an extensive document that covers amongst others the following matters:</p> <ul style="list-style-type: none"> • Key principles, values and ethos of CCMB; • Matters reserved for the Board; • Responsibilities of the Board; • Composition of the Board; • Board structures and procedures; and • Policies and procedures on Board evaluation. <p>In early 2018, the Board undertook a review of its Board Charter and Terms of Reference of the respective Board Committees to reflect changes pursuant to corporate governance regulatory developments, evolving expectations of stakeholders as well as new modes of thinking in the corporate governance landscape. The Board will continue to review its Board Charter and Terms of Reference of the respective Board Committees from time to time to ensure that they are current and evolving.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board consistently strives to set the “tone at the top” and instil ethical values and standards across every level of the Company. In this regard, the Board has put in place a Code of Conduct which subject employees to a set of values and standards of conduct that is expected of them. The Code of Conduct was formulated based on the Group’s six core values of Passion, Excellence, Teamwork, Integrity, Responsible and Respect as well as CCMB’s vision and mission.</p> <p>The Code of Conduct covers the following overarching areas:</p> <ul style="list-style-type: none">• Conducting business ethically, fairly and with honesty;• Complying with laws including abuse of power, corruption, insider trading and money laundering;• Providing quality and safe products;• Protecting the Company’s assets and information;• Maintaining complete and accurate business records; and• Respecting others in the workplace and society. <p>The Code of Conduct is made available on the Company’s website and is subjected to periodic reviews to ensure it is kept contemporaneous.</p> <p>The Directors are also governed by the Directors’ Code of Best Practice (Code) and other policies from time to time being in force in the Company. The Code provides principles and standards relating to the Directors duties to act in the best interest of the Group and covers the areas of compliance, integrity, accountability, conflict of interest and confidentiality. In addition to</p>

	this, the Directors are also subjected to the Group's policies on corporate disclosure, securities trading, anti-competition and other relevant laws and regulations from time to time being in force.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has put in place a Whistleblowing Policy and relevant procedures as mechanism to encourage employees and other stakeholders to report bona fide concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace.</p> <p>The Whistleblowing Policy makes it clear that concerns can be raised without fear of victimisation, recrimination, discrimination or disadvantage to the employee or stakeholder that reports the concerns.</p> <p>The Whistleblowing Policy prescribes employees to report to the Head of the Group Risk, Integrity and Assurance Department, which is the formal reporting channel for whistleblowing. Alternatively, employees and other stakeholders can choose to utilise the online platform, CCM Integrity Hotline, to escalate any legitimate concerns they may have without fear of identification and repercussions.</p> <p>Reports from whistle-blowers are treated with utmost confidentiality and are thoroughly investigated. The Audit and Compliance Committee provides oversight of any investigations undertaken and their outcomes. In addition, the Senior Independent Director, who is also a member of the Audit and Compliance Committee, serves as the principal conduit between the Independent Directors and Chairman of the Board on sensitive whistle blowing issues.</p>

	<p>In May 2019, the Board of Directors, on the recommendation of the Audit and Compliance Committee had reviewed the Whistle Blowing policy to be in line with the changes in the reporting line in the Group, post the demerger exercise.</p> <p>The Whistleblowing Policy is made available on the Company's website and is subjected to periodic reviews by the Board.</p> <p>During the year, ten (10) reports were received via the Integrity Hotline, of which five (5) were related to possible misconduct and the remaining five (5) were on staff grievances. Matters relating to misconduct were investigated by the Group Assurance function, whilst the reports on grievances were handled by the Human Resource function of the businesses.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The Board recognises that independence is the cornerstone of high-performing Board. Independent Directors bring the element of detached impartiality to the oversight function of the Board. Their presence allows the Board to apply heightened professional scepticism and challenge Management in an unbiased manner and prevent dominance and complacency in the Boardroom.</p> <p>In recognition of the value that Independent Directors add to the Board and the Company, the Board had identified and appointed four (4) new independent directors during the financial year. Their appointments were made based on the Board's Nomination and Selection Procedure which took into account the diverse background of skills, knowledge, professional experience, mindset and intrinsic value of the respective independent directors. In addition, the Board also considered the age, ethnicity and culture to provide different perspective and viewpoints for better decision making. Following the new appointments, the independent non-executive directors of the Company stands at 6 or 60% of the total number of directors. As at 31 December 2019, the Board comprised of nine Non-Executive Directors and one Managing Director. Six of the said Non-Executive Directors are Independent. They are as follows:</p> <ul style="list-style-type: none">i) Dato' Seri Ir Dr Zaini bin Ujangii) Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah;iii) Datuk Anuar bin Ahmadiv) Raja Azura binti Raja Mahayuddinv) Hasman Yusri bin Yusoffvi) Dr Leong Yuen Yoong <p>In ensuring that the element of independence is reinforced, Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah has been designated as a Senior Independent Director, taking the helm from Encik Khalid bin Sufat, who has resigned from the Board of the Company on 11 October 2019. As the Senior Independent</p>

	<p>Director, he serves as a sounding board to the Chairman and acts as an intermediary for other Directors when necessary. The presence of the Senior Independent Director provides an additional channel for Independent Directors and other Directors to voice any opinions or concerns that they believe have not been properly considered or addressed by the Board or which they feel may not be appropriate to raise in open forum.</p> <p>Independent Directors also hold in-camera sessions without the presence of Management to candidly share concerns about the Company and exchange views on potential improvements in governance.</p> <p>Independent Directors are also subjected to an objective and subjective “test of independence” conducted on an annual basis or as and when a disclosure is made by Directors of any new interest or relationship that may impede their ability to act independently and objectively.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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 - Step Up 4.3 adopted	
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.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board recognises that extended tenure may give rise to Independent Directors having a close relationship with the Board and Management and thus, becoming too sympathetic to their interests or too accepting of their work.</p> <p>The Board expects Independent Directors to display the element of detached impartiality both in their appearance (i.e. perceived independence) and in their thoughts and actions. As such, the Board has adopted a policy that limits the cumulative (intermittent or consecutive) tenure of Independent Directors to nine years.</p> <p>The policy is outlined in the Board Charter which is available on the Company's website.</p> <p>Further to this policy, the Company has also adopted a policy that all its directors including its non-independent directors will retire from the Board upon reaching nine years of service with the Company.</p>

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board alongside the Nomination and Remuneration Committee, undertake periodic reviews of the composition of the Board to ensure that it remains a diverse Board. The Board strongly believes that reinforcing the diversity aspect of its composition can enrich the Board's discussions with a breadth of perspectives and thus, averting "blind spots" or "group think" during deliberations.</p> <p>The process for the appointment of Directors is anchored on the Board Nomination and Selection Procedure, as approved by the Board. The Board Nomination and Selection procedure outlines the skill sets, knowledge and experience, mindset and core values that is required in a potential candidate for directorships in the Company.</p> <p>The Board is currently made up of members with a mix of skill sets, knowledge and experience (i.e. Business Administration, Accountancy, Chemical Engineering, Law and Investment Management) and balanced mix of gender (four out of ten Directors, including the Managing Director, are women).</p> <p>The appointment of Senior Management is also based on a set of pre-determined criteria covering a diverse set of skill sets and experience. CCMB also has strong representation of female candidates at the Senior Management level to form the talent pipeline for Directors' candidatures.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has demonstrated an unwavering commitment to achieving a diverse Board on the facet of gender. Although CCMB is not presently a Large Company as defined by the Malaysian Code on Corporate Governance ("MCCG"), it has achieved the target of at least 30% women Directors on Board. There are currently four women Directors on Board out of ten Directors in aggregate.</p> <p>The Board has adopted a diversity policy to ensure that the Board comprise at least 30% women Directors. This policy is codified in the Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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	:	<p>The Nomination and Remuneration Committee is responsible for recommending suitable candidates for Directorships to the Board. In undertaking this responsibility, the Nomination and Remuneration Committee leverages on several sources to “cast a wider net” and gain access to a wide pool of potential candidates as stated in the Board Selection and Nomination Procedure.</p> <p>Directors’ network and referrals from Management and CCMB’s major shareholders form the primary means for sourcing of candidates. These methods have, in the past, produce tangibly noteworthy results in identifying candidates who are of high-calibre and at the same time have a sound understanding of CCMB’s business and industry.</p> <p>The Nomination and Remuneration Committee has also, in the past, engaged independent search firms and consultants to identify a wider pool of potential candidates. Potential candidates are screened against the criteria outlined in the Group’s Board Nomination and Selection Procedure and interviewed by the Nomination and Remuneration Committee. The shortlisted candidates are then tabled to Board for recommendation.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee is chaired by the Senior Independent Director, Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah.</p> <p>The Board understands that an effective recruitment and evaluation process of Directors is the bedrock of a high-performing Board. The Board therefore believes that the Senior Independent Director is the most suitable and qualified person to lead the conduct of the process in an objective manner.</p> <p>Given that the Senior Independent Director acts as a confidant to other Directors, he is well-placed to oversee the assessment of the Board's Chairman, taking into account a broad range of perspectives. The Senior Independent Director also leads the necessary conversations around succession planning, particularly for the Chairman of the Board and the Managing Director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place an annual Board Evaluation Assessment ("BEA") which is now referred to as Board Effectiveness Evaluation (BEE) to evaluate the effectiveness of the Board, Board Committees as well as individual Directors including Independent Directors.</p> <p>The BEE is tailored to the specific needs and nuances of the Company and takes into account the enumerations from the relevant authoritative corporate governance promulgations including Companies Act 2016, Capital Market and Services Act 2007, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities Listing Requirements") and MCCG. Where applicable, references were also drawn from other better practices. The BEE is usually conducted in December of every year and is carried out via questionnaires administered to Directors, using a self and peer-rating model.</p> <p>The BEE encompasses the following assessment topics:</p> <ul style="list-style-type: none">(a) Assessment Topic 1: Board of Directors;(b) Assessment Topic 2: Directors' Self and Peer Assessment;(c) Assessment Topic 3: Directors' Independence(d) Assessment Topic 4: Audit and Compliance Committee(e) Assessment Topic 5: Nomination and Remuneration Committee(f) Assessment Topic 6: Risk Management Committee.(g) Assessment Topic 7: Finance and Investment Committee <p>The Nomination and Remuneration Committee undertook the responsibility of providing oversight on the conduct of the BEE as</p>

	well as reviewing the outcome of the BEE along with the Chairman to formulate an actionable improvement programme that addresses areas for improvement identified from the BEE.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

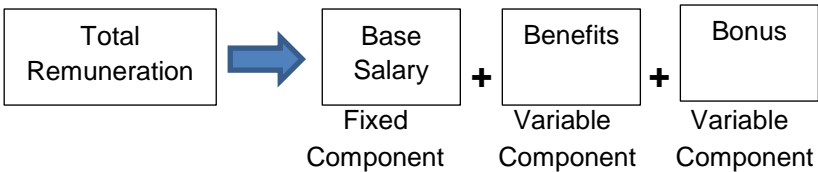
Intended Outcome

The 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.

Application	: Applied
Explanation on application of the practice	<p>The Company has in place a remuneration framework which covers the remuneration policy and procedures for Directors and Senior Management.</p> <p>The remuneration philosophy is premised on the need to have an adequate level of remuneration to attract and retain Directors and Senior Management personnel of high calibre and talent. At the same time, it also ensures that the current remuneration of the Directors and Senior Management reflect the current market dynamics and regulatory expectations.</p> <p>The remuneration packages for the Managing Director, who is the sole Executive Director and other Senior Management personnel are structured in a way that links rewards to corporate and individual performance and is illustrated as follows:</p> <div style="text-align: center;"><pre>graph LR; TR[Total Remuneration] --> BS[Base Salary Fixed Component]; TR --> B[Benefits Variable Component]; TR --> Bon[Bonus Variable Component]; BS --- P1[+]; B --- P2[+]; P1 --- P3[+]; P2 --- P3[+]; P3 --- TR;</pre></div> <p>As for Non-Executive Directors, the remuneration packages are structured such that their independence and objectivity are not impaired. The remuneration level for Non-Executive Directors reflect their responsibility and position on the Board and Board Committees, attendance and any special skills or expertise that they bring to the Board and is illustrated as follows:</p>

	<div style="text-align: center;"> <div style="display: inline-block; border: 1px solid black; padding: 5px; margin: 5px;">Total Remuneration</div> <div style="display: inline-block; vertical-align: middle; font-size: 2em; margin: 0 10px;">➔</div> <div style="display: inline-block; border: 1px solid black; padding: 5px; margin: 5px;">Fees</div> <div style="display: inline-block; vertical-align: middle; font-size: 1.5em; margin: 0 5px;">+</div> <div style="display: inline-block; border: 1px solid black; padding: 5px; margin: 5px;">Meeting Allowance</div> <div style="display: inline-block; vertical-align: middle; font-size: 1.5em; margin: 0 5px;">+</div> <div style="display: inline-block; border: 1px solid black; padding: 5px; margin: 5px;">Benefits</div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">Fixed Component</div> <div style="text-align: center;">Fixed Component</div> <div style="text-align: center;">Variable Component</div> </div> <p>The fees of the Non-Executive Directors and any benefits payable to the directors shall from time to time be determined by an Ordinary Resolution of the Company at general meeting in accordance with Section 230 of the Companies Act 2016.</p> <p>The remuneration policy and procedures are available on the Company's website.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

The 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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board currently has a combined Nomination and Remuneration Committee. As the matters relating to nomination and remuneration are often intertwined, the Board is of the view that it may be synergistic to have a combined Committee rather than stand-alone committees.</p> <p>The composition of the combined Nomination and Remuneration Committee fulfils that expected of an individual Nomination Committee (paragraph 15.08 of the Main Market Listing Requirements by Bursa Malaysia Securities Berhad and Practice 4.7 of MCGG) and an individual Remuneration Committee (Practice 6.2 of MCGG) respectively. The Nomination and Remuneration Committee is also able to draw advice from experts if necessary.</p> <p>The combined Nominating and Remuneration Committee accords sufficient attention on matters relating to remuneration. In developing the agenda, the Nominating and Remuneration Committee Chairman, in consultation with the Company Secretary, ensures that the balance of discussions is not tilted unfavourably against remuneration-related matters.</p> <p>This observation is corroborated from the Nomination and Remuneration Committee's meeting agenda which provide</p>

	<p>adequate time and attention on both remuneration and nomination matters. Members of the Nomination and Remuneration Committee also have the expertise to deal with both nomination and also remuneration matters.</p> <p>The Nomination and Remuneration Committee has a Terms of Reference which outlines its duties and responsibilities (including providing oversight on remuneration policies and procedures). The Terms of Reference is made available on the Company's website.</p>			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:	As the Company scales up in size and scope, the Company will consider establishing a dedicated Remuneration Committee given that matters relating to remuneration may grow in complexity. The shifting nuances of businesses as a result of changing market dynamics may also significantly affect the way in which the Company remunerates Directors and employees. As such, being able to respond to these signals necessitates greater and dedicated attention at the oversight level.		
Timeframe	:	<table><tr><td>Others</td><td>4 years</td></tr></table>	Others	4 years
Others	4 years			

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.

Application	:	Applied
Explanation on application of the practice	:	<p>In tandem with CCMB's aspirations to observe the highest standards of corporate governance, CCMB has, as in previous years, disclosed individual Directors' remuneration on a named basis and by exact amount. The Board strives to ensure that information pertaining to Directors' remuneration is made transparent and accessible to shareholders and other stakeholders.</p> <p>Detailed disclosure of Directors' remuneration is as per Appendix 1 of this report.</p> <p>The disclosure is made on a group level and listed issuer level, in accordance with paragraph 11, Part A, Appendix 9C of the Main Market Listing Requirements by Bursa Malaysia Securities Berhad.</p> <p>As enumerated in Section 233(1) of Companies Act 2016, the service contracts of Directors are also made available for inspection by major shareholders upon request and any details of remuneration in that contracts are, therefore, accessible.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 RM100,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>In an industry as niche as the chemicals sector, the Board is acutely aware that knowledgeable and talented individuals are an invaluable commodity. The individuals who sit in the Senior Management team are what drive CCMB's competitive advantage over its industry peers. As such, the Board maintains a cautious approach in implementing the practice of disclosing Senior Management on a named basis in light of the prevalence of poaching within the chemicals sector.</p> <p>The Board nevertheless strives to provide shareholders with assurance that Senior Management personnel are appropriately compensated and that their remuneration package is structured in a way that drives the long-term performance of the Company. To this end, the Company has engaged an independent expert firm to conduct a remuneration review of Senior Management remuneration. The findings from the aforementioned review confirms that CCMB's Senior Management personnel are paid competitively within the industry norms.</p> <p>As articulated under the disclosure to Practice 6.1, the Board has formalised a Remuneration Policy and Procedures which outlines a formal and transparent process for setting the remuneration of both Directors as well as Senior Management. The Remuneration Policy and Procedures is anchored on the principle of "pay for performance" when remunerating the Group Managing Director and other Senior Management personnel. This is consciously done to ensure the remuneration package commensurate with Senior Management performance against both financial and non-financial key performance indicators ("KPIs").</p>

	<p>In the interim, prior to adopting Practice 7.2 in its full form, the Company has decided to disclose the remuneration of the top five Senior Management personnel in bands of RM100,000 and on a no-named basis.</p> <p>The Group Managing Director's remuneration is disclosed under Directors remuneration, which is done on a named-basis and includes a breakdown of remuneration into salary, bonus, benefits-in-kind and other emoluments.</p> <p>Disclosure on the five highest paid Senior Management remuneration is as per Appendix 2 of this report.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: The Company will assess its disclosure practice in this regard from time to time and will make the transition to a disclosure on a named basis after an advocacy period.	
Timeframe	: Others	3 years

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit and Compliance 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Compliance Committee is chaired by the Independent Director, Encik Hasman Yusri bin Yusoff, who was appointed as the Audit Committee Chairman on 11 October 2019, following the resignation of Encik Khalid bin Sufat from the Board. Meanwhile, the Chairman of the Board is held by Dato' Idris bin Kechot who was appointed the Chairman on 18 March 2019. The positions of Chairman of Board and Chairman of the Audit and Compliance Committee are assumed by different individuals. This allows the Board to objectively review the Audit and Compliance Committee's findings and recommendations.</p> <p>Encik Hasman is an accountant by profession and is a Fellow of the Chartered Association of Certified Accountants United Kingdom ("ACCA") and a Member of the Malaysian Institute of Accountants ("MICPA"). He also holds a postgraduate Diploma in Islamic Studies from the International Islamic University Malaysia. Encik Hasman joined KPMG Malaysia (KPMG) in 1999 and had progressed himself to the position of Partner at KPMG before his retirement in December 2015. Prior to KPMG he was attached to Petronas Group for ten years from 1984 to 1994 holding various positions before joining Malakoff Berhad for four years from 1995 to 1999 as General Manager Finance. His experience in audit and commercial covers a wide range of industries including construction, property development, plantation, power generation and oil and gas. His sound financial understanding and experience in audit and commercial would assist him in his role as the Chairman of the Audit and Compliance Committee with the ability to lead discussions and deliberations and ultimately be satisfied that the end result fairly reflects the understanding of the Audit and Compliance Committee.</p> <p>The duties and responsibilities of the Chairman of the Audit and Compliance Committee are outlined in the Terms of Reference of</p>

	the Audit and Compliance Committee, which is available on the Company's website.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>As a measure to safeguard the independence and objectivity of the audit process, the Audit and Compliance Committee has incorporated a policy stipulation that governs the appointment of a former key audit partner to the Audit and Compliance Committee.</p> <p>The policy, which is codified in the Audit and Compliance Committee Terms of Reference, requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a Director (including a member of the Audit and Compliance Committee) or as an employee of the Group.</p> <p>The Company has recently, on 13 September 2019, appointed Encik Hasman Yusri bin Yusoff as the Chairman of Audit and Compliance Committee and Independent Non-Executive Director of the Company. He was formerly a key audit partner auditing the CCMB Group in 2005 until 2009 and 2011 until 2015. The Board and the Audit Committee is of the view that Encik Hasman's knowledge and experience in auditing the CCM Group would be an added advantage to appoint him as a member of the Board and Chairman of the Audit and Compliance Committee.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Compliance Committee is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditor.</p> <p>During the financial year, the Audit and Compliance Committee has monitored and reviewed the performance and independence of the external auditor, namely, KPMG PLT and has also conducted an External Auditor Evaluation on KPMG PLT. The Audit and Compliance Committee has satisfied itself that the external auditor has been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by the Committee and the Group.</p> <p>The assessment of the Audit and Compliance Committee is supplemented by feedback gathered from senior finance personnel across CCMB, focusing on a range of factors that the Audit and Compliance Committee considers as relevant to audit quality. For the audit of the financial year ended 31 December 2019, KPMG PLT has also provided the Audit and Compliance Committee of CCMB with a written assurance confirming that its personnel were and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The Audit and Compliance Committee has also taken into consideration the nature and extent of the non-audit services rendered and the appropriateness of the level of fees. Provisions of non-audit services by the external auditor, KPMG PLT were reviewed to ascertain whether such provision of services would impair the external auditor's objectivity. Disclosure on the nature</p>

	<p>and extent of non-audit services are made in the Notes to the Financial Statements (Annual Report).</p> <p>Pursuant to the assessment on the suitability and independence of the external auditor, the Audit and Compliance Committee made its recommendation to the Board on the re-appointment of the external auditor alongside the accompanying audit fees. KPMG PLT's reappointment for the financial year ending 31 December 2020 would be tabled to the shareholders of the Company for approval at the forthcoming Annual General Meeting.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

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.

Application	:	Adopted										
Explanation on adoption of the practice	:	<p>During the year, there were changes to the Audit and Compliance Committee. Datin Paduka Kartini binti Abdul Manaf, a Non-Independent Non-Executive Director and Encik Khalid bin Sufat, the Senior Independent Non-Executive Director had stepped down from the Committee following their retirement and resignation from the Board of the Company on 28 May 2019 and 11 October 2019, respectively. Their vacancy were filled by Raja Azura binti Raja Mahayuddin and Encik Hasman Yusri bin Yusoff, both are Independent Non-Executive Director on 1 September 2019 and 13 September 2019, respectively.</p> <p>Currently, the Audit and Compliance Committee comprises wholly of Independent Non-Executive Directors, who have satisfied the Test of Independence, as stated under Chapter 1 and Practice Note 13 of the Main Market Listing Requirement of Bursa Malaysia and in line with the Board’s Policy on the Assessment of Independence of Directors.</p> <p>The composition of the Audit and Compliance Committee as at 31 December 2019 is as follows:</p> <table><tr><th>Name</th><th>Position on the Board</th></tr><tr><td>Encik Hasman Yusri bin Yusoff, Chairman of ACC</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato’ Seri Ir Dr Zaini bin Ujang Member of ACC</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato’ Wan Mohd Fadzmi bin Che Wan Othman Fadzilah Member of ACC</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>Raja Azura binti Raja Mahayuddin Member of ACC</td><td>Independent Non-Executive Director</td></tr></table>	Name	Position on the Board	Encik Hasman Yusri bin Yusoff, Chairman of ACC	Independent Non-Executive Director	Dato’ Seri Ir Dr Zaini bin Ujang Member of ACC	Independent Non-Executive Director	Dato’ Wan Mohd Fadzmi bin Che Wan Othman Fadzilah Member of ACC	Senior Independent Non-Executive Director	Raja Azura binti Raja Mahayuddin Member of ACC	Independent Non-Executive Director
Name	Position on the Board											
Encik Hasman Yusri bin Yusoff, Chairman of ACC	Independent Non-Executive Director											
Dato’ Seri Ir Dr Zaini bin Ujang Member of ACC	Independent Non-Executive Director											
Dato’ Wan Mohd Fadzmi bin Che Wan Othman Fadzilah Member of ACC	Senior Independent Non-Executive Director											
Raja Azura binti Raja Mahayuddin Member of ACC	Independent Non-Executive Director											

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2019, the Audit and Compliance Committee comprises four members, namely, Encik Hasman Yusri bin Yusoff (Chairman of the Audit and Compliance Committee), Dato' Seri Ir. Dr. Zaini Bin Ujang (Independent Non-Executive Director), Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah (Senior Independent Non-Executive Director) and Raja Azura binti Raja Mahayuddin (Independent Non-Executive Director. Encik Hasman was appointed as member of the Committee on 13 September 2019 and subsequently assumed the role of Chairman of the Committee on 11 October 2019 following the resignation of Encik Khalid bin Sufat from the Committee and Board of the Company on 11 October 2019, upon reaching nine years of service with the Company. Meanwhile, Raja Azura was appointed as a member of the Committee on 1 September 2019 to fill in the vacancy created by the former Audit and Compliance Committee member, Datin Paduka Kartini binti Haji Abdul Manaf, who retired at the Company's Annual General Meeting on 28 May 2019.</p> <p>The composition of the Audit and Compliance Committee allows it to possess a range of skills and the requisite financial literacy to discharge its duties effectively. Encik Hasman is an accountant by profession and is a Fellow of ACCA and a member of MIA, thus, fulfilling paragraph 15.09(1)(c) of the Main Market Listing Requirements by Bursa Malaysia Securities Berhad which calls for one member of the audit committee to be a member of a professional accountancy body.</p>

	<p>Dato’ Seri Ir. Dr. Zaini is an environmental engineer by profession which enables him to provide the Audit and Compliance Committee with valuable input on the industry and operational drivers which are impacting the financial performance of CCMB. Dato’ Wan Mohd Fadzmi, who is a Chartered Banker from the Asian Institute of Chartered Bankers, has garnered over 22 years in both the domestic and international banking industry. Meanwhile, Raja Azura is also a Chartered Accountant by profession and is a member of MIA. She is also a Certified Internal Auditor from the Institute of Internal Auditors Malaysia.</p> <p>The Audit and Compliance Committee members are vigilant, exercise professional scepticism and constantly apply a probing view to challenge Management’s assertions on the Company’s financials.</p> <p>All members attend the relevant trainings and continuous professional development programmes to keep themselves abreast of the latest developments in accounting and auditing standards, practices and rules. The list of training attended by them is disclosed in the Annual Report of the Company.</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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>In tandem with the growing complexities in the marketplace, the Board had instituted a stand-alone Risk Management Committee to devote more focus and attention on existing and emerging risks facing the Group.</p> <p>The Risk Management Committee amongst others undertake the following responsibilities:</p> <ul style="list-style-type: none">• Reviews and ascertains that the Group's risk management and internal control framework is robust and effective;• Reviews the risk appetite for the Group and make recommendations to the Board;• Oversees the conduct of evaluation on the Group's top risks and the internal control systems, reviews its outcomes and makes recommendations to the Board; and• Monitors changes anticipated against the backdrop of the economic and business environment. <p>The Board is assisted by the Risk Management Committee in the review of the adequacy and effectiveness of the risk management and internal control framework.</p> <p>The Board, through the Risk Management Committee determines the Group's level of risk tolerance and actively identifies, assesses and monitors key business risks to safeguard the Group's businesses. The Group's enterprise risk management framework is grounded on the Group's Management and Manual Guidelines, which in turn is aligned to the best practices outlined in International Organisation for Standardisation (ISO) 31000, an internationally recognised framework for managing risks.</p> <p>The Group Risk Management Unit, reports its activities and make appropriate recommendations to the Risk Management</p>

	<p>Committee. During the year, the Board Risk Management Committee have accorded more attention to sustainability driven risks and corruption risks management during the review process. This is in line with Group's strategy to grow the Company in such a way that it continues to remain relevant in the industry. In addition, the focus on corruption risks is heightened in light of the implementation of Section 17A of the MACC Act 2009 which is expected to be implemented in June 2020.</p> <p>The internal control mechanism established by the Board is embedded within the organisation structure in all its processes. The internal control system is independently reviewed by the Group Assurance Unit to assess its adequacy and effectiveness.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies 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.

Application	:	Applied	
Explanation on application of the practice	:	The Annual Report contains a Statement on Risk Management and Internal Control. The Statement provides a comprehensive overview of the key elements of the Group's risk management and internal control systems including assignment of authority and responsibility, planning, monitoring and reporting procedures, policies, a summary of the Business Continuity Management and the Code of Conduct. The Statement also outlines the differentiated roles and functions held by the different clusters within CCMB in maintaining the risk management and internal control systems.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 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.

Application	:	Adopted						
Explanation on adoption of the practice	:	<p>The Risk Management Committee (“RMC”) saw changes in its composition in 2019. During the year, Dato’ Azmi bin Mohd Ali stepped down as the Chairman of the RMC on 8 October 2019 following his resignation from the Company as a Non-Independent Non-Executive Director. Datin Paduka Kartini binti Haji Abd Manaf also stepped down from the Committee on 28 May 2019 following her retirement from the Board of the Company at the last AGM. At the same time, the Board had conducted a review of the composition of all its Board Committees and had agreed to reassign Puan Amizar binti Mizuar, a Non-Independent Non-Executive Director to the Nomination and Remuneration Committee and the Finance and Investment Committee of the Company. Consequently, she had relinquished her position as Member of the RMC on 28 May 2019.</p> <p>On 14 June 2019, Datuk Anuar bin Ahmad, an Independent Non-Executive Director, was appointed to the RMC to replace Datin Paduka Kartini binti Abdul Manaf. Subsequently, Dr Leong Yuen Yoong and Encik Zainal Abidin bin Jamal were also appointed to the RMC on 18 September 2019 and 20 September 2019, respectively. Encik Zainal Abidin bin Jamal assumed the role of the Chairman of RMC on 8 October 2019, upon the departure of the Dato’ Azmi bin Ali from the Board of the Company.</p> <p>The current composition of the RMC as at 31 December 2019 is as follows:</p> <table><tr><th>Name</th><th>Position</th></tr><tr><td>Encik Zainal Abidin Jamal, Chairman</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Dato’ Seri Ir Dr Zaini bin Ujang,</td><td>Independent Non-Executive Director</td></tr></table>	Name	Position	Encik Zainal Abidin Jamal, Chairman	Non-Independent Non-Executive Director	Dato’ Seri Ir Dr Zaini bin Ujang,	Independent Non-Executive Director
Name	Position							
Encik Zainal Abidin Jamal, Chairman	Non-Independent Non-Executive Director							
Dato’ Seri Ir Dr Zaini bin Ujang,	Independent Non-Executive Director							

	Member of RMC	
	Datuk Anuar bin Ahmad, Member of RMC	Independent Non-Executive Director
	Dr Leong Yuen Yoong, Member of RMC	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>The Group has established an in-house internal audit function ("Group Assurance Unit"), which resides within the Group Risk, Integrity and Assurance Department. As the "eyes and ears" of the Audit and Compliance Committee, the internal audit function reports directly to the said committee and has direct access to the Board through the Chairman of the Audit and Compliance Committee.</p> <p>The Audit and Compliance Committee reviews and subsequently approves the Annual Internal Audit Plan and ensures the Group's internal audit function is accorded with appropriate standing and authority to facilitate the discharge of its duties. In approving the annual budget for the Group Integrity and Assurance Unit, the Audit and Compliance Committee ensures that the Group's internal audit function has adequate resources to perform its role with objectivity and without undue influence by Management or any other interested parties.</p> <p>Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The Group's internal audit function provides assurance and recommendations to the Audit and Compliance Committee on the Group's governance, risk management and internal control systems.</p> <p>The Audit and Compliance Committee holds regular private meetings with the Group Internal Auditor without the presence of Management to discuss on significant internal audit matters. These private meetings provide an avenue for the Group Internal Auditor to surface any pertinent issues or concerns that they gathered.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Internal Audit function is spearheaded by Puan Wan Aishah Idris binti Muhamad Idris who is also the Head of the Group Risk, Integrity and Assurance Department. Puan Wan Aishah is a Certified Internal Auditor as well as a Certified Integrity Officer with extensive experience in the realm of governance, risk management and internal control.</p> <p>Puan Wan Aishah, along with other internal audit personnel, are free from any family relationship with any Directors and/or major shareholder and do not have any conflict of interest with the Group. The total number of personnel assigned for internal audit function of the Group is 4, in view of the smaller number of companies to be audited. Apart from the Group Internal Auditor who is already certified, two of the internal audit personnel are currently undergoing the Certified Internal Auditor Program with the Global Institute of Internal Auditor Inc.</p> <p>In conducting the internal audit process, the Group's internal audit function is guided by the COSO Internal Control Framework which covers the following five elements of internal controls:</p> <ul style="list-style-type: none">• Control environment;• Risk assessment;• Control activities;• Information and communication; and• Monitoring. <p>The total expenses incurred for the internal audit work of CCMB during the financial year end 31 December 2019 was approximately RM1.137 million (2018: RM 1 million).</p>

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

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>As stewards of the Company, Directors are accountable to shareholders as well as other stakeholders of the Company for the performance and operations of the Company. As such, the Board endeavours to ensure that communication with stakeholders is conducted on a regular and forthcoming manner.</p> <p>In fostering a closer association with its stakeholders, the Board, along with Management ensure that the Company's website, which is accessible at www.ccmbberhad.com, contains the latest information on the Company including, but not limited to its business activities, investor relations activities, corporate social responsibility activities, any press releases made by the Group, Sustainability Report and Annual Reports issued to Shareholders.</p> <p>In addition, CCMB holds regular engagements including briefing sessions with shareholders and potential shareholders that are domiciled locally and in countries within the Asia Pacific region.</p> <p>CCMB also maintains a social media presence to keep stakeholders updated on the latest activities and developments of the Company. In addition to this, it uses the email platform and print media to reach its employees to keep them abreast of any developments within the Group. Townhalls and small discussion groups are also held between the Group Managing Director and the employees to encourage open communication.</p> <p>The Board has adopted a Communication Policy and Corporate Disclosure Policy that governs the communication methods between the Group and its stakeholders. These policies allow for timely and quality dissemination of information to stakeholders.</p>

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

Intended Outcome

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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>CCMB is not a Large Company as defined by MCGG and as such, is not subjected to Practice 11.2. However, for the purpose of benchmarking beyond the minimum prescribed, CCMB has decided to report on this Practice.</p> <p>The current Annual Report of CCMB provides stakeholders with a fairly comprehensive overview on the Company's financial and non-financial information including strategic performance. Components such as Management Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control form an integral part of the non-financial information. Information is also provided on the business model as well as the trends, outlook and prospects of the Company.</p> <p>Whilst certain characteristics of integrated reporting may be embodied in the Annual Report of CCMB, it is on the whole not an integrated report based on the parameters set out by the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework.</p> <p>The Board would like to allow an advocacy period for the awareness of integrated reporting to be better appreciated by Management personnel before it is adopted.</p> <p>In order to provide stakeholders with a holistic picture of CCMB's business, the Annual Report of CCMB draws linkages between the various components contained therein, comprising financial and non-financial information.</p>

	The Company has produced its Sustainability Report in line with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines which include the formulation of an overarching sustainability strategy to drive the Group forward in its initiative. The Sustainability Report also highlights the results of the materiality assessment which identifies the priority areas which are of importance and relevant to the Group's stakeholders and pivotal to the success of the Group's business. This will gradually position the Company towards the adoption of integrated reporting through the establishment of necessary systems and controls as well as the presence of quality non-financial data which are necessary to support the development of an integrated report.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	As the Company grows in scale and scope, a readiness assessment will be undertaken to assess the structural changes that would be necessitated from the proposed transition to integrated reporting. At the initial stage, the Company will seek to embed the process of integrated thinking into its activities to better streamline its connectivity of reporting from management, its business analysis and decision-making process.
Timeframe	:	Others3 years

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the Annual General Meeting (“AGM”) as an invaluable platform for shareholders to engage both the Board and Senior Management in a productive dialogue and provide constructive feedback that contributes to the overall performance of the Group. The Board therefore endeavours to provide shareholders with adequate time to consider the resolutions that will be discussed and decided upon during the AGM and to facilitate informed decision-making by the shareholders.</p> <p>In this regard, the notice for the AGM in 2019 was provided to shareholders on 25 April 2019, which was more than 28 days before the AGM date which was held on 28 May 2019.</p> <p>The notice for CCMB’s AGM outlines the resolutions to be tabled during the said meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the matters that will be decided at the AGM.</p> <p>In addition to being dispatched to shareholders, the notice for the AGM was circulated in two nationally circulated newspaper alongside an announcement on the website of Bursa Malaysia Berhad.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibility to engage shareholders and provide meaningful responses to their questions. In demonstrating this commitment to shareholders, all Directors attended the previous AGM which was held on 28 May 2019. The Chairmen of respective Committees were present to facilitate discussions and address any questions shareholders may have on matters that fall under the purview of the Committees. The summary of key matters discussed during the previous AGM in 2018 was made available on the Company's website in accordance with paragraph 9.21(2) of the Main Market Listing Requirements by Bursa Malaysia Securities Berhad on 26 June 2019.</p> <p>The responsibility for all Directors to attend general meetings and for the Chairmen of the respective Committees to address shareholders questions are outlined in the Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>CCMB, at present, does not have a wide shareholding spread in terms of geographical dispersion. Based on the analysis of the spread of current shareholders, the Company only has 4% foreign shareholders. Nevertheless, shareholders present at the AGM were able to cast their vote electronically although this facility has yet to be offered to remote shareholders who were not able to attend the said AGM physically. The Board is of the view that the current e-polling mechanism would already allow the voting process to be conducted in fairly seamless manner, albeit to a lesser extent when compared to offering electronic voting to remote shareholders who are not able to physically attend the AGM.</p> <p>Independent scrutineers, namely, Boardroom Corporate Services Sdn Bhd have been appointed to validate the votes cast at the AGM. Shareholders who are unable to attend the AGM are allowed to vote via proxy.</p> <p>The Board has always given utmost consideration to the location of its general meetings to ensure it is easy to reach or easily accessible to shareholders. The upcoming Company's AGM will be held at the Board Room of Chemical Company of Malaysia Berhad, 13th Menara PNB, 201-A Jalan Tun Razak, 50400 Kuala Lumpur.</p> <p>In order to encourage participation at general meetings, CCMB had in the year 2012, removed the limit on the number of proxies to be appointed by an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account.</p>

	CCMB has also included a new provision in its Constitution in respect of the qualification and the right of a proxy to speak at general meetings. Under the new provision, any person could be appointed by the shareholders as a proxy. The proxy shall have the same rights as the shareholder to speak at the meeting.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	The Board recognises the need to adopt electronic voting in the event of a change in the geographical dispersion of its shareholders as well as to better facilitate voting in absentia. With the recent COVID-19 outbreak, the need to leverage on technology has become more crucial for the Company despite the high cost outlay it will have to incur. Consequently, the Company has decided to leverage on available technology and fast-track the implementation of voting in absentia and remote participation by shareholders at the forthcoming annual general meeting of the Company. Shareholders would be able to participate virtually through a live webcast to ask questions or seek clarification at the AGM.
Timeframe	:	Within 6 months

**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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Appendix 1

Directors' fees and benefits paid for FY 31 December 2019 (Company Level)

Name	Fees		Salary	Bonus	Benefits			Total (RM)
	Board	Committee			Other Emoluments		Benefits-in-Kind	
					Meeting Allowance	Others		
NON-EXECUTIVE DIRECTORS								
Dato’ Idris bin Kechot (Appointed w.e.f. 18.3.2019)	79,178	2,959	-	-	5,100	0	800	88,037
Dato’ Wan Mohd Fadzmi bin Che Wan Othman Fadzilah	75,000	18,927	-	-	18,200	0	-	112,127
Amizar binti Mizuar	75,000*	16,022*	-	-	17,000	0	-	108,022
Datuk Anuar bin Ahmad (Appointed w.e.f. 14.6.2019)	41,301	9,414	-	-	6,200	0	-	56,915
Raja Azura binti Raja Mahayuddin (Appointed w.e.f. 21.6.2019)	39,863	6,926	-	-	5,000	0	-	51,789
Hasman Yusri bin Yusoff (Appointed w.e.f. 13.9.2019)	22,603	5,272	-	-	3,200	0	-	31,075
Dr Leong Yuen Yoong (Appointed w.e.f. 18.9.2019)	21,575	4,602	-	-	3,000	0	-	29,177
Zainal Abidin bin Jamal (Appointed w.e.f. 20.9.2019)	20,959	2,724	-	-	2,200	0	-	25,883
Dato’ Seri Ir Dr Zaini bin Ujang (Resigned w.e.f. 1.1.2020)	75,000	24,000	-	-	21,000	0	-	120,000
Khalid bin Sufat (Resigned w.e.f. 11.10.2019)	58,151	15,506	-	-	14,600	250	-	88,507

Name	Fees		Salary	Bonus	Benefits			Total (RM)
	Board	Committee			Other Emoluments		Benefits-in-Kind	
					Meeting Allowance	Others		
NON-EXECUTIVE DIRECTORS								
Dato’ Azmi bin Mohd Ali (Resigned w.e.f. 8.10.2019)	57,534	13,808	-	-	14,800	0	-	86,142
Datin Paduka Kartini binti Hj Abdul Manaf (Retired w.e.f. 28.5.2019)	35,617*	9,732*	-	-	14,900	250	-	60,499
Dr Leong Chik Weng (Retired w.e.f. 28.5.2019)	30,411	7,299	-	-	11,800	0	-	49,510
TOTAL	632,192	137,191	-	-	137,000	500	800	907,683
EXECUTIVE DIRECTOR								
Nik Fazila binti Nik Mohamed Shihabuddin	-	-	593,548	300,000	-	364,416	53,302	1,311,266

* Paid to Permodalan Nasional Berhad

Directors' fees and benefits paid for FY 31 December 2019
(Group Level)

Name	Fees		Salary	Bonus	Benefits			Total (RM)
	Board	Committee			Other Emoluments		Benefits-in-Kind	
					Meeting Allowance	Others		
NON-EXECUTIVE DIRECTORS								
Dato’ Idris bin Kechot (Appointed w.e.f. 18.3.2019)	79,178	2,959	-	-	5,100	0	800	88,037
Dato’ Wan Mohd Fadzmi bin Che Wan Othman Fadzilah	75,000	18,927	-	-	18,200	0	-	112,127
Amizar binti Mizuar	75,000*	16,022*	-	-	17,000	0	-	108,002
Datuk Anuar bin Ahmad (Appointed w.e.f. 14.6.2019)	41,301	9,414	-	-	6,200	0	-	56,915
Raja Azura binti Raja Mahayuddin (Appointed w.e.f. 21.6.2019)	39,863	6,926	-	-	5,000	0	-	51,789
Hasman Yusri bin Yusoff (Appointed w.e.f. 13.9.2019)	22,603	5,272	-	-	3,200	0	-	31,075
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Dato’ Seri Ir Dr Zaini bin Ujang (Resigned w.e.f 1.1.2020)	75,000	24,000	-	-	21,000	0	-	120,000
Khalid bin Sufat (Resigned w.e.f. 11.10.2019)	58,151	15,506	-	-	14,600	250	-	88,507
Dato’ Azmi bin Mohd Ali (Resigned w.e.f. 8.10.2019)	57,534	13,808	-	-	14,800	0	-	86,142

Name	Fees		Salary	Bonus	Benefits			Total (RM)
	Board	Committee			Other Emoluments		Benefits-in-Kind	
					Meeting Allowance	Others		
NON-EXECUTIVE DIRECTORS								
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Dr Leong Chik Weng (Retired w.e.f. 28.5.2019)	30,411	7,299	-	-	11,800	0	-	49,510
TOTAL	632,192	137,191	-	-	137,000	500	800	907,683
EXECUTIVE DIRECTOR								
Nik Fazila binti Nik Mohamed Shihabuddin	-	-	593,548	300,000	-	364,416	53,302	1,311,266

* Paid to Permodalan Nasional Berhad

Appendix 2

Remuneration details of the five (5) highest paid Senior Management for the financial year ended 31 December 2019 are as follows:

Remuneration component	Group (RM)	Company ⁴ (RM)
Salaries	1,948,000	970,000
Bonus	742,000	319,000
Other emoluments ¹	851,000	413,000
Benefits-in-kind ²	82,000	46,000
Total Senior Management remuneration³	3,623,000	1,748,000

Notes:

^[1] Comprises Employees Provident Fund ("EPF") and other statutory contributions.

^[2] Comprises medical, car, driver benefits as the case may be.

^[3] Remuneration of the Group Managing Director is disclosed in the board remuneration table as per the application of Practice 7.1 of MCGG and pursuant to paragraph 11b, Appendix 9C of MMLR of Bursa Malaysia Securities Berhad

^[4] There are only three (3) Senior Management personnel at Company level.

4.2 The remuneration of the five (5) highest paid Senior Management for the financial year ended 31 December 2019 in the corresponding bands of RM100,000 are as follows:

Range of remuneration (RM)	Number of Senior Management* personnel	
	Company [#]	Group
900,001 - 1,000,000	-	1
800,001 - 900,000	-	1
700,001 - 800,000	-	1
600,001 - 700,000	1	2
500,001 - 600,000	2	-

Note:

* Remuneration of the Group Managing Director is disclosed in the board remuneration table as per the application of Practice 7.1 of MCGG and pursuant to paragraph 11, Appendix 9C of MMLR of Bursa Malaysia Securities Berhad

[#] There are only three (3) Senior Management personnel at Company level.