CORPORATE GOVERNANCE OVERVIEW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

This Corporate Governance Overview Statement outlines Chemical Company of Malaysia Berhad (CCM or the Company) and its subsidiaries' (collectively referred to as the Group) approach towards corporate governance, its key focus areas and future priorities. The Group recognises the importance of having instructive corporate governance disclosures which will allow stakeholders to appreciate the direction that the Group is heading towards and how the outcomes of good corporate governance will be delivered.

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report, which provides detailed disclosures on the application of each Practice as codified in the Malaysian Code on Corporate Governance (MCCG). The Corporate Governance Report is available on the Company's website as well as via the announcement made on the website of Bursa Malaysia Securities Berhad.

The Corporate Governance Overview Statement and Corporate Governance Report are made pursuant to paragraph 15.25 of the Main Market Listing Requirements by Bursa Malaysia Securities Berhad (MMLR) and are narrated with reference to the guidance provided in Practice Note 9 of MMLR and the Corporate Governance Guide (3rd Edition) issued by Bursa Malaysia Securities Berhad.

The Corporate Governance Overview Statement should also be read alongside other statements in this Annual Report (e.g. Statement on Risk Management and Internal Controls, Reports on Board Committees and Sustainability Statement) for a holistic understanding of the Group's corporate governance framework and practices.

Corporate governance approach

Whilst being replete in the Annual Report, it is worth reinforcing that the year 2017 was a monumental year for the Group. The year culminated with the conclusion of the year-long corporate restructuring exercise, which saw the demerger of CCM's largest subsidiary, CCM Duopharma Biotech Berhad (CCMD) from the Group as well as changes in the Company's top leadership. Towards the tail end of the financial year, Puan Nik Fazila binti Nik Mohamed Shihabuddin assumed the role Group Managing Director, succeeding Encik Leonard Ariff bin Abdul Shatar, in line with the succession plan put in place as part of the corporate restructuring exercise. Puan Nik Fazila is tasked to keep up the momentum of delivering the Group's long-term strategic vision.

It is during this transformational period that the Board has renewed its focus and commitment to maintaining a robust and dynamic governance framework that supports the new leadership and drives the long-term sustainability of the Company in its newfound position. The Board recognises that the architecture and implementation of the governance framework is paramount for the effective development of strategy and business plan, the monitoring of Group's performance and the management of risks. Whilst the circumstances of the Group may evolve over time, the Group's overarching governance approach remains consistent and is anchored on the Group's six core values of **Passion, Excellence, Teamwork, Integrity, Responsible and Respect.**

The Group's overall corporate governance approach is to:

- Create a purpose and value driven corporate governance framework by promoting individual accountability;
- Humanise governance through the mastery of intersection between rules, processes, ethics and morality; and
- Drive the application of good governance practices in tandem with the value creation process of the Group.

The Board regularly reviews the Group's corporate governance policies and procedures to ensure they reflect the latest curation of thoughts, market dynamics and best practices whilst simultaneously addressing the needs of the Group. In performing its duties, the Board continuously encourages and promotes meaningful and thoughtful application of corporate governance practices in line with established benchmarks. This proved to be a watershed effort during the year as the domestic corporate governance ecosystem was introduced to a series of corporate governance reforms, namely the operationalisation of Companies Act 2016, the release of the latest iteration of MCCG, amendments to MMLR as well as the release of the 3rd edition Corporate Governance Guide by Bursa Malaysia Securities Berhad.

Summary of corporate governance practices

In seeking to actualise its corporate governance aspirations, CCM has benchmarked its practices against the relevant promulgations and best practices.

CCM has consistently applied all the Practices espoused by MCCG, save for:
- Practice 6.2 (the establishment of a dedicated remuneration committee);
- Practice 7.2 (the disclosure of top five Senior Management on named basis);
- Practice 11.2 (the adoption of Integrated Reporting); and
- Practice 12.3 (the use of technology to facilitate remote shareholders' participation in general meetings).

In relation to the aforementioned departed Practices, the Company has provided forthcoming, clear and compelling explanations for their non-application. The Board appreciates the line of sight or Intended Outcome outlined in MCCG and has therefore put in place alternative practices, taking into account the Intended Outcomes envisioned by the said Practices of MCCG.

As the Company scales up in size and scope by progressing along its current trajectory, the Board will consider the adoption of the departed Practices as the Company would be better positioned to implement these Practices in substance at that juncture. Whilst CCM does not fall within the ambit of Large Companies[1] as defined by MCCG, the Company has on its own volition disclosed measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of MCCG are available in the Corporate Governance Report.

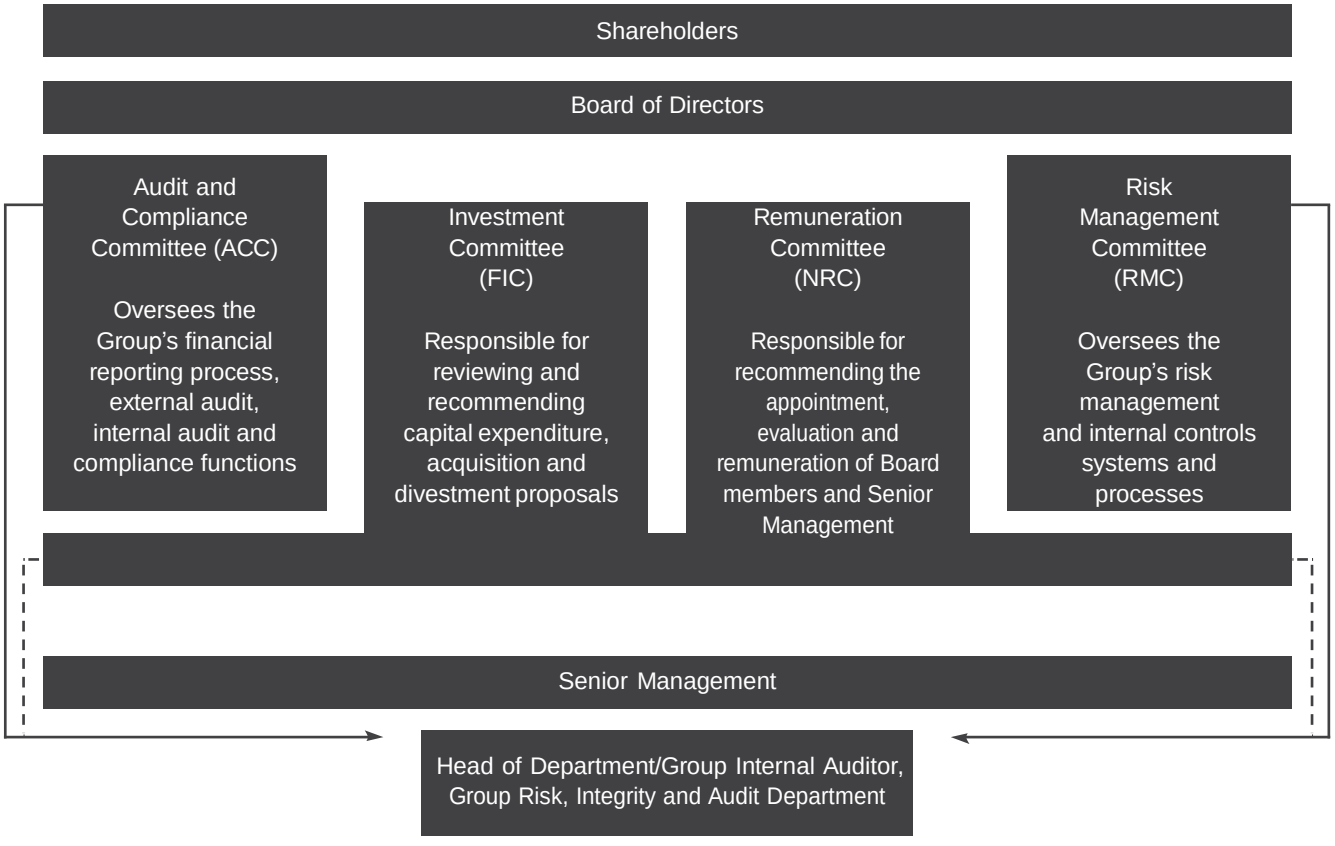
[1] Large Companies are companies on the FTSE Bursa Malaysia Top 100 Index; or companies with market capitalisation of RM2 billion and above, at the start of the companies' financial year.

A summary of CCM's corporate governance practices with reference to the MCCG is outlined below.

Roles and responsibilities of the Board

In an age where boards are expected to be far-sighted and more vigilant than ever, the Board of CCM assumes an active role in setting the strategic direction and providing leadership for overall direction for the Group. In ensuring the proper management of the affairs of the Group, the Board is cognisant of the need for the Group to operate within a framework of prudent and effective risk management and internal control mechanisms.

Board Committees have been established to assist the Board in its oversight function on specific matters. Whilst oversight of selected responsibility areas is delegated to the Board Committees, the Board nevertheless retains collective oversight and jurisdiction over the Board Committees. The Board Committees reports their activities and findings to the Board and are guided by their respective Terms of Reference.



Note:
Upon the conclusion of CCMD's demerger on 28 December 2017, the Group Integrity and Assurance Department (previously headed by the Group Internal Auditor) and the Group Risk Management Department (previously headed by the Group Risk Officer) were combined under a single Group Risk, Integrity and Audit Department.

The Board has formalised a Board Charter which serves as an authoritative document that governs the conduct of the Board, Board Committees and individual Directors. The Board Charter sets out the roles, responsibilities and authority of the Board. The Board has recently undertaken a review of the Board Charter and Terms of Reference of Board Committees during the year to ensure that they remain contemporaneous vis-à-vis latest regulatory developments, stakeholders' expectations and corporate governance best practices.

During the year, the Board and Board Committees have met regularly to deliberate on matters under their purview. Directors have devoted sufficient time to prepare, attend and actively participate during the Board and/or Board Committees meetings. The overarching agenda for the Board during the year was overseeing and supporting Senior Management on the execution of the strategic plan and the corporate restructuring exercise. Accordingly, the Board has deliberated on pertinent issues including the Company's annual business plan, annual budget, significant acquisitions and disposals, financial results as well as key performance indicators. Meeting attendance of individual Directors during the year is outlined below.

Director	Designation	Board	ACC	NRC	RMC	FIC
Dato' Hajah Normala binti Abdul Samad**	NINEC	9/11		7/7	0/0	
Nik Fazila binti Nik Mohamed Shihabuddin****	GMD	0/0				
Khalid bin Sufat	INED	11/11	11/11	7/7		
Dato' Azmi bin Mohd Ali	NINED	11/11			4/4	5/5
Dr. Leong Chik Weng	INED	9/11		6/7		4/5
Dato' Seri Ir. Dr. Zaini bin Ujang***	INED	11/11	0/0		4/4	3/5
Datin Paduka Kartini binti Hj Abdul Manaf	NINED	10/11	10/11	7/7		5/5
Dato' Wan Mohd Fadzmi bin Che Wan Othman	INED	0/0	0/0			
Fadzilah***** Leonard Ariff bin Abdul Shatar*	GMD	10/11				
Tan Sri Datin Paduka Siti Sa'diah binti Sh. Bakir*	INED	10/11	10/11		4/4	
Datuk Nik Moustpha bin Hj Nik Hassan*	INED	11/11	11/11	6/7		

Chairman Member

Notes:
*Resigned on 28 December 2018 upon completion of CCMD demerger
**Resigned as NRC Member and appointed as RMC Member w.e.f. 28 December 2017
***Appointed as ACC Member w.e.f. 28 December 2017
****Appointed as Group Managing Director w.e.f. 28 December 2017
*****Appointed as Board Member and ACC Member w.e.f. 9 March 2018

NINEC	Non-Independent Non-Executive Chairman
GMD	Group Managing Director
INED	Independent Non-Executive Directors
NINED	Non-Independent Non-Executive Directors

There is a clear separation of roles between the Chairman of the Board and the Group Managing Director to bring about an effective check and balance mechanism. The Group Managing Director as the "Chief of Management" is responsible for the day- to-day business and activities of the Group and implements the strategies, policies and decisions approved by the Board. The Board has also appointed a Senior Independent Director who chairs the NRC and serves as a sounding board to the Chairman and an intermediary for other Directors when necessary.

In performing their duties, the Board is supported by a suitably qualified and competent Company Secretary. The Company Secretary acts a corporate governance counsel and provides the Board with periodic updates on the latest regulatory developments and facilitate the implementation of pertinent corporate governance enumerations. The Company Secretary assists in the agenda setting and disseminates complete and accurate meeting materials to Directors in a timely manner in order to facilitate informed and rigorous Board or Board Committee discussions.

As the Board is the pivot of good governance culture, it continuously strives to set the "tone at the top" and cascade ethical values and standards across every level of the Group. As such, the Board has approved a Code of Conduct to govern employees in their day-to-day professional conduct and decision-making process. As part of a far-reaching effort to promote ethical conduct, a Whistleblowing Policy has also been put in place to allow employees and other stakeholders to raise legitimate concerns without fear of retaliatory actions.

Board composition

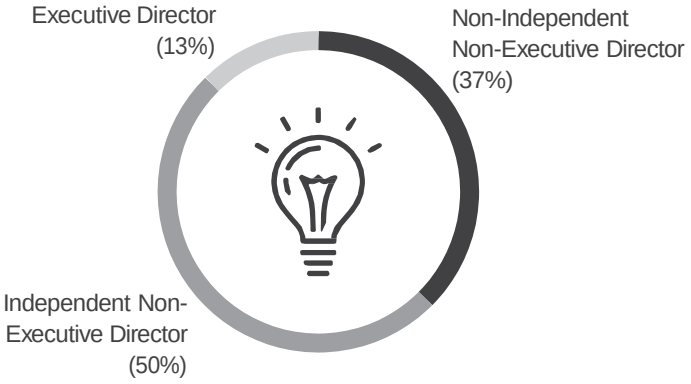
In the post-restructuring era of the Company, it is especially imperative for the Board to have an appropriate mix of skills, qualifications and experience that can support the Company's leadership in driving the long-term vision for the Group. The Board, through the NRC, periodically reviews its composition to dovetail with the strategic trajectory of the Company. The combined skills and expertise of Directors provide a breadth and depth of diverse perspectives that can refine the decision making of the Board in pertinent areas.

CCM also has a long-standing history of constituting a diverse Board in the facet of gender. At present, there are three women Directors out of the eight Board members in aggregate. Taking cue from the policy pronouncement by the government, the Board has now furthered this agenda by codifying a stipulation in the Board Charter which calls for the Board to comprise at least 30% women Directors at any one time. It is also worthwhile to acknowledge that CCM is one of the few listed issuers that have a female Non-Executive Director as the Board Chairman (i.e. only 9 out of the top 300 listed issuers by market capitalisation have female Non-Executive Chairmen)[2].

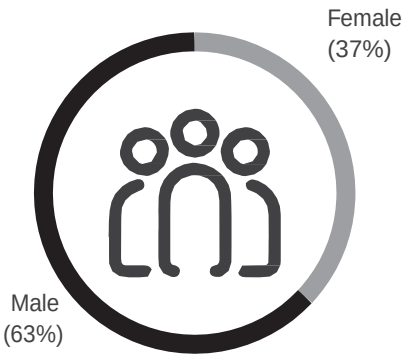
A microscopic view of the Board composition is depicted on the following page:

[2] Based on latest available annual reports as at *31 July 2017*

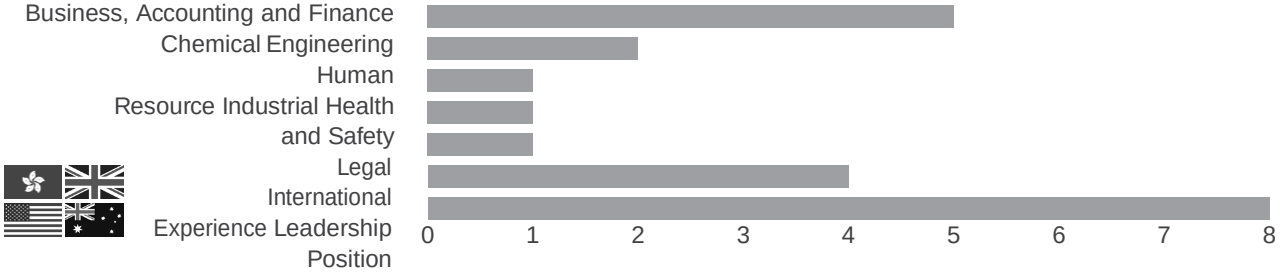
Board Independence



Board Diversity



Directors' skillsets



Appointments to the Board are made via a formal, rigorous and transparent process. In assessing and recommending candidates for directorships, the NRC is guided by the Group's Board Selection and Nomination Procedure which outlines the skills, experience and attributes required in a candidate. The NRC has additionally engaged independent search firms and consultants in order to diversify its sourcing for potential Directors.

On an annual basis, the Board, Board Committees and individual Directors including Independent Directors are subjected to a rigorous evaluation process that effectively review their performance and assess their effectiveness. The assessment is administered using questionnaires that incorporate both qualitative and quantitative criteria, based on a self and peer rating assessment model.

In addition to the aforementioned evaluation, Independent Directors are also subjected to an annual test of independence, which is based on a set of qualitative evaluation criteria, so as to ascertain their continued objectivity and impartiality. As an additional measure to mitigate the risk of entrenchment, CCM has codified a policy stipulation that limits the cumulative (consecutive or intermittent) tenure of Independent Directors to 9 years. The Board is of the view that such a quantitative measure would bring about the qualitative outcome of "independence in mind".

Remuneration

A fair remuneration package is critical to attract, retain and motivate Directors and Senior Management personnel. Towards this end, the Board has adopted a Remuneration Policy and Procedures to provide a formal and transparent process for setting the remuneration of Directors and Senior Management.

The Board acknowledges that remuneration is a key component in driving talented and high-calibre individuals to run the business successfully. For the Group Managing Director and other Senior Management personnel, the components parts of remuneration are structured so as to link rewards to performance whilst for Non-Executive Directors, the remuneration packages are based on their position in the Board, participation in boardroom activities and specific skills or expertise that they bring to the Board. Based on the recent Report on Non-Executive Directors Remuneration 2017 released by KPMG, it was noted that the Company is one of the pay leaders in the industrial products sector.

The Board, through its NRC, aims to undertake a review on the remuneration of Directors and Senior Management once every three years.

Audit Committee

The Board has established an ACC to provide a robust and comprehensive oversight on the financial reporting, external and internal audit processes as well as compliance matters of the Company. The ACC is chaired by the Senior Independent Director, who is distinct from the Chairman of the Board. The composition of the ACC allows it to possess the financial literacy and business knowledge that are required to have a sound understanding of the financial matters of the Company.

The ACC has unrestricted access to both the internal and external auditors, who, in turn report to the Board through the ACC. The Board has established a formal and transparent arrangements to maintain an appropriate relationship with the external auditor. This includes adopting policies and procedures to assess the suitability and independence of the external auditor on an annual basis. During the year under review, the external auditor has provided assurance that its personnel are and have been independent throughout the conduct of the audit in accordance to the terms of relevant professional and regulatory requirements.

Risk management and internal controls

In order to address risks in an increasingly complex and disruptive global environment, the Board has instituted a stand-alone Risk Management Committee at the Board level to assist in the oversight of existing and emerging risks that are surrounding the Group. A robust risk management and internal control framework that has been established allows the Group to identify, monitor and mitigate key business risks and is thus important in supporting the delivery of long-term value to the Group's stakeholders. The Group's risk management and internal control framework is firmly rooted on the Group's Management and Manual Guidelines, which in turn is aligned to the globally recognised International Organisation for Standardisation (ISO) 31000.

The Group has established an in-house internal audit function (Group Internal Audit) which resides within the Group Risk, Integrity and Audit Department (formerly the Group Integrity and Assurance Department). The Group Internal Audit reports and make recommendations directly to the ACC. The Group Internal Audit is accorded with appropriate standing and authority to enable the discharge of its duties with independence and without undue influence. The Group Internal Audit has unfettered access to the relevant personnel, properties and records within the Group so as to discharge its functions in an unbridled manner.

Communication with stakeholders

As stewards of the Company, the Board strives to foster a candid and transparent relationship with the stakeholders of the Company. Accordingly, the Board seeks to ensure that there is continuous communication and dissemination of information to stakeholders through a plethora of platforms including the Company's website, announcements to Bursa Malaysia Securities Berhad as well as social media sites. The Company's website contains recent announcements, past and current reports to shareholders, including summaries of key financial data, operational briefing presentations as well as copies of recent notices and summary of minutes of general meetings. During the year in review, CCM's Group Corporate Affairs Department who is responsible for the investor relations function has also supplemented these efforts by actively engaging local and regional shareholders and potential investors through regular briefing sessions.

The Board has adopted a Communication Policy and Corporate Disclosure Policy that govern communication methods between the Group and its stakeholders.

Conduct of general meeting

The Annual General Meeting (AGM) serves as an invaluable platform for shareholders to engage the Board and Senior Management in a productive dialogue and provide constructive feedback that contributes to the overall betterment of the Group. During the previous AGM, all Directors were present to provide clear and meaningful response to shareholders' questions. The Lead Partner from the external audit firm was also present to answer questions from shareholders relating to the external audit process and outcome.

In order to encourage shareholders' participation, the Board ensures the location of the general meetings is easy to reach or conveniently accessible to shareholders. In addition, shareholders have been provided with 28 days' notice for the upcoming AGM to accord them with adequate time to prepare and ultimately make informed decisions during the AGM. The notice for AGM outlines the resolutions to be tabled during the said meeting and is accompanied with explanatory notes and background information where applicable.

Focus areas during the year

The events which occurred during the year, namely the corporate restructuring exercise and local regulatory reforms in the area of corporate governance, have necessitated the Board to pay closer attention to its value creation role. The Board played a crucial role in overseeing the demerger of CCMD from its Group and the resulting changes in the Company's leadership. In light of these developments, Directors were expected to devote more time and effort to gain a granular understanding of the complexities and nuances of the Group's business in order to successfully attain the long-term vision for the Group.

As the Company is also under the close scrutiny of institutional investors, there is no room for neglect in its corporate governance practices. During the year in review, the Board's focus on corporate governance revolved around the following areas:

Review of corporate governance policies and procedures

In light of the changes in the rich domestic corporate governance tapestry, the Board took the initiative to review and update its existing policies and procedures. More specifically, changes were made to the Board Charter, Terms of Reference for each Board Committee, Policy on External Auditor as well as the instruments that are deployed for the assessment of the Board, Board Committees and individual Directors. The Board has additionally formalised Remuneration Policy and Procedures to govern the process of formulating and administering remuneration packages of Directors and Senior Management personnel.

As these documents serve as guiding literature for the Board, the Board was cognisant to ensure that the changes made reflect the latest regulatory developments, expectations of stakeholders and the evolving operational and strategic circumstances of the Group. The Board has also ensured that the relevant policies and procedures including the Board Charter and Board Committees' Terms of Reference are made accessible on the Company's website.

Premised on the notion of transparency, the Company has on its own volition provided disclosures on the measures that the Company has taken or intends to take to adopt the departed Practices of MCCG as well as the timeframe for adoption of the departed Practices. The Board recognises that this is a positive step which would allow CCM to be placed alongside Large Companies based on the hallmark of transparency.

Succession planning

During the year in review, the Board oversaw the succession of Puan Nik Fazila binti Nik Mohamed Shihabuddin as Group Managing Director upon the completion of the corporate exercise. The Board is mindful that a seamless succession plan can safeguard the Group's business continuity and retain the confidence of stakeholders. Moving forward, the Board will continue to support Puan Nik Fazila in her new role and in her quest to take the Group to greater heights.

The succession plan put in place as part of the corporate restructuring exercise also sought to ensure that no overlaps between the Board and Senior Management members of CCM and that of CCMD. This serves to ensure there is clear disentanglement in the newly-minted corporate structure.

In line with this plan, Encik Leonard Ariff bin Abdul Shatar, Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir and Datuk Nik Moustpha bin Haji Nik Hassan stepped down from CCM's Board in order to transit onto CCMD's Board. Tan Sri Datin Paduka Siti Sa'diah assumed the role of Chairman of CCMD whilst Encik Leonard Ariff bin Abdul Shatar was made the Group Managing Director of CCMD.

Directors' professional development

Directors were provided with opportunities to develop and maintain their skills and knowledge throughout the year. The Group has organised in-house talks and training sessions facilitated by third party experts to keep Directors abreast on the latest market developments that may impact the Group. Additionally, Directors have discretionally exercised their own initiative to request for external trainings, seminars or conferences that enhance their skill sets and knowledge in areas relevant to the Group.

Visits to the Group operational sites were also arranged for Directors in order for them to gain first-hand views of the Group's operations and thus, cultivate a holistic understanding of the Group's business. Such exposures were particularly important as the Group streamlined its business during the year in review, with the chemicals and polymers divisions taking centre-stage as the principal business activities of the Group.

During the year in review, the Directors of CCM have participated the following professional development programmes:

Director	Programme	Date
Dato' Hajah Normala binti Abdul Samad	1. CCM Group Directors and Senior Management Training 2017 on Companies Act 2016: Overview of the changes and how they affect your business.	27 February 2017
	2. CCM Group Directors and Senior Management Training 2017 on Malaysia Global Leadership: Halal Pharmaceuticals & Informed Choice	31 March 2017
	3. CCM Group Directors and Senior Management Training 2017 on The Evolving Rules of Social Media: How to leverage social media to grow your company, engage stakeholders and actually makes	7 April 2017
	4. CCM Group Directors and Senior Management Training 2017 on The Outward Mindset: Leadership and Self Betrayal.	13 July 2017

Director	Programme	Date
Dato' Azmi bin Mohd Ali	1. Opportunities in the Growing Malaysian Economy	20 January 2017
	2. CCM Group Directors and Senior Management Training 2017 on Companies Act 2016: Overview of the changes and how they affect your business	27 February 2017
	3. IMD Seminar: Value Creation and Business Partnering by Professor Salvatore Cantal, IMD on Value Creation and Business Partnering	1 March 2017
	4. Companies Act 2016 on What Lawyers and Pupils need to know by Norhisham Abd Bahrin	9 March 2017
	5. Global Transformation Forum 2017	22-23 March 2017
	6. CCM Group Directors and Senior Management Training 2017 on Malaysia Global Leadership: Halal Pharmaceuticals & Informed Choice	31 March 2017
	7. Seminar on The New Companies Act 2016 - The Key Issues and Potential Pitfalls for Directors by Mr. Lee Shih, Partner, Dispute Resolution Division,	12 May 2017
	8. Presented a Career Talk for Universiti Teknologi Mara (UiTM) Law Students at UiTM Shah Alam Building entitled: Building a Career in Corporate Law.	21 June 2017
	9. S P Setia Directors Training on – New Accounting Standards; – Shariah & Ecosystem of Business for S P Setia and	10 July 2017
	10. CCM Group Directors and Senior Management Training on The Outward Mindset: Leadership and Self-Betrayal	13 July 2017
	11. Presented Talk for UPM@SME on Entrepreneurship and Business Networking	8 October 2017
Dato' Seri Ir. Dr. Zaini bin Ujang	1. CCM Group Directors and Senior Management Training 2017 on Malaysia Global Leadership: Halal Pharmaceuticals & Informed Choice	31 March 2017
	2. CCM Group Directors and Senior Management Training 2017 on The Evolving Rules of Social Media: How to leverage social media to grow your company, engage stakeholders and actually makes	7 April 2017

Director	Programme	Date
Datin Paduka Kartini binti Hj. Abdul Manaf	1. PNB Investment Series 2017 – Creation: Value Creating A Customer Focus	1 March 2017
	2. Anti Money Laundering Seminar for Board of Directors and Senior Management of PNB	21 March 2017
	3. Global Transformation Forum 2017	22-23 March 2017
	4. Management Retreat 2017	27-29 April 2017
	5. Seminar on The New Companies Act 2016 - The Key Issues and Potential Pitfalls for Directors by Mr. Lee Shih, Partner, Dispute Resolution Division,	12 May 2017
	6. PNB Investment Series 2017 – The Future of Fintech/ Digital Distruption	24 May 2017
	7. CCM Group Directors and Senior Management Training on The Outward Mindset: Leadership and Self-Betrayal	13 July 2017
	8. Corporate Exercise and Asset Pricing in Malaysia	9 August 2017
	9. CCM Group Directors and Senior Management Training on Cyber Security and Digital	20 September 2017
	10. Talent Value Workshop	5 October 2017
Khalid bin Sufat	1. Fintech & Digital Economy Conference 2017	12 January 2017
	2. MFRS9 – Financial Instrument	29 March 2017
	3. CCM Group Directors and Senior Management Training 2017 on Malaysia Global Leadership: Halal Pharmaceuticals & Informed Choice	31 March 2017
	4. Compliance Forum	18 May 2017
	5. Fintech: Opportunities for FIs	11 July 2017
	6. CCM Group Directors and Senior Management Training on The Outward Mindset: Leadership and Self-Betrayal	13 July 2017
	7. Dialogue: Value Based Intermediation	24 August 2017
	8. Economic Forum	12 September 2017
	9. CCM Group Directors and Senior Management Training on Cyber Security and Digital	20 September 2017
	10. Anti Money Laundering /Banking Secrecy	31 October 2017
	11. MIA International Accountants Conference	7-8 November 2017
	12. Corporate Governance Programme	13 November 2017
	13. Leveraging Technology for Growth	14 November 2017
	14. Update on Shariah Governance	29 November 2017

Director	Programme	Date
Dr. Leong Chik Weng	1. CCM Group Directors and Senior Management Training 2017 on The Evolving Rules of Social Media: How to leverage social media to grow your company, engage stakeholders and actually makes	7 April 2017
Nik Fazila binti Nik Mohamed Shihabuddin	1. CCM Group Directors and Senior Management Training 2017 on Companies Act 2016: Overview of the changes and how they affect your business.	27 February 2017
	2. Global Transformation Forum	22-23 March 2017
	3. CCM Group Directors and Senior Management Training on The Outward Mindset: Leadership and Self-Betrayal	13 July 2017
	4. Strategic ERM Workshop	23 August 2017
	5. Khazanah Mega Trends	2 & 3 October 2017
Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah	1. Dialog Niaga Agrobank 2017	13 February 2017
	2. Panelist: Dialog Niaga Agrobank	14 February 2017
	3. The Sir John Monash Lecture: "Global Food Security in the 21st Century. A challenge we can meet." By Dr Jim Peacock	23 March 2017
	4. Panelist – Session 3: Roadmaps: Scaling up DFIs for the SDGs	11 May 2017
	5. 40TH ADFIAP Annual Meeting and Conference	11 May 2017
	6. Compliance Conference 2017	18 May 2017
	7. Global Symposium on Microfinance 2017	22 May 2017
	8. Panelist for Scaling Up for Greater Social Impact – Global Symposium on Microfinance	23 May 2017
	9. SDG Business Summit Co-organised by UN Malaysia, SIDC and GCMY	25 May 2017
	10. Conversion Process towards becoming Islamic Financial Institutions	20 September 2017
	11. International CEO Forum 2017	25 October 2017
	12. Islamic Retail Banking Symposium	14 November 2017
	13. Mandatory Accreditation Programme for Board of PLCs	30 January 2018

Corporate governance priorities (2018 and beyond)

As the Company strive forward in its post-restructuring agenda, the Board will accordingly continue to implement improvement measures in the area of corporate governance. More specifically, the Board has identified the following forward-looking agenda items to propel the Group forward in its corporate governance objectives.

Short and medium term plan (one to three years)

Risk management framework

The Board intends to review the prevailing risk management framework with a view of reflecting the rationalised strategic direction of the Group. As the Group continues to streamline its business and accord greater focus on the chemicals and polymers segments as its principal business activities, the Group's risk management framework has to be primed for these changes.

In order to facilitate this process, the Group is seeking to deploy a more data-driven risk reporting mechanism which can support and provide more granular insights for informed decision making. Advanced risk analytics capabilities will enable clearer visibility into the challenges associated with managing the manifold risks in key areas such as operations, regulatory compliance and supply chain.

Moreover, the Board and Risk Management Committee will seek to proactively engage the Executive Risk Management Committee and the Group Risk, Integrity and Audit Department in regular updates and discussions on risk-appetite dialogue so as to reinforce a two-dimensional risk management communication (i.e. top down and bottom-up risk management approach).

Enhancing the Company's website

The Company's website is an essential and accessible platform for stakeholders, including shareholders and potential investors to obtain information on the Group. As such, the Board is mindful to ensure that the Company's website is updated with the latest developments on the Group and users are able to easily navigate through the website.

In light of the recent changes to the Group, the Company aims to ensure that changes are reflected to capture its recalibrated strategic direction and competitive market positioning.

The Company will also endeavour to harness technological advancements to improve the efficiency at which the general meetings are run and to pave the way for remote shareholders' participation.

Long term plan

Corporate reporting

Although the Company is not a Large Company and therefore is not subjected to Practice 11.2 of MCCG (i.e. adopting Integrated Reporting), CCM nevertheless wishes to benchmark itself against such a renowned practice. In the long run, the Board intends to undertake a readiness assessment and gauge the necessary measures to transition from CCM's prevailing corporate reporting regime into Integrated Reporting.

CCM has, in the past, consistently incorporated a Sustainability Statement in its annual report. For the next financial year, the Company aims to produce its inaugural Sustainability Report, in accordance to the guidelines outlined in Practice Note 9 of MMLR as well as the Sustainability Guide and Toolkits by Bursa Malaysia Berhad. These developments signal a significant step forward and has positioned CCM on a solid footing to adopt Integrated Reporting.

Board Independence

CCM has achieved the higher order practice of having at least 50% Independent Directors on the Board with the appointment of Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah on 9 March 2018. The appointment was made with a view to reinforce the objectivity and impartiality of the Board. The Board is confident that, equipped with the counterweight, Directors will be able to encourage, support and motivate each other in paving the way for a sustainable future of the Group.

Notwithstanding, the Board acknowledges that corporate governance is an ongoing process of improvement and elevation. As such, the Board shall continue to assess and implement measures that can safeguard its independence in long-term whilst simultaneously ensuring it remains dynamic and contemporaneous to the needs of the Company.