

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0021
COMPANY NAME : GHL SYSTEMS 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board's principal focus is the overall strategic direction, development and control of the Group in an effective and responsible manner. The Board oversees, directs and supervises the Management by ensuring that Company's goals are clearly established and that strategies are formulated which is in line with the Company's vision and missions.</p> <p>The Board is constantly mindful of safeguarding the interests of Shareholders in discharging its stewardship and duties by regularly evaluating economic, political, social and legal issues that may influence or affect the development of the Company or the interests of Shareholders.</p> <p>The Board's core responsibilities are as follows:-</p> <ul style="list-style-type: none">• Review and approve the Group's strategic plan to build a sustainable business;• Oversee and evaluate the Group's business conduct, including the smooth functioning of core processes;• Identify principal risks and ensure implementation of appropriate systems and processes to manage these risks;• Monitor succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing key management;• Maintain an effective investor relations program; and• Review the adequacy and integrity of the Group's internal control systems. <p>The Board has delegated specific responsibilities to the following dedicated Committees with clear Terms of Reference to discharge these responsibilities more effectively:-</p>

	<ul style="list-style-type: none"> • Audit and Risk Committee • Nomination and Remuneration Committee • Risk Management Committee <p>The Board delegates certain responsibilities to the dedicated Committees of the Board. Both the Audit and Risk Committee (“ARC”) and the Nomination and Remuneration Committee (“NRC”), comprise exclusively Non-Executive Directors. These committees operate within the clearly defined Terms of Reference approved by the Board; and have the authority to examine particular issues and report their proceedings, deliberations and, where appropriate, make recommendations to the Board. On Board reserved matters, the Committees shall deliberate and make their recommendations to the Board for its approval thereafter. Terms of Reference of ARC and NRC are available on the Company’s official website at www.ghl.com.</p> <p>During Board meetings, the Chairman of the Committees reports to the Board the key issues discussed and recommendations during the respective committee meetings, and highlight to the Board any further deliberation that is required at Board level.</p> <p>Roles and responsibilities are set out in the Board Charter which is available on the Company’s official website at www.ghl.com.</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 Board is chaired by Datuk Kamaruddin Bin Taib, an Independent Non-Executive Chairman. As provided in the Board Charter, the Chairman is responsible for, inter-alia, the following:-</p> <ul style="list-style-type: none">• Providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;• Participating in the selection of Board members and ensuring that the membership is properly balanced;<ul style="list-style-type: none">• Setting agenda for Board meetings, usually in conjunction with the Vice Chairman, Group Chief Executive Officer ("Group CEO") and Company Secretary. The Chairman should ensure that the agenda and all necessary background paper are given to Directors in sufficient time to enable the papers to be adequately considered before the meeting;• Chairing meetings of the Board in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each Director;• Reviewing the minutes of meetings of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed;• Monitoring and evaluating the individual performance of Directors and the Board as a whole;• Initiating the establishment of Board Committees and ensuring that they achieve their objectives; and• Fastening high corporate governance. <p>The Chairman being an Independent Non-Executive Director is not involved in the day-to-day management of the Group's business and has no relationship that could materially interfere with his judgement.</p> <p>The roles and responsibilities of the Chairman of the Board have been specified in Paragraph 4 of the Board Charter, which is available on the Company's official website at www.ghl.com.</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>A clear division of responsibility between the Chairman and the Group Chief Executive Officer ("Group CEO") exists to ensure a balance of power and authority as no one individual Director has unfettered powers over decision making. As set out in the Board Charter, while the Chairman's main responsibility is to oversee the Board and provides necessary check and balance to safeguard the interests of all shareholders and stakeholders, the Group CEO is responsible for leading the Senior Management team running the day-to-day operations of the Group by making strategic business decisions and implementing the Board's policies and decisions.</p> <p>The Board believes that balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties objectively.</p> <p>The Board is chaired by Datuk Kamaruddin Bin Taib, an Independent Non-Executive Chairman; while Mr. Danny Leong Kah Chern holds the position as Group CEO.</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

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 two (2) qualified and competent Company Secretaries who facilitate the overall compliance with the MMLR and Companies Act 2016 and other relevant laws and regulations. The secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).</p> <p>The Company Secretary organizes and updates Board members and committees the changes, if any, in regards to Board and Committee meetings as well as shareholders meetings. The Company Secretary attends all Board, Board Committees and shareholders meetings to ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. This responsibility will involve the issuance of proper notices of meetings, circulation of previous meetings' minutes, and that accurate and adequate records of the proceedings of the Board meetings and resolutions passed are taken and maintained in the statutory register of the Company. All duties are discharged in compliance with Companies Act 2016, Bursa Listing Requirements, Malaysian Code on Corporate Governance and any other relevant regulatory bodies.</p> <p>Appointment and removal of Company Secretary, if any, is a matter for the Board to decide collectively.</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

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 and Committees are provided with an agenda on matters to be discussed together with the meeting papers which contain the following for the Directors' perusal to enable the Directors to deliberate on issues to be considered at the respective meeting or obtain further explanations, where necessary, before the Board or Committees' meetings.</p> <p>The respective departments within the Group will strive to provide these materials to the Directors seven (7) days prior to the Board and Committee meetings, working within the challenges and constraints of the information gathering process; otherwise, the materials will be provided two (2) days before the meetings while those of a confidential nature will be provided during the Board and Committee meetings.</p> <p>Minutes were kept to record the proceedings at the Board and Committee meetings, the deliberations on the matters at hand and the decisions made thereto, and circulated in a timely manner upon completion of meeting.</p> <p>The Board and Committees has unrestricted access to the Group Chief Executive Officer ("Group CEO"), Group Chief Financial Officer ("CFO"), Senior Management and all information on the affairs of the Group. The Management is obliged to supply all relevant information relating to the business and operations of the Group and governance matters at the request of the Board.</p> <p>The Board and Committees also has full and unrestricted access to the advice and services of Internal Audit Function, External Auditors and Company Secretaries. Members of the Board may collectively or individually consult the advisers and, where necessary, seek external and independent professional advice and assistance from experts to carry out their duties.</p> <p>Senior Management is invited to attend the Board and Board Committee meetings to provide insight and furnish clarification on issues that may be raised by the Directors. Professional advisers</p>

	appointed by the Company, if required, are invited to attend the Board or Committee meetings to provide relevant observations, clarifications or findings to the Board or Committees.	
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 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>A Board Charter (the "Charter") that clearly sets out the role, functions, composition, operation and process of the Board was adopted by the Board in 2012.</p> <p>The Charter ensures that all Directors are aware of their duties and responsibilities as Board members. It acts as a source of reference and primary induction literature for prospective Board members and Senior Management on good corporate governance. It also acts as a guideline to assist the Board in assessing its collective performance and that of each individual Director. The Charter delineates the functions of the Board and the Management while maintaining a symbiotic relationship between the two groups, enabling effective execution of their respective roles and responsibilities.</p> <p>The Board Charter, which was last updated in March 2020, would be periodically reviewed with a view to enhance its scope by the Board, as and when required, to take into consideration the changing needs of the Company as well as development in rules, guidelines and regulations that may have an impact on the discharge of Board's functions and responsibilities. The review ensures consistency with the Board's objectives and responsibilities and adherence to the relevant rules and regulations as well as the latest standards or guidelines of corporate governance.</p> <p>The Charter is accessible to the public on the Company's official website at www.ghl.com and any update thereof will be uploaded to the website accordingly.</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 acknowledges and emphasizes the importance for all Directors and Employees to embrace good corporate governance practices and ethical standards. In view of this, the Board has formalized ethical standards and systems of compliance through the Company’s Code of Ethics and Conduct.</p> <p>These codes are aimed to emphasize the Company’s commitment to ethics and compliance which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering with the applicable laws and regulations, use of confidential information and retention of records.</p> <p>The Board shall review and reassess the adequacy of the Code periodically and make such amendments as they may deem appropriate.</p> <p>The Company’s Code of Ethics and Conduct is available on the Company’s official website at www.ghl.com.</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

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 expects the highest standards on integrity from all its employees, directors, shareholders, as well as stakeholders, and takes a serious view of any misconduct in particular with respect to their obligations to the Group’s interest.</p> <p>The Board is always mindful of the importance of providing all directors and employees of the Group, as well as stakeholders, with an independent and unbiased mechanism to bring to the attention of the Board any concerns of integrity and misconduct. Procedures are also in place for investigations and appropriate follow-up actions by the Management.</p> <p>Under the said Policy, a whistleblowing channel is made available for employees and stakeholders to report any alleged or suspected fraud, corruption or non-compliance with the Code of Ethics and Conduct, which is secured and accessible only by the ARC members and Group Internal Audit Department. All complaints are ensured to be kept with utmost confidence and all information is protected. Any party that attempts to retaliate, victimize or intimidate against anyone who has reported a wrongdoing in good faith shall be dealt with serious disciplinary actions, up to and including legal action, where applicable.</p> <p>The Company’s Policy Statement on Whistle Blowing is available on the Company’s official website at www.ghl.com.</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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board comprises a mixture of Executive and Non-Executive Directors from diverse professional backgrounds with a wealth of experience, skills and expertise to meet the Group's needs. The current Board consist of five (5) members, comprising one (1) Executive Director and four (4) Non-Executive Directors, of which two (2) are Independent Non-Executive Directors including the Chairman.</p> <p>During the financial year, one (1) member of the Board, Mr. Ali Zaynalabidin Haeri Mazanderani, a representative Partner from Actis, resigned from his position as Non-Independent Non-Executive Director with effect from 12 June 2019.</p> <p>The current Board composition complies with the MMLR of Bursa Malaysia that requires a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.</p> <p>However, the Board is aware that its current composition is not in line with the desired Malaysian Code on Corporate Governance practice of having at least half of the Board comprising Independent Non-Executive Directors.</p> <p>Nevertheless, based on the review of Board composition, the Board is satisfied that the current Board composition provides the appropriate diversity, balance, size, and skills necessary to promote all shareholders and govern the Group effectively. Its current composition fairly represents the ownership structure of GHL, with appropriate representations of minority interests through the Independent Non-Executive Directors.</p> <p>The presence of two (2) Independent Directors in the Board in substance carries weight in Board decisions to ensure that balance is in place to facilitate the Board to provide clear and effective leadership to the Group and bring informed and independent</p>

	<p>judgement to many aspects of the Group's strategy and performance.</p> <p>Therefore, the Board opines that the departure of this practice does not jeopardise the independence element of the Board functions. The Board maintains its functions in a manner that promotes an open environment where the Directors are able to exercise independent judgement, and the interests of shareholders are always at the forefront when important decisions are made by the Board.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	<p>Notwithstanding the above, the Board remains guided by the Practices of the Malaysian Code on Corporate Governance and will continue to monitor and review the Board size and composition as may be needed to maximize the shareholders' value.</p>
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:		
Explanation for departure	:		
<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 4.3 - 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 is committed to ensure that the Independent Directors are capable of exercising independent judgement and acting in the best interest of the Group. Directors are required to disclose, as and when made known, to the Board any potential or actual conflict of interest in relation to any material transactions.</p> <p>In tandem with the MCCG, the Board through its Board Charter requires independence of any Director who has served more than nine (9) years to be subject to a particularly rigorous review by the Board prior to justifying/recommending to the shareholders for their approval to retain the particular Board member as an Independent Director, if necessary.</p> <p>During the financial year under review, none of the Independent Directors have served for a cumulative term of nine (9) years.</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 appointment of a new Director is the responsibility of the full Board after considering the recommendations of the NRC. The Board appoints its members through a formal and transparent selection process, which is evaluated by the NRC. Potential candidates are evaluated based on a mixture of skills, expertise, experience, time commitment and contribution candidates can bring to the Board; evaluation are not based on any gender discrimination or preferences.</p> <p>The Board remains committed to ensuring that the Directors have the skills, knowledge and experience needed to effectively drive the Company forward. The present size and composition of the Board is optimum and well balanced, in terms of the required mix of skills, experience and core competencies as well as need to safeguard the interests of the minority shareholders. There is no individual Director or group of Directors who dominate the Board’s decision-making.</p> <p>The current composition of the Board includes persons from various ethnic groups across various age bands, expertise and with regard to gender diversity. Directors’ profile is available in the Annual Report 2019 for further information.</p> <p>Similarly, the appointment of Senior Management is made with due regard for diversity in skills, experience, age, cultural background and gender.</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 4.5

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	:	The Company has formalized a Board Diversity Policy and such policy is contained in the Board Charter, which is published on the Company's website at www.ghl.com . In accordance with the Board Diversity Policy on gender, the Board shall comprise at least a female Director at any time. Evaluation of suitability of candidates is based on the candidates' competency, character, time availability, integrity and experience in meeting the Company's needs. The Board currently has a female Director with the appointment of Dato' Chan to the Board. The Board constantly advocates fair and equal participation and opportunity for all individuals of the right calibre.
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>In identifying candidates for appointment of Directors, the NRC does not solely rely on recommendations from existing Board members, Management or major shareholders. The NRC has an option to outsource Director candidate search to professional firms or other independent resources, if necessary, to ensure that a diverse range of candidates are considered or accept recommendations by any Board member but the Committee should not be influenced by major/controlling shareholders or the CEO/Executive Directors.</p> <p>The appointment of a new Director is guided by the following processes:-</p> <ol style="list-style-type: none">1. Prospective candidates are recommended by Directors, shareholders or independent resources;2. Profiles of prospective candidates are reviewed by the NRC; subsequently, interviews with the candidates will be conducted;3. If candidates are assessed to be suitable, candidates are recommended by NRC to the Board for the Board's consideration and decision; and4. The Board deliberates and considers candidate's appointment.
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	:	The NRC is currently chaired by Datuk Kamaruddin Bin Taib, whom is an Independent Non-Executive Director.	
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, through the NRC, carries out the performance evaluation to determine the effectiveness of the Board as a whole, Board Committees and individual Directors annually.</p> <p>The performance evaluation is facilitated by the Human Resource Department and conducted annually by preparing a set questionnaire that was sent to individual Directors to evaluate the Board, Board Committees and individual Directors.</p> <p>In 22 January 2020, the NRC met to review and discuss the Directors self-evaluation and Board assessment as a whole, the various Committees, as well as Director's peer evaluation for the financial year ended 31 December 2019. This assessment via self and peer approach, took into consideration the mix of skills, experience, contribution, performance, competency and time commitment of each Director to effectively discharge his/her role as part of the Board.</p> <p>NRC has also conducted an assessment on the independence of the two Independent Non-Executive Directors based on the criteria on independence adopted by the Bursa Malaysia Securities Berhad.</p> <p>The assessments and evaluations carried out is documented and minuted by the Company Secretary. The results of all assessment and comments by Directors are summarised and deliberated at the NRC meeting and thereafter the NRC's chairman will report the results and deliberation to the Board.</p> <p>Based on the annual assessment conducted, the NRC was satisfied with the existing Board composition and concluded that each Director has the requisite competence and capability to serve on the Board and had demonstrated their commitment to the Company in terms of time and participation during the year under review.</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 6.1

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 set of policies and procedures which determines a fair and competitive remuneration package for each of its Directors in order to attract and retain Directors of an appropriate caliber. The NRC's recommended remuneration for Directors and key Senior Management is guided by market norms and industry practices, and takes into account the demands, complexity and performance of the Company as well as skills and experience required. The recommendations for the compensation and benefits of Directors and Key Senior Management are subject to Board's approval as it is the ultimate responsibility of the Board to approve the remuneration of the Directors.</p> <p>The policies and procedures on remuneration are set out in the Terms of Reference for the Nomination and Remuneration Committee, which is reviewed periodically, are available on the Company's official website at www.ghl.com.</p>
Explanation for departure	:	
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Measure	:	
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Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had previously resolved on 8 April 2013 to combine the Nomination Committee with the Remuneration Committee to form the NRC.</p> <p>The NRC is entrusted by the Board on matters relating to the remuneration of the Board and Senior Management and making recommendations on the same to the Board for approval. The remuneration packages of Executive Director and Senior Management are linked to their performance, qualifications, experience and scope of responsibility. The remuneration of Independent Non-Executive Directors reflects the scope of responsibilities and commitments undertaken by them. The Board ensures that the remuneration for Independent Non-Executive Directors does not conflict with their obligation to bring objectivity and independent judgement on matters discussed at the Board meetings.</p> <p>The Terms of Reference was updated on 25 February 2020 to ensure it is still in line with the recommendations of the MCCG and remain consistent with the Committee's objectives and responsibilities. Terms of Reference for the Nomination and Remuneration Committee are available on the Company's official website at www.ghl.com.</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 7.1

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>The aggregate remuneration of Directors received from the Company and on Group basis for the financial year ended 31 December 2019, with its breakdown, are as follows:-</p> <table border="1"> <thead> <tr> <th>Directors By Group & Company</th> <th>Salary (RM)</th> <th>Fees (RM)</th> <th>Other Emoluments (RM)</th> <th>Grand Total (RM)</th> </tr> </thead> <tbody> <tr> <td colspan="5"><u>Executive Director:</u></td> </tr> <tr> <td>Loh Wee Hian</td> <td>1,540,000</td> <td>-</td> <td>280,923</td> <td>1,820,923</td> </tr> <tr> <td colspan="5"><u>Independent Non-Executive Directors:</u></td> </tr> <tr> <td>Datuk Kamaruddin Bin Taib</td> <td>-</td> <td>178,080</td> <td>18,900</td> <td>196,980</td> </tr> <tr> <td>Dato' Chan Choy Lin</td> <td>-</td> <td>106,000</td> <td>15,000</td> <td>121,000</td> </tr> <tr> <td colspan="5"><u>Non-Independent Non-Executive Directors</u></td> </tr> <tr> <td>Ali Zaynalabidin Haeri Mazanderani (Resigned wef. 12 June 2019)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Hossameldin Abdelhamid Mohamed Aboumoussa</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Matteo Stefanel</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>1,540,000</td> <td>284,080</td> <td>314,823</td> <td>2,138,903</td> </tr> </tbody> </table>	Directors By Group & Company	Salary (RM)	Fees (RM)	Other Emoluments (RM)	Grand Total (RM)	<u>Executive Director:</u>					Loh Wee Hian	1,540,000	-	280,923	1,820,923	<u>Independent Non-Executive Directors:</u>					Datuk Kamaruddin Bin Taib	-	178,080	18,900	196,980	Dato' Chan Choy Lin	-	106,000	15,000	121,000	<u>Non-Independent Non-Executive Directors</u>					Ali Zaynalabidin Haeri Mazanderani (Resigned wef. 12 June 2019)	-	-	-	-	Hossameldin Abdelhamid Mohamed Aboumoussa	-	-	-	-	Matteo Stefanel	-	-	-	-	Total	1,540,000	284,080	314,823	2,138,903
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Measure	:																																																								

Timeframe	:		
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Intended Outcome

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

Practice 7.2

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

Application	:	Departure																																															
Explanation on application of the practice	:																																																
Explanation for departure	:	<p>The remuneration of key management personnel comprises primarily a basic salary component and a variable component, which includes bonuses rewarded based on the performance of the Company, the Group as a whole, and individual performance. The Company currently does not have any long-term incentive scheme(s) or contractual provisions to reclaim incentive components of remuneration to key management personnel.</p> <p>The Group is aware of the importance of transparency in disclosing the remuneration of its Senior Management. Due to the competitiveness of the industry for key talent, and to retain and recruit key talents, the Board has opted not to disclose the detailed remuneration.</p> <p>As an alternative, the Board disclosed the remuneration of the top six (6) Senior Management by providing a breakdown indicating the level and mix of remuneration for each of the top six (6) Senior Management personnel in bands of RM300,000 during FY 2019 as below:-</p> <table border="1" data-bbox="571 1512 1361 1948"> <thead> <tr> <th rowspan="2">Senior Management</th> <th>Salary & Other Emoluments</th> <th>Fees</th> <th>EPF & Socso</th> <th colspan="2">Total Remuneration</th> </tr> <tr> <th>%</th> <th>%</th> <th>%</th> <th>%</th> <th>Band</th> </tr> </thead> <tbody> <tr> <td>Leong Kah Chern</td> <td>89</td> <td>-</td> <td>11</td> <td>100</td> <td>III</td> </tr> <tr> <td>Yap Chih Ming</td> <td>89</td> <td>-</td> <td>11</td> <td>100</td> <td>III</td> </tr> <tr> <td>Dunstan Gerald Maurice</td> <td>89</td> <td>-</td> <td>11</td> <td>100</td> <td>II</td> </tr> <tr> <td>Sam Eng Sun</td> <td>89</td> <td>-</td> <td>11</td> <td>100</td> <td>II</td> </tr> <tr> <td>Chumacera, Rey Maria Receno*</td> <td>99</td> <td>-</td> <td>1</td> <td>100</td> <td>II</td> </tr> <tr> <td>Napaporn Wilaikit*</td> <td>94</td> <td>-</td> <td>6</td> <td>100</td> <td>II</td> </tr> </tbody> </table> <p><i>Note:</i></p>	Senior Management	Salary & Other Emoluments	Fees	EPF & Socso	Total Remuneration		%	%	%	%	Band	Leong Kah Chern	89	-	11	100	III	Yap Chih Ming	89	-	11	100	III	Dunstan Gerald Maurice	89	-	11	100	II	Sam Eng Sun	89	-	11	100	II	Chumacera, Rey Maria Receno*	99	-	1	100	II	Napaporn Wilaikit*	94	-	6	100	II
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	<i>Band I: Remuneration up to MYR300,000 per annum</i> <i>Band II: Remuneration between MYR300,001 and MYR600,000 per annum</i> <i>Band III: Remuneration between MYR600,001 and MYR900,000 per annum</i> <i>*Foreign Provident Fund Rate in Thailand or Philippines</i>	
<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 7.3 - 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 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 ARC is chaired by an Independent Non-Executive Director who is distinct from the Chairman of the Board. The ARC has full access to both the Internal and External Auditors, who in turn, have access at all times to the Chairman of the ARC.</p> <p>The Audit Committee has currently three (3) members and is chaired by Dato' Chan Choy Lin – Independent and Non-Executive Director. The Board is chaired by Datuk Kamaruddin Bin Taib - Independent and Non-Executive Director.</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

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	:	GHL's Policy Statement of Auditor Independence covers the hiring of personnel of the External Auditor to certain positions that may compromise the arm's length relationship that must exist between the Group and the External Auditor. Any person appointed from the External Auditor in a role where the person has significant influence within the Group is subject to a two (2) years cooling-off period in which the person must not be involve in the Group's audit for two (2) years prior to being appointed.	
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 Board has adopted a Policy Statement on Auditor Independence on 28 November 2016 which delegates the responsibility to assess the suitability, objectivity and independence of the External Auditor to the ARC.</p> <p>The ARC is responsible for the review of the performance, suitability, and the External Auditor Independence in fulfilling their responsibilities as set out in the By-Laws (On Professional Ethics, Conduct and Practice) for Professional Accountants as adopted by Malaysian Institute of Accountants, and the Group policy on Policy Statement on Auditor Independence by covering the caliber of the external audit firm; quality of processes and performance during the audit; skills, industrial knowledge and objectivity; and their communications with the ARC.</p> <p>An annual assessment conducted on March 2020 assessed the competency and independence of the external auditors, which was conducted by the ARC via a set of assessment questionnaire. In assessing the External Auditors' performance and suitability, the ARC considered the independence, objectivity, professionalism, quality of services, sufficiency of resources and communication and interaction with the External Auditors. Feedback from Management who interacted with the External Auditors was taken into factor in the assessment of the External Auditors.</p> <p>Based on the outcome of the annual assessment on the External Auditors' performance, technical competence and professional independence, the ARC is satisfied with the External Auditors' performance and recommended to the Board for the re-appointment of BDO PLT as External Auditors of the Company for the financial year ending 31 December 2020.</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 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	:	Not Adopted
Explanation on adoption of the practice	:	

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>All members of ARC are financially literate, possess wide range of skills and knowledge, and have sufficient understanding of the Company’s business and matters under the purview of the ARC, including the financial reporting process.</p> <p>The ARC members are mindful that they should undertake continuous professional development to keep themselves abreast of relevant developments and changes in the industry, legislation and regulations affecting the Company. In their effort to ensure Practice 8.5 of the MCCG is in place, the Directors have during the course of the year attended briefings, conferences and seminars, and were invited to various training programs to address any skills or knowledge gaps according to their needs.</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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of a sound framework of risk management and internal control for good corporate governance and to safeguard the Group's assets and shareholders' interests. Towards this end, the Board is committed to maintaining a sound risk management framework and internal control system for the Group and ensuring its continued effectiveness, adequacy and integrity through a process of periodic review. The Group's risk management framework is guided by the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuer and Main Market Listing Requirements.</p> <p>The Board has delegated the responsibility of undertaking this process of periodic review to the Audit and Risk Committee ("ARC"), whose responsibilities and duties are detailed in the Audit and Risk Committee Report of this Annual Report. However, the Board as a whole remains ultimately responsible for the effectiveness, adequacy and integrity of the system of risk management and internal control.</p> <p>The Risk Management Committee ("RMC") was established by the Board in 2012 as a key component of the Risk Management Framework. The RMC, which is headed by the Group CEO, comprises the Group Chief Financial Officer ("CFO"), the Group Chief Risk Officer ("CRO"), and country heads of the various countries. RMC reports to the ARC which in turn will brief the Board on its findings, if so required.</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

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	:	<p>The Board has established the Risk Management Committee (“RMC”) comprising Senior Management of the Company to identify and assess the Group’s risks and thereafter to design, implement and monitor the appropriate risk management processes and internal controls to address and mitigate such risks. RMC reports to the Board through ARC on significant matters arising.</p> <p>The Group has adopted a Group Enterprise Risk Management Framework (“Framework”) that outlines policy and on-going process for identifying, evaluating, managing, monitoring and communicating the risks faced by the Company throughout the period under review. Individual identified risks are scored for their likelihood of occurrence and the financial impact thereof based on the parameters established in the Framework. Significant risks that were identified are presented to the RMC for their deliberation.</p> <p>Thereafter, the RMC monitors the identified risk including developing, implementing and mitigating measures to manage such risks to acceptable levels as part of their bi-annual assessment.</p> <p>Further details on risk management and internal control, and the controls in place to mitigate and manage those risks are provided in the Statement on Internal Control and Risk Management.</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

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	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 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 internal audit function as a key component of its internal control appraisal process. The Group Internal Audit (“GIA”) reports independently to the ARC and is guided by a formalized Internal Audit Charter and The Institute of Internal Auditor’s International Professional Practice Framework.</p> <p>The GIA performs its internal audit function and reports directly to the ARC to review the adequacy and integrity of the Group’s internal control system. The internal audit functions performed reviews on key processes within the Group and assessed the effectiveness of the internal control system. The ARC is kept informed of the audit process from the annual audit plan to the audit findings, recommendations, and reporting. The Management is responsible for ensuring that corrective actions are taken within the stipulated time frame on the reported weaknesses. GIA had conducted follow-up reviews/audits to ensure that the corrective actions were implemented appropriately. In this respect, GIA has added value by launching the Continuous Monitoring Program in order to enhance the governance, risk management and control processes within the 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

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 (“GIA”) is headed by Mr. Liow Tien Chin, whom is a member of the Chartered Professional Accountant (CPA) Australia and Chartered Member of the Institute of Internal Auditors Malaysia (IIAM) with more than 10 years of experience in the profession. The GIA department is supported by a reasonable workforce whom possesses the relevant qualification and experience and has adequate resources to fulfil the internal audit plan for the next financial year.</p> <p>The internal audit function is independent of the activities it audits and carries out its work in accordance with the International Professional Practices Framework of the Institute of Internal Auditors, enshrined in the Internal Audit Charter.</p> <p>Head of GIA, Mr. Liow, had in March 2020 confirmed the Internal Auditor’s independence to the ARC, where he had signed the annual declaration that he and his team were and had been free from any relationship or conflicts of interest which could impair their objectivity and independence.</p> <p>The ARC conducted an annual assessment of the performance of the GIA function by reviewing the GIA’s Key Performance Index results. The ARC was satisfied with the competency, experience and resources of the IA function for discharging its role and responsibilities.</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>The Board is committed to provide a balanced, clear and comprehensive assessment of the financial performance and prospects in all the disclosures made to the stakeholders and the regulatory authorities. The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group as at the end of the reporting period and of their results and cash flows for the period then ended.</p> <p>The Company values dialogue with investors and recognizes the importance of being transparent and accountable to its shareholders. Effective communication with stakeholders provides a better appreciation of the Company's objectives, while also makes the Management more aware of the expectations and concern of the shareholders.</p> <p>As such, the Company adheres strictly to the disclosure requirements under Bursa's MMLR to announce results of the Group quarterly via Bursa Link and material transactions and events accordingly. The Company's website at www.ghl.com incorporates an Investor Relations section which provides all relevant information on the Company accessible to the public. This section enhances the investor relations function by including all the corporate information and profile of the Group business activities, financial information, stock information, annual report, corporate governance including the Board Charter, Code of Ethics and Conduct, Terms of Reference of the Board Committees, as well as various Policy Statements. Regular briefings to fund managers and analysts were also carried out during the financial year to facilitate better understanding of the operation and financial performance of the Group.</p> <p>Dato' Chan Choy Lin, the Chairman of ARC, is available to stakeholders who have concerns that cannot be addressed through the Chairman and CEO.</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	:	The Board recognizes the importance of integrated thinking as part of the Company's journey towards Integrated Report ("IR"). However, the Company has yet to adopt an IR format based on a globally recognized framework, as the Company does not fall into the Large Companies category by the definitions in the Malaysia Code on Corporate Governance.	
		Not applicable	
<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 12.1

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 ensures that shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the Annual General Meeting (“AGM”) of the Company.</p> <p>The Company’s 25th AGM was held on 30 May 2019, and had its notice sent to shareholders on the 30 April 2019, which is 28 days before the AGM, in advance of the 21-day requirement under the Company’s Constitution, the Companies Act, 2016 and the Main Market Listing Requirements, which provided additional time to shareholders to enable them to make the necessary arrangements to attend and participate in person or by corporate representatives or proxies, and consider the resolutions that were to be tabled and voted on at the last AGM.</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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board recognises that the presence of all Directors will provide opportunity for shareholders to effectively engage with the Directors and allow shareholders to raise questions directly to specific Directors.</p> <p>During the 25th AGM held on 30 May 2019, all Directors, with the exception of Mr. Ali Zaynalabidin Haeri Mazanderani and Mr. Matteo Stefanel, were present during the AGM.</p> <p>Nevertheless, all issues of concern raised by shareholders were satisfactorily addressed by the Chairman of the Board and the remaining Directors.</p>
<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>The Board acknowledges the recommendation of Practice 12.3 of the MCCG and is in view that the number of holders is not large enough to warrant the use of technology to facilitate remote shareholders or voting in absentia at this stage.</p> <p>The Company has 5,566 shareholders based on the Record of Depository as at 29 May 2020, and the AGM of the Company is always held in Kuala Lumpur and at a place accessible by shareholders.</p> <p>A proxy voting channel has been made available for foreigner shareholders and other shareholders who are unable to attend the AGM.</p> <p>Notice of AGM together with the proxy form were sent to all shareholders to allow shareholders to vote by proxy, provided that the proxy shall have been appointed by the shareholder himself or by his duty authorized attorney or representative provided further that it is deposited at the registered office of the Company for at least 48 hours before the AGM.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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

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

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