CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	0021
COMPANY NAME	**:**	GHL SYSTEMS BERHAD
FINANCIAL YEAR	**:**	December 31, 2021

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	:	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. 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. The Board's core responsibilities are as follows: - • 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. The Board has delegated specific responsibilities to the following dedicated Committees with clear Terms of Reference to discharge these responsibilities more effectively: - • Audit and Risk Committee • Nomination and Remuneration Committee

	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. The Terms of Reference of ARC and NRC are available on the Company's official website at www.ghl.com. 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. Roles and responsibilities are set out in the Board Charter which is available on the Company's official website at www.ghl.com.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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	:	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:- • 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; • 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. 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. 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.
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	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. The Board believes that balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties objectively. The Board is chaired by Datuk Kamaruddin Bin Taib, an Independent Non-Executive Chairman; while Mr. Sean S. Hesh holds the position as Group CEO.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.		
Application	:	Applied
Explanation on application of the practice	:	The Audit and Risk Committee (ARC) comprises four (4) members, all of whom are Non-Executive Directors with the majority being independent. All members of ARC are financially literate, with a Director being a member of the Malaysian Institute of Accountant, and have sufficient understanding of the Company's business. As for the Nomination and Remuneration Committee (NRC), the Committee shall be appointed by the Board of Directors with at least three (3) members which comprise exclusively non-executive directors, a majority of whom are independent. The Company Secretary shall be the Secretary ("Secretary") of the Committee. The members of the Committee shall appoint the Chairman of the Committee who shall be a senior independent non-executive director or an independent non-executive director of the Company. If the number of members reduce to less than three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required, to make up the minimum number of three (3) members. No alternate director shall be appointed as a member of the Committee. The Chairman of the Board is not a member of the ARC and NRC. The composition of ARC and NRC can be accessed in the ARC Report and the Corporate Governance Overview Statement respectively, while the Terms of Reference of ARC and NRC is available on the Company's official website at www.ghl.com.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

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

Practice 1.5

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	:	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). 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. Appointment and removal of Company Secretary, if any, is a matter for the Board to decide collectively.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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	:	The Board and Board 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 Board Committees' meetings. The respective departments within the Group will strive to provide these materials to the Directors seven (7) days prior to the Board and Board Committee meetings, working within the challenges and constraints of the information gathering process; otherwise, the materials will be provided at least two (2) days before the meetings while those of a confidential nature will be provided during the Board and Board Committee meetings. 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. The Board and Broad 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. The Board and Board Committees also have 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. 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 appointed by the Company, if required, are invited to attend the Board

	or Board Committee meetings to provide relevant observations, clarifications or findings to the Board or Board Committees.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	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. 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. 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. 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.
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	:	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. 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. The Board shall review and reassess the adequacy of the Code periodically and make such amendments as they may deem appropriate. The Company's Code of Ethics and Conduct is available on the Company's official website at www.ghl.com.
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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	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. The Board is always mindful of the importance of providing all employees of the Group as well as all stakeholders and the general public, 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. 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. The Company's Policy Statement on Whistle Blowing is available on the Company's official website at www.ghl.com
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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1
The board together with management takes responsibility for managing the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	The Board is mindful of the importance of good corporate governance practices in the application of sustainability practices throughout the Group, , the benefits of which are believed to translate into better corporate performance and value creation for its shareholders. The Board believes that the Group's activities which demonstrate its commitment towards creating a better environment, social and sustainability during FY2021, as well as various communication channels established for stakeholders to communicate with the Company, are disclosed in the Sustainability Statement included in the Annual Report and also for the very first time disclosed in detail in the Sustainability Report prepared by the Group Head of Legal Compliance & Sustainability with reference to the Global Reporting Initiative ("GRI") Standards. In line with the MCCG 2021, the Board has established a Sustainability Committee which is headed by Mr. Chong Kok Wai, the Group Head of Legal, Compliance and Sustainability which reports to the Group CEO and is tasked to drive the Company's sustainability goals in accordance with the United Nation Sustainable Development Goals and the Company's Sustainability Framework has since be established with the Company's Sustainability Initiatives and disclosures reported as and when necessary to the Board on a periodically basis and also in the Company's Corporate Website www.ghl.com.
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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	Sustainability strategies, priorities, and targets, as well as performance against these targets, are communicated to the company's internal and external stakeholders. Sustainability Management Team, spearheaded by Mr. Chong Kok Wai, together with consultant AGV Sustainability and ESG Services Sdn Bhd, had launched the Sustainability Framework in June 2021, towards becoming a more sustainable socially responsible company that embraces sustainability values across all our business practices. GHL road map towards greater sustainability practices will take course through 4 key aspects; (1) Corporate & Business Integrity, (2) Customer Growth, (3) Environmental Excellence (4) Sustainable Workforce & Community, which lays down the foundation for our Sustainability Framework.	
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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	Mr. Chong Kok Wai, Group Head of Legal, Compliance, and Sustainability, briefed the Board on the company's four main sustainability action plans. As the company continues on its sustainability journey, it recognises the importance of identifying and addressing its environmental footprint. The company's primary goal as a major provider of digital payment services is to combat climate change by reducing our operational carbon footprint. With the Board's approval, the company implemented a Climate Change and Risk Policy to align with the Paris Agreement 2015, committing the Group to achieve carbon neutrality by 2050. Through the Group leadership led by our Group CEO Mr Sean S Hesh and our Mr Chong Kok Wai, Group Head Legal Compliance and Sustainability, the Company was accepted into the CEO Action Network which is closed-door-peer-to-peer informal network of CEOs and Board Members which focused on sustainability advocacy, capacity building, action and performance and truly aspire to catalyse its members towards shaping future-ready and ESG-integrated business models and ecosystems.
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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	With the establishment of the Sustainability Committee which is headed by a Senior Member of the Management that reports to the Group CEO, the Board is able to evaluate and review the performances of both the Board and Senior Management on their achievement in addressing the Company's material sustainability risks as well as opportunities. In this regard, it is to be noted that the Board has approved four (4) policies in 2021 specifically related to Environmental and Social aspect of the sustainability risks which are the Climate Change & Risk Policy, Labour & Human Rights Policy, Gender Diversity Policy and the Senior Management Remuneration Policy and Procedure. Further to the said four policies, the Board is also guided by the Governance perspective of ESG risk with five (5) other main policies, i.e.: Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Policy, Anti-Bribery and Corruption Policy, Whistleblowing Policy and the Code of Ethics and Conduct. With these nine (9) policies in place, the Board along with the Group Risk and Group Legal, Compliance and Sustainability continues to ensure that the sustainability risks as outlined in the said Policy are assessed and complied by the Company accordingly to ensure that the Company is not exposed to any sustainability risks.
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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Applied
Explanation on adoption of the practice	:	The Board has established a Sustainability Committee in 2021, led by Mr. Chong Kok Wai, Group Head of Legal, Compliance, and Sustainability, to focus on driving the Company's sustainability goals with proper strategy through a sustainability framework and initiatives.

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

Practice 5.1
The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	The Board had previously resolved on 8 April 2013 to combine the Nomination Committee with the Remuneration Committee to form the Nomination and Remuneration Committee ("NRC" or the Committee). NRC reports regularly to the Board on its activities, deliberations and recommendations in the discharge of its duties and responsibilities as set out in its Terms of Reference available on the Company's official website at www.ghl.com. The annual peer assessment on the Board's performance as a whole as well as, its committees and the individual Directors, was facilitated by the NRC and led by the Chairman of NRC. The assessment included a review of the composition of the Board and its Committees as well as tenure of the Board members. Arising from the assessment, 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 Group in terms of time and participation during the year under review, and recommended to the Board for the re-election of the retiring Directors at the Company's forthcoming Annual General Meeting ("AGM"). A summary of key activities undertaken by the Committee during the financial year under review are as follows: I. Reviewed the size, structure and composition of Board and Board Committees based on the required skill, knowledge and diversity II. Facilitated Board, Board Committees and Directors assessment and reviewed the results III. Facilitated Board discussion on key management's annual appraisal results and rewards IV. Reviewed Executive Director's service contract V. Reviewed the training needs of Directors VI. Reviewed and recommended appointment and re-election of Directors
Explanation for departure	:	

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

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

Practice 5.2
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	:	The Board consist of eight (8) Directors, in which, four (4) are Independent Non-Executive Directors with the Chairman being the Independent Non-Executive Director as well. Hence, in case of an equality of votes, the Chairman is entitled to a casting vote which means the Independent Non-Executive Directors will always have the majority when a Board decision is required. In view thereof, the intended outcome of this Practice is indeed achieved with the best interests of the company being taken into account by the Independent Non-Executive Director's majority votes.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board will monitor the intended outcome and take necessary steps if needed.	
Timeframe	:	Others	TBD

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

Practice 5.3
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 provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years	
Explanation on application of the practice	:	Datuk Kamaruddin Bin Taib, who had served the Board for a cumulative term of more than nine (9) years as at the 27th Annual General Meeting will not be seeking for re-election at the next Annual General Meeting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.4 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
Application	:	Not adopted.
Explanation on adoption of the practice	:	

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

Practice 5.5
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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	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 which is also guided by the Gender Diversity Policy. 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. 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. The current composition of the Board includes persons from various ethnic groups, across various age bands, expertise. The Board composition is also well aligned to our gender diversity policy. Directors' profiles are available in the Annual Report 2021 for further information. Similarly, the appointment of Senior Management is made with due regard for diversity in skills, experience, age, cultural background and gender.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

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

Practice 5.6
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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	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. The appointment of a new Director is guided by the following processes: 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 4. The Board deliberates and considers candidate's appointment
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	The Board communicates with Shareholders at Shareholders' meetings and through the distribution of its annual reports. The Chairman normally chairs these meetings where he will use this as an opportunity to inform Shareholders of the Company's affair including its performance. Shareholders are encouraged to have their say while remaining relevant to the matters which have been tabled. In addition, Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office until the next annual general meeting of the Company but shall be eligible for re-election. The Board is to undertake an assessment on independence annually upon and when any new interests or relationships surface based on a set of criteria established by the Board. Furthermore, any Director is, while holding office, at liberty to accept other Board appointments so long as the appointment is not in conflict with the business and does not affect his performance as a director. The appointment and reappointment of directors is communicated to all shareholders.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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 chaired by Dato' Chan Choy Lin, an Independent Non-Executive Director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.9
The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board currently has 37.5 % women directors with the appointment of Dato' Chan Choy Lin, Ms. Kung Lee See and Ms. Tan Lye Sim to the Board. The Board constantly advocates fair and equal participation and opportunity for all individuals of the right calibre in accordance with the Gender Diversity Policy.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	The Board has approved the Gender Diversity Policy which can be found in the Company's website at www.ghl.com and shall also be disclose in the Annual Report and the Sustainability Report. The Board currently has three female Directors with the appointment of Dato' Carol Chan, Ms. Kung Lee See and Ms. Tan Lye Sim to the Board. The Board constantly advocates fair and equal participation and opportunity for all individuals of the right calibre.	
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
Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1
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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.		
Application	:	Applied
Explanation on application of the practice	:	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. The performance evaluation is facilitated by the Group 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. On 23 February 2021, the NRC met to review and discuss the Directors performance and the effectiveness of the Board, Board Committees and the individual Directors taking into account the required mixed skills, experience and core competencies as well as the term of office and performance of each of its members. 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. Further during a Special NRC meeting on 23 July 2021, the Board has a dialogue to deliberate the expertise and background of two new Independent Non-Executive Directors which were subsequently appointed on 1 October 2021. The ARC during their meeting on 22 February 2022 has taken note that the Board would need to engage an independent expert at least every three years to facilitate objective and candid board evaluation.
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 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 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	The Company has in place a set of policies and procedures which determine a fair and competitive remuneration package for each of its Directors and Senior Management in order to attract and retain Directors and Senior Management of high calibre. 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. The policies and procedures on remuneration are set out in the "Terms of Reference for the NRC" and "Senior Management Remuneration Policy and Procedure", which are both reviewed periodically and are available on the Company's official website at www.ghl.com.	
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 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 7.2

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	:	The Board had previously resolved on 8 April 2013 to combine the Nomination Committee with the Remuneration Committee to form the NRC. 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. The Terms of Reference for the "Nomination and Remuneration Committee" and "the Senior Management Policies and Procedures" are available on the Company's official website at www.ghl.com.
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

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 8.1

There is detailed disclosure on a 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	:	The aggregate remuneration of Directors received from the Company and on Group basis for the financial year ended 31 December 2021, with its breakdown, are as follows:

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Loh Wee Hian	Executive Director	-	-	1,800,000	-	66,350	216,923	2,083,273	-	-	-	-	-	-	2,083,273
2	Sean S. Hesh	Executive Director	-	311,118	1,555,592	1,041,908	31,150	593	2,940,361	-	-	-	-	-	-	2,940,361
3	Loh Hin Yaw	Alternate Director to Loh Wee Hian	-	-	96,000	-	-	12,443	108,443	-	-	-	-	-	-	108,443
4	Datuk Kamaruddin Bin Taib	Independent Non-Executive Director	144,000	31,500	-	-	-	-	175,500	-	-	-	-	-	-	175,5000
5	Dato' Chan Choy Lin	Independent Non-Executive Director	96,000	31,500	-	-	-	-	127,500	-	-	-	-	-	-	127,500
6	Tan Lye Sim	Independent Non-Executive Director	18,000	3,000	-	-	-	-	21,000	-	-	-	-	-	-	21,000
7	Kung Lee See	Independent Non-Executive Director	18,000	3,000	-	-	-	-	21,000	-	-	-	-	-	-	21,000

8	Matteo Stefanel	Non-Independent Non-Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Richard Henry Phillips	Non-Independent Non-Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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 8.2

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.

<table>
<tr><td>Application :</td><td>Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td></td></tr>
<tr><td>Explanation for departure :</td><td>The Group is of the view that the disclosure of the Senior Management's remuneration as per the CG Report template would be unfavourable to the Group as talent poaching is common in the industry and the Group would like to ensure employee retention efforts are safeguarded.

As an alternative, the Board disclosed the remuneration of the top seven (7) Senior Management by providing a breakdown indicating the level and mix of remuneration for each of the top seven (7) Senior Management personnel in bands of RM200,000 during FY 2021 including two (2) which has resigned, as below:

<table>
<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>
<tr><td>Sean S. Hesh</td><td>100</td><td>-</td><td>-</td><td>100</td><td>IV</td></tr>
<tr><td>Yap Chih Ming</td><td>87.8</td><td>-</td><td>12.2</td><td>100</td><td>III</td></tr>
<tr><td>Dunstan Gerald Maurice</td><td>87.8</td><td>-</td><td>12.2</td><td>100</td><td>II</td></tr>
<tr><td>Sam Eng Sun*</td><td>87.8</td><td>-</td><td>12.2</td><td>100</td><td>II</td></tr>
<tr><td>Chumacera, Rey Maria Receno</td><td>99.2</td><td>-</td><td>0.8</td><td>100</td><td>II</td></tr>
<tr><td>Napaporn Wilaikit*</td><td>90</td><td>-</td><td>10</td><td>100</td><td>II</td></tr>
<tr><td>Kevin Lee Zi Xian</td><td>87.8</td><td>-</td><td>12.2</td><td>100</td><td>II</td></tr>
</table>

*resigned

Note:
Band I: Remuneration up to MYR350,000 per annum
Band II: Remuneration between MYR350,001 and MYR550,000 per annum
Band III: Remuneration between MYR550,001 and MYR750,000 per annum
Band IV: Remuneration MYR750,001 and above per annum
*Foreign Provident Fund Rate in Thailand or Philippines</td></tr>
</table>

		*** Salary is calculated on a 12 month basis*	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board will monitor the market practice in respect of such disclosure.	
Timeframe	:	Others	TBD

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

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 8.3 - 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	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	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. The Audit Committee consists of four (4) members currently and is chaired by Dato' Chan Choy Lin, an Independent Non-Executive Director. The Board is chaired by Datuk Kamaruddin Bin Taib, an Independent Non-Executive Director.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
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 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	As a measure to safeguard the independence and objectivity of the audit process, the Board through the ARC has updated the ARC's Term of Reference. Any person appointed from the External Auditor in a role where the person has significant influence within the Group is subject to a three (3) years cooling-off period in which the person must not be involve in the Group's audit for three (3) years prior to being appointed.	
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 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	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. 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 calibre of the external audit firm; quality of processes and performance during the audit; skills, industrial knowledge and objectivity; and their communications with the ARC. In assessing and reviewing 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. Pursuant to the said assessment and review by the ARC, the Board after further consideration, reaffirms BDO's competency and independence in accordance with the review and assessment by the ARC, thereafter, recommends BDO for reappointment as the External Auditors. Henceforth, based on the outcome of the said annual review and assessment on the External Auditors 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 which shall be tabled to the Shareholders for approval at the next AGM.
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 9.4 - 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 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent 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	:	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. 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 9.5 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.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	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 controls 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 Controls – Guidelines for Directors of Listed Issuer and Main Market Listing Requirements. 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. 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 Head of Group Internal Audit. The country and business heads attends the RMC meetings by invitation basis. RMC reports to the ARC which in turn will brief the Board on its findings, if so required.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	The 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. 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. Significant risks faced by the businesses are identified and evaluated based on the likelihood and potential impact of each risk and where necessary, actions to mitigate the risks were also identified based on the parameters established in the Framework. Significant risks that were identified are presented to the RMC for their deliberation. 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. 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.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 10.3 - 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 11.1

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	:	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. The principal role of the GIAis to evaluate and improve the effectiveness of internal controls, governance and risk management processes. GIA also provides independent and objective assurance directly to the ARC on the adequacy and integrity of the Group's internal control system. The GIA adopts a risk-based audit approach when preparing its annual audit plan. 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.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

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;
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	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. 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. Head of GIA, Mr. Liow, had on 25 March 2022 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. The ARC conducted an annual assessment of the performance of the GIA function and was satisfied with the competency, experience and resources of the IA function for discharging its role and responsibilities.
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 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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	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. 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. 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. Dato' Chan Choy Lin, the Chairman of ARC, is available to stakeholders who have concerns that cannot be addressed through the Chairman and CEO.
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 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 12.2

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 Company has yet to adopt integrated reporting.	
		The Board and the Management have been taking reasonable steps to ensure the Company's Annual Report contained comprehensive information for the stakeholders.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Company has target to adopt integrated reporting for year ending 2023.	
Timeframe	:	2024	

Intended Outcome

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

Practice 13.1

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	:	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. The Company's 27th AGM was held on 25 May 2021 via live streaming, and the notice of AGM was sent to shareholders on 23 April 2021 which was more than 28 days before the AGM. The notice period was in advance of the 21-day requirement under the Company's Constitution, the Companies Act, 2016 and the Main Market Listing Requirements, to provide 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 to be tabled and voted on at the last AGM.
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

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

Practice 13.2

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

Application :	Applied	
Explanation on application of the practice :	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. During the 27th AGM held on 25 May 2021 via live streaming, all Directors were present at the AGM. All issues of concern raised by the shareholders at the AGM were satisfactorily addressed by the Chairman of the Board and the Management.	
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
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3
Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied	
Explanation on application of the practice	:	In view of the Covid-19 pandemic and as part of the Company's precautionary measures, the Company leveraged on technology by holding the 27th AGM fully via live streaming from the Headquarters at Kuala Lumpur, and used Remote Participation and Voting Facilities provided by the Share Registrar. 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.	
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

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

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.			
Application	:	Applied	
Explanation on application of the practice	:	The Chairman has successfully ensured that general meetings support meaningful engagement among the board, senior management, and shareholders. Any questions raised during the general meetings were promptly answered, and the board was able to comprehensively resolve any arising issues.	
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
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.		
Application :	Applied	
Explanation on application of the practice :	Virtual general meetings have been held to encourage meaningful engagement between the board of directors, senior management, and shareholders. The 27th Annual General Meeting of GHL Systems Berhad was virtually broadcasted live to all shareholders from the GHL Headquarters in Kuala Lumpur, Malaysia. All of the necessary infrastructure and tools are in place to support, among other things, a smooth broadcast of the general meeting and interactive shareholder participation. All the questions posed by shareholders were answered by the Board of Directors. The Chairman led the AGM, which included Datuk Kamaruddin Taib, Simon Loh, Dato' Chan Choy Lin, Matteo Stefanel, Richard Henry Phillips, Sean S. Hesh, and Yap Chih Ming. Remote and electronic voting was used. Following deliberation, all resolutions were effectively passed on during the general meeting.	
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
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6
Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Applied	
Explanation on application of the practice	:	The minutes of the general meeting were published in the Company's website within 30 business days of the meeting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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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