CORPORATE GOVERNANCE REPORT

STOCK CODE : 5401
COMPANY NAME : Tropicana Corporation Berhad
FINANCIAL YEAR : December 31, 2018

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 is accountable and responsible for the performance and governance activities of Tropicana Corporation Berhad ("Tropicana") and its group of companies ("Tropicana Group" or "the Group") with a view of protecting shareholders' value and recognising the interests of all other stakeholders, namely customers, suppliers, contractors, employees, regulators, members of the communities and all others with whom Tropicana interfaces. The principal responsibilities of the Board in stewarding Tropicana Group are as follows: *(a) Reviews and adopts the strategic plan for the Group.* The strategic business plan for the Group is presented to the Board for approval on an annual basis and the milestones achieved and progress of the strategic plan and financial targets are reported to the Board on a quarterly basis. *(b) Constantly oversees the Group's business conducts to ensure the business is being properly managed.* To strengthen the Board's oversight of Management, the Board has the following agendas in its quarterly meetings:- • review of the operations of the Group by the Group Managing Director for the Central Region (non-Board member of Tropicana) and the Group Managing Director for the Northern and Southern Regions (non-Board member of Tropicana); • report of the marketing and sales status of the Group by the Managing Director of Marketing & Sales (non-Board member of Tropicana); and

	• review the development of material litigation and/or any new material litigation of the Group. *(c) Identifies the principal risks and ensure the implementation of appropriate systems to manage these risks.* The Board recognises that risk is an integral and unavoidable component of its business and is characterised by threats and opportunities. The Board is committed to managing risks in a proactive manner and to safeguard stakeholders' interests and the Group's assets, hence, the Risk Management Department and the Enterprise Risk Management programme were formalised in year 2012. In addition, the Group has implemented an on-going process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in its achievement of the business goals and objectives in consideration of the change in the business environment and regulatory requirements. This on-going review process has been in place for the entire financial year under review by the Board to ensure that adequate and effective Group risk management and internal controls systems have been embedded in all aspects of the Group's activities. *(d) Establish a succession plan for the Company.* The Group has a well-defined organisational structure with clearly defined lines of accountability, authority and responsibility of the Board and operating units. The Board has established key Standard Operating Procedures to ensure proper succession planning is in place and consistent works are being delivered. *(e) Oversee the development and implementation of an investor relations programme or shareholder communications policy for the Company.* Tropicana Group recognises and practices transparency and accountability to its shareholders and investors. The Group is committed to engaging and conducting constructive conversations with stakeholders that focus on Tropicana's values, best practices, transformation strategies, performance goals and long terms growth in order to create value for stakeholders and shareholders, both for the short and long-term. These sessions allowed Tropicana to build and sustain market confidence, helped the Group to make informed decisions, strengthen the relationships and ensure the delivery of Tropicana's commitments, both financial and non-financial.

	The Group worked in partnership with the investing community, who consisted mainly of existing and potential shareholders, employees, customers and analysts, by providing them with timely, transparent, accurate and open communication on Tropicana's business performance. Tropicana also has an Investor Relations site at www.tropicanacorp.com.my/investor-relations/ir-home that acts as an additional communication platform for stakeholders, shareholders and the general public to obtain information about Tropicana Group. Tropicana continues to be a member of the Malaysian Investor Relations Association (MIRA) as this keeps us informed on industry best practices and builds relationships with the community. (f) *Review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.* The Board has established an in-house Group Internal Audit Department ("GIAD") in the discharge of its duties and responsibilities. The function of the GIAD is guided by its Internal Audit Charter which defines the authority, independence and objectivity, duties & responsibilities, audit planning, periodic assessment and independence of all members of the GIAD. GIAD reports directly to the Audit Committee and maintains its impartiality, proficiency and due professional care. The principal responsibility of GIAD is to provide independent and objective assurance and advisory services designed to add value and improve the operations of the Group. This includes the continuous examination and evaluation of the adequacy and effectiveness of the Group's risk management, internal control and governance processes. (g) *Ensure that the Company's financial statements are true and fair and conform to the laws.* The Board is responsible for ensuring that the financial statements of the Company and of the Group are drawn up in accordance with the Financial Reporting Standards and the Companies Act 2016 so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2018 and of their financial performance and cash flows for the year then ended. The Board is committed to providing a clear, balanced and comprehensive meaningful assessment of the Group's financial performance and prospects, primarily through the annual financial statements and quarterly announcements of results to shareholders. The Group's audited financial statements for the financial year ended 31 December 2018 are presented on pages 97 to 218 in the Company's Annual Report 2018.

	(h) Ensure that the Company adheres to high standards of ethics and corporate behaviour. The Board acknowledges its leadership role in creating ethical values and observing ethical conduct. The Board adopts and observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, as the Board is fully supportive of the principles of the said Code of Ethics and finds it suitable for the Company to uphold the same principles. The Code of Ethics for Company Directors is annexed as "Appendix I" to the Board Charter which is available on the Company's website at www.tropicanacorp.com.my/about-tropicana/corporate-governance/board-charter.	
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 Company is led by Tan Sri Dr Lim Wee Chai ("Tan Sri Dr Lim"), who has been re-designated as Non-Independent Non-Executive Chairman of the Company on 24 January 2019. Prior to that, Tan Sri Dr Lim was the Non-Independent Non-Executive Deputy Chairman assisting Tan Sri Othman Bin Abd Razak, the Chairman of the Board who has relinquished his position due to his personal commitment on 1 June 2018. The profile of Tan Sri Dr Lim is set out in the Directors' Profile in the Company's Annual Report 2018. The Chairman carries out a leadership role in the conduct of the Board and in his relations with shareholders and other stakeholders. The key roles and responsibilities of the Chairman as set out in the Board Charter of the Company which include any others as follows:- • to lead the Board and to ensure the effectiveness of all aspects of the Board's role; • to ensure the efficient organisation and conduct of the Board's function and meetings; • to facilitate the effective contribution of all Directors at Board meetings; • to promote constructive and respectful relations among Directors, and between the Board and Management of the Group; and • to ensure effective communication with shareholders and relevant stakeholders.
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	:	The distinct and separate roles of the Chairman and Group Chief Executive Officer ("CEO") are clearly defined in the Board Charter. The clear distinction of responsibilities between the Chairman and the Group CEO ensures a balance of power and authority, such that no individual or small group of individuals can dominate the Board's decision making. The separation of roles also allows the Chairman and the Group CEO to have sufficient time commitment in discharging their duties, meanwhile minimise the risk of conflicting interest and unfettered power in decision-making. The positions of the Chairman and the Group CEO are held by two (2) different individuals, namely Tan Sri Dr Lim and Mr Yeow Wai Siaw, respectively. The Chairman, Tan Sri Dr Lim represents the Board to the shareholders and is responsible for the effective running of the Board. The Chairman carries a leadership role in Board's conducts and focuses on relationship management with the stakeholders of the Company. During the financial year ended 31 December 2018, the Group CEO, was assisted by the Deputy Group CEO and Group Managing Director who were fully responsible for the effective running of the Group's operations and the implementation of the Group's business plans and policies established by the Board and also managing the daily conduct of the businesses to ensure its smooth operation.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 1.4
The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied.
Explanation on application of the practice	:	The Company Secretaries are capable of carrying out the duties and qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016. The key roles of the Company Secretaries are to provide unhindered advices and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance. The other primary responsibilities of the Company Secretaries include:- • to advise the Board and Management on the governance issues; • to ensure compliance of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") and related statutory obligations; • to attend the Board, Board Committees and general meetings as well as to ensure that the Board meeting procedures are followed and also proper recording of minutes; • to ensure the proper maintenance of statutory registers and records; • to assist the Chairman in the preparation and conduct of meetings; • to update the Directors on any new changes and developments to the statutory or regulatory requirements concerning their duties and responsibilities as well as those concerning the Company; and • to assist the communications between the Board and Management. Apart from supporting the Board and corporate governance requirements and advising on principles and best practice as set out above, the Company Secretaries also monitor the Board Evaluation/Effective Assessment via the annual Directors' Assessment in analysing and reporting results. The Company Secretaries also continue to monitor Directors' training programme to address training needs of the Directors.

		The roles and responsibilities of the Company Secretaries are set out in the Board Charter.	
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

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 Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs to enable them to discharge their duties. All Directors are provided with reports and other relevant information on timely manner, covering various aspects of the Group's operations and performance. As best practices, notices of Board meetings are to be given in writing at least seven (7) days prior to the meetings, unless there are matters requiring urgent attention. The Directors are also provided with the agenda and a set of board papers pertaining to agenda items prior to the Board meetings to allow sufficient time for the Directors to review, consider and deliberate on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision making. Management is responsible for furnishing to the Board the meeting materials and relevant information that may assist the Board in discharging its responsibilities and to facilitate informed decision making. Senior management of the Group, external auditors and advisors are also invited to attend Board meetings on specific items on the agenda which require clarification. The Board will also be briefed on latest updates on the Group's business activities. The Company Secretaries attend all Board meetings and ensure all proceedings of the meetings such as issues raised and deliberations and decisions of the Board, including the Directors who were abstained from deliberating or voting, are properly minuted. The draft minutes of meetings are circulated to Management and/or Directors for review and comment in a timely manner upon conclusion of the meetings.
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	:	The Board has formally adopted a Board Charter, which serves as a reference point for Board's activities, particularly in relation to the role, structure and processes related to key governance activities of the Board. The Board Charter outlines, among others, the following items: (i) Duties and responsibilities of the Board; (ii) Matters reserved for the Board; (iii) Ethics and conduct; (iv) Board composition and balance; (v) Role of Chairman, Deputy Chairman, individual Directors, Senior Independent Director, Company Secretary and other top senior management of the Company; (vi) Board processes and Board meetings; (vii) Board Committees and their defined terms of reference; (viii) Stakeholder communication; and (ix) Accountability and audit. The Board Charter will be periodically reviewed by the Board as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities. To ensure that the direction and control of the Group is firmly in its hands and having an oversight of Management, the matters reserved for the Board's decisions are as follows: • to approve corporate plans and strategic issues of the Company; • to approve annual budgets of the Company; • to approve material acquisitions and disposals of undertakings and assets as well as major investments of the Group; • to approve new ventures of the Group;

	• to approve changes to the control structure of the Company including key policies, capital expenditure, authority levels, treasury policies and risk management policies; • to approve material borrowings of the Company; and • to review the financial statements of the Company and the Group on a consolidated basis. In August 2018, the Board Charter has been revised to encompass the changes subsequent to the reviews of the Companies Act 2016, MMLR and principles under the Malaysian Code on Corporate Governance ("MCCG"). A copy of the Board Charter is available on the Company's website at www.tropicanacorp.com.my/about-tropicana/corporate-governance/board-charter.	
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 its leadership role in creating ethical values and observing ethical conduct. In ensuring that all Directors commit to upholding of ethical values and conduct that promotes sincerity, integrity, responsibility and corporate social responsibility, the Board adopts and observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia. A copy of the Code of Ethics for Company Directors is annexed as "Appendix I" of the Board Charter and is available on the Company's website at www.tropicanacorp.com.my/about-tropicana/corporate-governance/board-charter. The Company has also in place a separate Code of Conduct to govern the conduct and discipline of the Tropicana's employees, which is under the administration of the Group Human Resource. This Code of Conduct is also available on the Company's website at https://www.tropicanacorp.com.my/about-tropicana/corporate-governance/ghr-code-of-conduct.
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	:	A formal Whistle-Blowing Policies and Procedures ("WBP") has been implemented by the Company since 1 June 2017. The WBP is to provide an avenue for all employees of Tropicana Group and members of the public to disclose any improper conduct within Tropicana Group in accordance with the procedures as provided under WBP and to provide protection to the employees and members of the public who report such allegations. The WBP is also included in the Group's Employee's Handbook. The WBP is available on the Company's website at www.tropicanacorp.com.my/about-tropicana/corporate-governance.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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	:	As at 31 December 2018, the Board comprises nine (9) members, four (4) of which are Independent Non-Executive Directors as follows: 1) Encik Mohd Najib Bin Abdul Aziz 2) Encik Hafez Mohd Hashim Bin Razman Md Hashim 3) Mr Loh Chen Peng 4) Datuk Wira Lye Ek Seang On 13 November 2018, Datuk Michael Tang Vee Mun has been re-designated as Non-Independent Non-Executive Director pursuant to Practice 4.2 of the MCCG. The Company has made the necessary announcements in accordance with the MMLR. As of the date of this CG Report, 4 April 2019; the Board comprises five (5) Independent Non-Executive Directors out of eleven (11) Board members following the appointment of Ms Alice Dora Boucher as an Independent Non-Executive Director on 26 February 2019. The Company will seek the shareholders' approval at the forthcoming Annual General Meeting of the Company to re-designate Datuk Michael Tang Vee Mun as Independent Non-Executive Director as he has satisfied the independence test under the MMLR. Upon the shareholders' approval on the said re-designation, the Company will comply with Practice 4.1 of the MCCG. All the five (5) Independent Non-Executive Directors have satisfied the independence test under the MMLR. On top of that, the Independent Non-Executive Directors and the Non-Independent Non-Executive Directors are assessed annually through the Board Evaluation. As part of the Nomination Committee's ("NC") functions as set out in its terms of reference, the NC shall undertake annual review of the independence status of the Independent Non-Executive Directors and table its findings and recommendation to the Board.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

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

Practice 4.2
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

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

Application :	Applied.	
Explanation on application of the practice :	The Board Charter indicates the restriction for the tenure of an Independent Non-Executive Director to a cumulative term of nine (9) years, unless otherwise approved by shareholders for tenure beyond nine (9) years. Datuk Michael Tang Vee Mun, the Director who served for more than nine (9) years, has been re-designated as a Non-Independent Non-Executive Director on 13 November 2018. The Company will seek the shareholders' approval to extend his tenure as an Independent Non-Executive Director beyond nine (9) years in the forthcoming Annual General Meeting of the Company. The Board took note on the requirements under Practice 4.2 of the MCCG which stipulates that if the Board continues to retain an Independent Non-Executive Director after serving the twelfth (12th) year with the Board, the Board is required to seek annual shareholders' approval for such retention through a two (2)-tier voting process.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Practice 4.3 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	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 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	:	The NC established by the Board, is entrusted with the responsibility of recommending new appointments to the Board, Board Committees and senior management of Tropicana as well as to the Board of the entities where the Company has interests. The duties of the Nomination Committee are detailed in its terms of reference, which is annexed to the Board Charter as "Appendix III" and is accessible for reference on the Company's website at www.tropicanacorp.com.my/about-tropicana/corporate-governance/board-charter. The selection criteria of members of the Board and senior management are primarily based on the skills, knowledge, expertise and experiences, professionalism, ability to commit, contribute and perform, character, integrity and competence and taking into consideration the gender, ethnicity and age as well as the ability to discharge the responsibilities/functions as expected from the Senior Independent Non-Executive Director or Independent Non-Executive Director or senior management. Currently, the Board comprises members from diverse backgrounds ranging from property development, investments, finance and accounting, banking, audit, risk management, legal, business and general management, information technology public administration and multimedia, all of which provide the Group with a diversity of views and a wealth of expertise, experiences and networks to draw upon.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 4.5
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	:	Departure.
Explanation on application of the practice	:	
Explanation for departure	:	The Board recognises the challenges in achieving the right balance of gender diversity on the Board. This will be done over time, taking into account the present size of the Board, the valuable knowledge and experience of the present Board members and the evolving challenges to the Company over time. Nevertheless, the Company has taken its initiative in fulfilling its corporate governance goals on gender diversity by appointing Ms Alice Dora Boucher as Independent Non-Executive Director on 26 February 2019 in place of Madam Kang Ai Lin who resigned on 31 July 2018 due to personal reason. The Board and Management will continuously putting their efforts in getting suitable women candidates who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background to join the Board. With respect to the senior management, the Company has not met the target of 30% women holding key positions within the Group. As of the date of this CG Report, there is one (1) female officer at senior management position, namely Ms Ung Lay Ting, who is the Managing Director, Business Development/Sales & Marketing of Tropicana Group.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	The Company is committed to putting its efforts in getting suitable women who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background to join the Board and senior management positions.
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	:	Pursuant to the terms of reference of the NC, for new appointment to the Board, the NC shall consider candidates for directorships proposed by any Director or shareholder of the Company or, within the bounds of practicality, by the Group Chief Executive Officer or any other senior management. During the financial year 2018 and up to 19 March 2019, the NC, after due consideration on the potential candidates that proposed by the shareholder as well as referrals from external parties, had recommended to the Board the appointments of new Directors and/or re-designation of the following eight (8) Directors:- (1) Tan Sri Dr Lim; (2) Tan Sri Dato' Tan Chee Sing; (3) Mr Yeow Wai Siaw; (4) Datuk Michael Tang Vee Mun; (5) Encik Hafez Mohd Hashim Bin Razman Md Hashim; (6) Mr Loh Chen Peng; (7) Datuk Wira Lye Ek Seang; and (8) Ms Alice Dora Boucher. The NC had reviewed their profiles, curriculum vitae, academic qualifications and the disclosures of their other directorships; and had considered their backgrounds, academic qualifications, skills, experiences and competencies for appointment as Directors of the Company. The NC had noted that the proposed appointments would have the following benefits:- (a) increased the number of senior and experienced Director; (b) strengthen the independence of the Board which comprises of five (5) out of eleven (11) Board members of the Company are Independent Non-Executive Directors; (c) increased the number of Independent Non-Executive Directors with accounting background recognised under paragraph 9.27(b)(ii) of the MMLR; (d) increased the choices of candidates for appointment in the respective Board Committees; and (e) fulfilled its corporate governance goals on gender diversity.

	The NC would be considering the composition of the Board in terms of mix of skills and the Board size, prior to recommending any appointment to the Board for approval. Moving forward, the Board will continue sourcing for new Directors via different directors' recruitment agencies, or referrals from internal and external parties.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.7

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

Application	:	Applied.	
Explanation on application of the practice	:	During the financial year ended 31 December 2018, the NC was chaired by an Independent Non-Executive Director. The members were also comprised majority of Independent Non-Executive Directors. The present composition of the Nomination Committee is as follows: (1) Datuk Wira Lye Ek Seang (Chairman) (Independent Non-Executive Director) (2) Datuk Michael Tang Vee Mun (Non-Independent Non-Executive Director) (3) Encik Mohd Najib Bin Abdul Aziz (Independent Non-Executive Director) (4) Encik Hafez Mohd Hashim Bin Razman Md Hashim (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
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	:	With regards to the Directors, Board and Board Committees evaluations for the financial year 2018, the NC had conducted annual assessment in the following aspects:- (i) the effectiveness of the Board as a whole; (ii) the effectiveness of the Board Committees; (iii) the contributions of each individual Director; and (iv) the independence of the Independent Non-Executive Directors. The criteria on the evaluation of the effectiveness of the Board as a whole related to, amongst others, the appropriate composition and committees in correspondence to the Board's oversight duties and the development of the Company's strategy, the right mix of skills and experience to optimise performance, and the clear definition of the roles and responsibilities of the Board and individual Directors. The criteria on the evaluation of the effectiveness of the Board Committees related to, inter alia, the right composition of each Board Committee in terms of number and expertise, whether each Board Committee properly discharges its duties and responsibilities, and whether each Board Committee provides useful information and recommendations that assist the Board makes better decision. The criteria on the evaluation of the contributions of each individual Director related to, such as, whether the Director shares his insights, adds value to the Board, applies analytical and conceptual skills to the decision-making process, provides realism and practical advice to Board deliberation, as well as assesses and links short-term issues to the long-term strategy of the Company.

	With regards to the assessment on the independence of the Independent Non-Executive Director, each Independent Non-Executive Director did a self-evaluation of his independence based on the criteria of independence as defined under paragraph 1.01 of the MMLR, and signed-off a confirmation slip accordingly. In addition, each Independent Non-Executive Director self-checked his ability to advise the Board on matters relating to any existing transactions where conflict of interests exists and on matters requiring deliberation by Independent Non-Executive Directors such as related party transactions. Each Independent Non-Executive Director also re-checked and stated his tenure of service as Independent Non-Executive Director in the Company in the confirmation slip. The said confirmation slip was reviewed by the NC. All assessments and evaluations carried out by the NC were properly documented. The outcome and summary results of the evaluations on Board Effectiveness, Board Committees, Directors' Self and Peer Evaluation and Independent Directors' Self Evaluation have been tabled to the Board on 26 February 2019.	
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 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	:	Departure.
Explanation on application of the practice	:	
Explanation for departure	:	The Board has established a formal process to determine and approve the remuneration of the Directors and senior management, and it is periodically reviewed. The Remuneration Committee is also established by the Board to assist the Board in assessing the remuneration packages of the Directors and senior management of the Group. The policy practised on Directors' and senior management's remuneration by the Remuneration Committee is that the level of remuneration shall be aligned with the business strategy and long-term objectives of the Group, and shall reflect the calibre, competency, experience, skills, expertise, responsibilities and commitment of the Directors and senior management as well as the complexity of the Group's activities. Thus, the components of the compensation and benefits of the Directors and senior management shall be structured so as to link rewards to corporate and individual performance and should be sufficient to attract, motivate and retain the Directors and senior management of the quality required to effectively manage the businesses of the Group. In the case of Non-Executive Directors, the level of remuneration shall reflect the contributions, commitment, experience, expertise and responsibilities undertaken by the Non-Executive Director concerned and the complexity of the Group's activities. All Directors had abstained from discussion and decision on their own remuneration. The policies and procedures to determine the remuneration of the Directors and senior management are not published on the Company's website due to the highly competitive industries and might bring disadvantage to the Group.

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 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	:	The Board has established a Remuneration Committee to implement its policies framework and procedures on the compensation and benefits of the Executive Directors, Non-Executive Directors and senior management including reviewing and recommending matters relating to the remuneration of the Board and senior management. The objective of the Remuneration Committee is to recommend to the Board, the compensation and benefits including bonuses and severance payments to the Directors and senior management to ensure adequate, fair and competitive compensation and benefits thereby enabling the Group to attract, retain and motivate high calibre Directors and senior management. The Remuneration Committee is operates within its defined terms of reference and a copy of which is annexed as "Appendix IV" of the Board Charter which is available on the Company's website at www.tropicanacorp.com.my/about-tropicana/corporate-governance/board-charter.
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 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	:	The Directors' remuneration for the financial year ended 31 December 2018 is as below: 1) Non-Executive Directors [1]

	Directors' Fees (RM)	**Board Committees' Fees [2] (RM)**	**Meetings Allowances [3] (RM)**
Tan Sri Dr Lim	180,000.00	4,389.04	7,000.00
Datuk Michael Tang Vee Mun	150,000 .00	52,553.42	22,000.00
Encik Mohd Najib Bin Abdul Aziz	150,000.00	45,528.77	18,000.00
Encik Hafez Mohd Hashim Bin Razman Md Hashim ***(Appointed w.e.f. 1 July 2018)***	75,616.44	9,024.66	11,000.00
Mr Loh Chen Peng ***(Appointed w.e.f. 1 August 2018)***	62,876.71	3,063.02	3,000.00
Datuk Wira Lye Ek Seang ***(Appointed w.e.f. 9 November 2018)***	21,780.82	2,591.78	3,000.00

	Directors' Fees (RM)	Board Committees' Fees [2] (RM)	Meetings Allowances [3] (RM)
Tan Sri Othman Bin Abd Razak ***(Resigned w.e.f. 1 June 2018)***	199,945.21 [4]	-	2,000.00
Dato' Gan Nyap Liou @ Gan Nyap Liow ***(Resigned w.e.f. 9 April 2018)***	40,684.93	15,189.04	6,000.00
Datuk Lim Thean Shiang ***(Resigned w.e.f. 9 November 2018)***	128,630.14	32,279.45	12,000.00
Mdm Kang Ai Lin * ***(Resigned w.e.f. 31 July 2018)***	46,849.32	-	2,000.00

Note:

* Appointed on 9 April 2018.

[1] The remuneration of Non-Executive Directors is subject to the approval of shareholders at the Annual General Meeting of the Company.

[2] Comprised payment of fee being the Chairman and/or member of the Board Committees.

[3] Comprised meeting allowance for attending meeting of the Board and Board Committees.

[4] Included other emoluments of RM100,000.

2) Executive Directors

	Salary (RM)	Bonus (RM)	Defined Contribution Plan (RM)	Other Emoluments (RM)	Total (RM)
Dato' Dickson Tan Yong Loong	1,685,400	397,500	258,071	60,000	2,400,971
Mr Dion Tan Yong Chien	816,000	204,000	130,523	60,000	1,210,523

		Salary (RM)	**Bonus (RM)**	**Defined Contribution Plan (RM)**	**Other Emoluments (RM)**	**Total (RM)**
	Mr Yeow Wai Siaw ***(Appointed w.e.f. 1 August 2018)***	1,330,000	-	173,579	112,000	1,615,579
	Mr Dillon Tan Yong Chin ***(Resigned w.e.f. 1 July 2018)***	583,860	275,400	107,178	30,000	996,438
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 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	:	For the financial year 2018, the Board has disclosed the remuneration of Mr Kelvin Choo Yung Yau and Mr Lim Lai Seng, both are the senior management of the Company in the bands of RM50,000, as shown in the Corporate Governance Overview Statement of the Company's Annual Report 2018. The remuneration of other three (3) top senior management, namely Mr Yeow Wai Siaw, Dato' Dickson Tan Yong Loong and Mr Dion Tan Yong Chien, who are also Executive Directors of the Company, have disclosed their remuneration under the Directors' Remuneration section. The Board is of the view that it is not to the Company's advantage or business interest for detailed disclosure considering the highly competitive market for talents. The Board through the Remuneration Committee will ensure that the remuneration of the senior management is commensurate with their key performance achievements and the performance of the Company.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

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	:	The positions of the Chairman of the Board and the Audit Committee are held by two (2) different individuals. The Chairman of the Board is Tan Sri Dr Lim while the Chairman of the Audit Committee is Encik Mohd Najib Bin Abdul Aziz. Encik Mohd Najib Bin Abdul Aziz was appointed as the Chairman of the Audit Committee on 13 July 2016. Tan Sri Dr Lim was appointed as the Chairman of the Board on 26 February 2019. Encik Mohd Najib Bin Abdul Aziz is an accountant by profession and graduated with a Bachelor of Commerce (Accounting) Degree from the University of New South Wales, Australia. He is a member of the Institute of Chartered Accountants in Australia (ICAA) as well as a member of the Malaysian Institute of Accountants (MIA). He is also an Independent Non-Executive Director of the Company.
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 8.2
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	:	In line with recommendation of the MCCG, the terms of reference of the Audit Committee has been revised in August 2018 to include the cooling-off period of at least two (2) years before any former key audit partner could be appointed as Audit Committee member to safeguard the independence of the audit of the Company's financial statements. The terms of reference of the Audit Committee is available on the Company's website at www.tropicanacorp.com.my/about-tropicana/corporate-governance/board-charter. To-date, the Company has not appointed a former audit partner to be a member of the Audit Committee.
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 8.3
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	:	In assessing the independence of the external auditors, the Audit Committee will take into consideration of the competency, audit quality and resource capacity of the external auditors, the nature and extent of the non-audit services rendered and the appropriateness of the level of fees. In addition, the external auditors had given their confirmation to the Audit Committee that they were independent throughout the conduct of the audit engagement with the Company for the financial year ended 31 December 2018 in accordance with the independence criteria set out by the Malaysian Institute of Accountants (MIA). There is also a policy within the external audit firm to rotate the partner-in-charge after seven (7) years of audit engagement with the Company.	
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	:	Adopted.
Explanation on adoption of the practice	:	The Audit Committee comprises solely of Independent Non-Executive Directors namely: 1) Encik Mohd Najib Bin Abdul Aziz (Chairman) 2) Encik Hafez Mohd Hashim Bin Razman Md Hashim (Member) 3) Mr Loh Chen Peng (Member)

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	:	Throughout the financial year 2018, the Audit Committee was made up of no fewer than three (3) members, who were all Independent Non-Executive Directors. The composition of the Audit Committee complied with the requirements of paragraphs 15.09 and 15.10 of the MMLR. The Chairman of the Audit Committee, Encik Mohd Najib Bin Abdul Aziz is a member of the Malaysian Institute of Accountants (MIA). He is also a member of the Institute of Chartered Accountants in Australia (ICAA). All members of the Audit Committee are financially literate. The Board, through the Nomination Committee, reviews the terms of office of the Audit Committee and assesses the performance of the Audit Committee and each of its members in accordance with the requirements of paragraph 15.20 of the MMLR. All members of the Audit Committee have undertaken continuous professional development during the financial year 2018. The training programmes attended by the Audit Committee members are stated in the Corporate Governance Overview Statement of the Company's Annual Report 2018.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 9.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied.
Explanation on application of the practice	:	The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system as well as reviewing its adequacy and effectiveness for the Group. The Board is satisfied that the Group has implemented an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in its achievement of the business goals and objectives in consideration of the change in the business environment and regulatory requirements. This ongoing review process has been in place for the entire financial year under review by the Board to ensure that adequate and effective Group risk management and internal control systems have been embedded in all aspects of the Group's activities. Due to limitations that are inherent in any systems of risk management and internal control, these systems adopted by the Group are designed to manage rather than to eliminate the risk of failure to achieve business objectives. These systems can only provide reasonable but not absolute assurance against any material financial misstatement, fraud or loss. However, the extent of responsibility does not extend to include that of the Group's associated companies for the purpose of this review.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 9.2
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, through the Risk Management Committee oversees the risk management matters of the Group, with the main responsibility for risk oversight, amongst others, to set out the objectives, strategies and scope of risk management activities for Tropicana Group and to ensure that the Group's risk management strategy and methodology have been implemented and consistently applied. The Risk Management Committee is governed by its defined terms of reference, which is annexed to the Board Charter as "Appendix V" and is available on the Company's website at www.tropicanacorp.com.my/about-tropicana/corporate-governance/board-charter. The key features of the risk management and internal control framework, together with its adequacy and effectiveness are set out in the Statement on Risk Management & Internal Control as presented in the Company's Annual Report 2018.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 9.3 - 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	:		
Explanation for departure			
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 10.1
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 Audit Committee is supported by an independent and adequately resourced in-house GIAD in the discharge of its duties and responsibilities. The function of the GIAD is guided by its Internal Audit Charter which defines the authority, independence and objectivity, duties & responsibilities, audit planning and periodic assessment. The Internal Auditor is accountable and functional report to the Audit Committee while maintaining its impartiality, proficiency and due professional care. The GIAD is responsible to provide independent and objective assurance and advisory services designed to add value as well as improve the operations of the Group. This includes the continuous examination and evaluation of the adequacy and effectiveness of the Group's risk management, internal control and governance processes. The audit approaches and objectives are based on the guidance of the Institute of Internal Auditors' International Professional Practices Framework and the Committee of Sponsoring Organisation of the Treadway Commission Framework (an effective internal control system).	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied.
Explanation on application of the practice	:	The Audit Committee is supported by an independent and adequately resourced in-house GIAD in the discharge of its duties and responsibilities. The function of GIAD is guided by its Internal Audit Charter which defines the authority, duties, and responsibilities and independence of all members of the GIAD. There are seven (7) internal auditors within the GIAD including the Head of Internal Audit, all of whom possess professional qualifications and are the members of The Institute of Internal Auditors Malaysia. All internal audit staff are encouraged to continuously enhance their knowledge, skills and competencies through relevant professional courses, seminars, training courses and on-the-job training. None of the internal audit personnel has any relationships or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions. GIAD is headed by Ms Rachel Ng Kim Gek, an associate member of The Institute of Internal Auditors Malaysia, a member of CPA Australia and a member of Malaysian Institute of Accountants (MIA). GIAD reports functionally to the Audit Committee and maintains its impartiality, proficiency and due professional care. The principal responsibilities of GIAD are to provide independent and objective assurance and advisory services designed to add value and improve the operations of the Group. This includes the continuous examination and evaluation of the adequacy and effectiveness of the Group's risk management, internal control and governance processes. The audit approach and objectives are based on the guidance of the Institute of Internal Auditors' International Professional Practices Framework and the Committee of Sponsoring Organisations of the Treadway Commission Internal Control – Integrated Framework. Reference is made to the frameworks in assessing and reporting on the adequacy and effectiveness of the internal control, governance 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

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	:	Tropicana Group recognises and practices transparency and accountability to its shareholders and investors. As such, the Group ensures timely dissemination of information through appropriate channels of communications to shareholders and investors to ensure that they are properly informed of major developments of the Group. Such information is communicated to them through the annual reports, press releases and the various disclosures and announcements made to Bursa Malaysia Securities Berhad from time to time, including the quarterly and annual results. These information and documents are accessible on Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com and also the Company's website at https://www.tropicanacorp.com.my/investor-relations/ir-home. The Company attends to the requests of analysts and fund managers for briefings from time to time. The Group worked in partnership with the investing community, who consisted mainly of existing and potential shareholders, employees, customers and analysts, by providing them with timely, transparent, accurate and open communication on Tropicana's business performance. Tropicana's website at www.tropicanacorp.com.my also provides an avenue for shareholders and members of the public to access information pertaining to Tropicana Group, which is being updated regularly.
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 11.2
Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not adopted.	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not classified as "Large Company" and the Company does not plan to adopt integrated reporting based on a globally recognised.	
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 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	:	More than 28 days' notice period is given in respect of the Company's forthcoming Annual General Meeting to be held on 25 June 2019.	
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 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	:	Tan Sri Othman Bin Abd Razak was absent for the Thirty-Ninth Annual General Meeting held on 30 May 2018 due to unforeseen urgent matter required him to attend to. In the absence of Tan Sri Othman Bin Abd Razak, being the Chairman of the Board, the Board has appointed Tan Sri Dr Lim as the Chairman of the Meeting to chair the Annual General Meeting held on 30 May 2018.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	It has been the practice of the Company that all Board members present at the general meetings of the Company. The Board is committed to attend all general meetings to foster effective two (2)-way communication between the shareholders and the Board. The Board is fully aware of its responsibility to engage shareholders and provide meaningful responses to their questions. In the event that any of the Directors is unable to attend and participate at a general meeting due to unforeseen circumstances, the affected Director will be updated on the matters discussed after the conclusion of the general meeting.
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	:	The Company's general meetings are not held at remote locations. The Company has adopted e-voting via polling stations for 2018 Annual General Meeting. As for voting in absentia and remote shareholders' participation at general meetings, the existing proxy form authorising proxies or Chairman of meeting is an alternative measure adopted by the Company. The shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his/her stand at the general meetings. The Company aims to leverage on technology to facilitate voting in absentia and remote shareholders' participation at its future general meetings. This can only be implemented with a comprehensive system fit for this purpose.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	For continuing improvement, the Company will look into a suitable and reliable voting system to facilitate voting in absentia and remote participation by shareholders. The Company will carefully consider all factors including all applicable requirements, necessary framework and processes, communication with shareholders as well as cyber security concerns in implementing the voting system.
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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