

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5230  
**COMPANY NAME** : Tune Protect Group Berhad  
**FINANCIAL YEAR** : December 31, 2020

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Directors ("<b>the Board</b>") is accountable to the shareholders for achieving the Group's (the Company and its subsidiaries are collectively referred to as "<b>the Group</b>") strategic objectives, delivering strong and sustainable performance, and ensuring that the business operates within its risk limits. The Board retains full and effective control over the Group's affairs and is the principal decision-making forum providing stewardship and entrepreneurial leadership through its Board Committees.</p> <p>The Board has delegated its authority to the Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee, Investment Committee and Employees' Share Option Scheme ("<b>ESOS</b>") Committee. Save for the Investment and ESOS Committees, the Board Committees are chaired by Independent Directors and comprise entirely Independent Directors.</p> <p>The Board has endorsed the authority limit granted to the Group Chief Executive Officer ("<b>Group CEO</b>") and the Executive Committee for the day-to-day management and operations of the business.</p> <p>Through the Nomination Committee, the Board is responsible for ensuring that there is orderly succession planning within the Group. The Terms of Reference of the Nomination Committee outlines its responsibilities in the selection and assessment of the Directors, Key Senior Management and the Company Secretary, and reviews candidates based on their profiles, professional qualifications, experience and other core competencies.</p> <p>There is a formal schedule for matters being reviewed annually, as follows:</p> <ul style="list-style-type: none"> <li>(a) Every quarter, the Board will discuss quarterly and year-to-date financial performance presented by the Group Chief Financial Officer ("<b>Group CFO</b>"). The Board will also discuss the business outlook with the Group CEO, to understand key challenges faced by the Group and Management mitigation plan to address the challenges.</li> <li>(b) Every fourth quarter of the year, the Board will deliberate on the following year's strategies and financial budget. During this session, the Board will discuss and refine the Group's strategies and budget with the Group CEO and the Management team.</li> <li>(c) In 2020, the Board has reviewed and revised the Board Charter to be in line with the latest regulations. The Board also approved the new/updated policies and procedures prepared by the</li> </ul>

	<p>Management team. The new/updated policies and procedures were developed to ensure consistent business and operational practices between the entities within the Group as well as with the external parties. The new/updated policies and procedures reflect current processes and business needs.</p> <p>(d) As part of the Group's effort on managing sustainability, the Board provides strategic guidance on the Group's initiatives relating to Governance, Economic, Environmental and Social aspects.</p> <p>(e) Every quarter or when necessary, the Board is kept updated on the latest development of the applicable accounting standards and amendments of the relevant provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as well as any other changes in the regulatory framework and requirements from various regulatory bodies such as the Securities Commission Malaysia and Bank Negara Malaysia.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Mr Ng Soon Lai @ Ng Siek Chuan was appointed on 22 May 2017 as Chairman of the Board. He has more than 40 years of experience in the financial services industry, an industry highly-regarded for its regulatory compliance. Mr Ng Soon Lai @ Ng Siek Chuan is a fellow of the Institute of Chartered Accountants in England and Wales.</p> <p>The responsibilities of the Chairman include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>(a) to oversee the Board in the effective discharge of its role;</li> <li>(b) to monitor the workings of the Board and conduct of Board meetings;</li> <li>(c) to ensure all relevant issues for the effective running of Tune Protect Group Berhad's business are on the agenda for Board meetings;</li> <li>(d) to ensure that all matters relating to the Anti-Bribery and Corruption System and anti-bribery and corruption are on the agenda for Board meetings;</li> <li>(e) to ensure that quality information to facilitate decision-making is delivered to Board members on a timely basis;</li> <li>(f) to encourage all Directors to play an active role in Board activities;</li> <li>(g) to chair general meetings of shareholders; and</li> <li>(h) to liaise with the Group CEO and Company Secretary regarding the agenda for Board meetings.</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In line with the Malaysian Code of on Corporate Governance 2017 ("MCCG"), the positions of the Chairman and Group CEO are held by different individuals. The roles and responsibilities of the Chairman and Group CEO are clearly defined in the Board Charter.</p> <p>Mr Ng Soon Lai @ Ng Siek Chuan was appointed as Chairman of the Board on 22 May 2017 while Mr Rohit Chandrasekharan Nambiar was appointed as Group CEO of the Company on 14 October 2020, to replace Ms Khoo Ai Lin, whose resignation took effect on 31 July 2020.</p> <p>The profiles of the Chairman and Group CEO can be found in the Annual Report 2020 on pages 47 and 50 respectively.</p>	
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Ms Teh Peng Peng was appointed as Secretary of the Company on 17 January 2020. Ms Teh is qualified to act as Company Secretary under Section 235 of the Companies Act 2016. The Company Secretary provides advice and guidance to the Board on issues relating to compliances with listing requirements, relevant rules, regulations and laws, policies and procedures in relation to corporate secretarial, as well as applications of good corporate governance and best practices. All Directors have unrestricted access to the advice and services of the Company Secretary. During the year, all meetings of the Board and Board Committees were properly convened, and proper records of proceedings and resolutions passed were taken and maintained in the records of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The notice of each meeting confirming the date, time and venue, together with agenda items to be discussed, are circulated to all members of the Board within a stipulated time from the date of the meeting.</p> <p>The meeting materials are shared within a reasonable period prior to the meeting. The meeting minutes are circulated in a timely manner.</p> <p>The annual meeting calendar is discussed with the Board at the beginning of each new calendar year. The dates scheduled would include the meetings of the Board, Board Committees, Annual General Meeting ("<b>AGM</b>") as well as Board meeting dates of subsidiaries within the Group.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter clearly defines the roles and responsibilities of the Board, Chairman and Group CEO. The matters reserved for the Board are also stated in the Board Charter.</p> <p>The Terms of Reference of the Board Committees, which are referred to in the Board Charter, set out the responsibilities of the respective Board Committees.</p> <p>The Board Charter and the Terms of Reference of the Board Committees are periodically reviewed and updated in accordance with the directions of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.</p> <p>The Board Charter and the Terms of Reference of the Board Committees were last reviewed, revised and approved on 20 November 2020, save for the Terms of Reference of the Investment Committee, which was further reviewed, revised and approved on 25 February 2021. The Board Charter and the Terms of Reference of the Board Committees are available on the corporate website at <b>tuneprotect.com</b>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company developed its Code of Conduct (“<b>CoC</b>”) framework in August 2016 and launched it in April 2017. The CoC focuses on three (3) key areas: Respect in Our Workplace, Business Partners and Shareholders. The topics covered include the following:</p> <ol style="list-style-type: none"> <li>1. Respect in Our Workplace:               <ol style="list-style-type: none"> <li>(a) Diversity and Inclusion;</li> <li>(b) Anti-Harassment;</li> <li>(c) Anti-Discrimination;</li> <li>(d) Anti-Violence; and</li> <li>(e) Health &amp; Safety.</li> </ol> </li> <li>2. Respect for Our Business Partners:               <ol style="list-style-type: none"> <li>(a) Conflict of Interest;</li> <li>(b) Anti-Bribery and Anti-Corruption;</li> <li>(c) Anti-Money Laundering; and</li> <li>(d) Business Gifts and Entertainment.</li> </ol> </li> <li>3. Respect for Our Shareholders:               <ol style="list-style-type: none"> <li>(a) Maintaining Accurate Business Records;</li> <li>(b) Fraud;</li> <li>(c) Confidential Information;</li> <li>(d) Insider Trading;</li> <li>(e) External Communications;</li> <li>(f) Intellectual Property; and</li> <li>(g) Email, Internet and Information Systems.</li> </ol> </li> </ol> <p>The CoC (in English and Bahasa Malaysia) can be found on the corporate website at <b>tuneprotect.com</b>.</p> <p>The Company makes it mandatory for all employees to undergo the CoC certification once a year.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Anti-Bribery and Corruption Policy, which was previously known as “Anti-Fraud, Bribery and Corruption Policy and Procedures” and which took effect on 25 March 2014, outlines Tune Protect Group's commitment and framework against fraud, bribery and corruption, adopting a zero tolerance policy towards fraud, bribery and corruption and expecting all employees and personnel covered under this policy to act with honesty and the highest level of integrity.</p> <p>The Group Whistleblowing Policy and Procedures was enforced in November 2013 to encourage employees and third parties to report any perceived unethical or illegal conduct in a confidential manner without any fear of harassment or intimidation of and reprisal against anyone for raising concern(s) under this policy.</p> <p>To help promote and develop a culture of openness, accountability and integrity, the whistle-blower reporting channel was established. It is an electronic mail facility to the Chairman of the Risk Management Committee, who is independent and non-executive; and it provides assurance that all disclosures will be investigated objectively and confidentially.</p> <p>The Board will be notified of all proven allegations and updated on the investigation status, findings and recommendations as to corrective actions.</p> <p>The Anti-Bribery and Corruption Policy and the Group Whistleblowing Policy and Procedures have been updated for compliance under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and approved by the Board on 1 June 2020.</p> <p>The Anti-Bribery and Corruption Policy and the Group Whistleblowing Policy &amp; Procedures are accessible for reference on the corporate website at <a href="http://tuneprotect.com">tuneprotect.com</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board of the Company comprises five (5) Directors, with a majority Independent Directors.  Four (4) out of five (5) of the Board members, including the Chairman, are Independent Directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Not applicable - Step Up 4.3 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	Our Board Charter states that the tenure of an Independent Director does not exceed a cumulative term of nine (9) years.

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The appointments of the Board and Senior Management are assessed through the Nomination Committee. The Senior Management is defined as business and functional leads who report to the Group CEO. The Nomination Committee will review the candidates' credentials and experiences before recommending to the Board.</p> <p>In line with the Group Corporate Governance Policy (which superseded the Board's Diversity Policy and Procedures) and the Terms of Reference of the Nomination Committee, the Nomination Committee ensures that in addition to the new appointments having diverse skill sets and experiences, they are also from diverse cultural backgrounds, gender and other attributes, which can strengthen the composition of the Board and Senior Management.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board of the Company comprises 40% women Directors as of 31 December 2020.</p> <p>The Group Corporate Governance Policy (which superseded the Board Diversity Policy and Procedures) sets out that the Board aims to achieve at least 30% of women directors on the Board. The Terms of Reference of the Nomination Committee also outlines the diversification requirement in the Board which includes gender diversity, mix of skills, knowledge, experience, qualification, age, cultural background and other core competencies required of a Director.</p> <p>Both Group Corporate Governance Policy and Terms of Reference of the Nomination Committee is accessible for reference on the corporate website at <a href="http://tuneprotect.com">tuneprotect.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As part of succession planning, the Nomination Committee would discreetly obtain the curriculum vitae of prospective candidates from various internal introductions, external and independent sources with director databases, to ensure that the Board maintains a steady pool of potential talent to select from, should the need to appoint additional members to the Board arise. This pool includes potential candidates with experience in the financial industry.</p> <p>New members are evaluated by the Nomination Committee for the required mix of skills, expertise, competencies, experience, professionalism, integrity and other qualities, before a recommendation is made by the Nomination Committee to the Board. A candidate is considered if he meets the following criteria:</p> <ul style="list-style-type: none"> <li>• is a senior management in a reputable local or international financial services group, public corporation or professional firm/body;</li> <li>• possess a diverse range of skills, including business, legal, financial expertise, professional knowledge and/or financial industry experience, as well as experience in regional and international markets;</li> <li>• demonstrates honesty and integrity;</li> <li>• is able to behave and conduct himself objectively, is independent and is capable of lateral thinking;</li> <li>• possesses people skills;</li> <li>• demonstrates desire to abide by the code of conduct expected of Board members; and</li> <li>• is able to devote sufficient time to perform his/her duties.</li> </ul> <p>After private interview sessions with the candidates, the appointment would be discussed at Nomination Committee meetings, and subsequently recommended to the Board for further deliberation and approval. Once approved, the application for appointment of the candidate shall be submitted to Bank Negara Malaysia for regulatory approval as required by the Financial Services Act 2013. The Company Secretary ensures that all appointments are completed in accordance with established procedures and in compliance with all relevant legal and regulatory requirements.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nomination Committee is chaired by Ms Tan Ming-Li, who is an Independent Director of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee annually assesses, in a formal and transparent manner, the independence of Independent Directors, the effectiveness of the Board as a whole, its various Committees and individual Directors in the discharge of their duties and responsibilities. The Board, Board Committees and Individual Director Assessments are supported by completing the following forms:</p> <ul style="list-style-type: none"> <li>• Board Performance Evaluation Form;</li> <li>• Each of the Board Committees’ Performance Evaluation Form;</li> <li>• Individual Director’s Self Evaluation Form; and</li> <li>• Independence Self Declaration Checklist.</li> </ul> <p>In the evaluation of the Audit Committee, the term of office and performance of the Audit Committee and each of its members were reviewed by the Nomination Committee to determine whether the Audit Committee and its members have carried out their duties in accordance with their Terms of Reference. There was no major issue identified.</p> <p>The annual assessment was conducted in a formal and transparent manner. The evaluation results were deliberated by the Nomination Committee, in particular, for improvement areas. The Nomination Committee Chairman conveyed the findings to the Board in the interest of improving its effectiveness.</p> <p>The Board Chairman ensures that the Board’s decisions are reached by consensus or failing this, by the will of the majority, and any concern or dissenting view expressed by any Director on any matter deliberated at meetings of the Board or any of its Committees will be addressed and the meeting’s decisions duly recorded in the minutes of the meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board has established the Directors' and Senior Management Remuneration Policy in 2019. The Directors' Remuneration Policy was last reviewed, revised and approved on 10 December 2020. The policies are available on the corporate website at <a href="http://tuneprotect.com">tuneprotect.com</a> .  For details on the Remuneration Framework, please refer to the 'Remuneration' section of the Corporate Governance Overview Statement in the Annual Report 2020.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee comprises wholly of Independent Non-Executive Directors. The Remuneration Committee shall review and recommend to the Board the following:-</p> <ul style="list-style-type: none"><li>(a) the specific remuneration packages of the Non-Executive, Executive Directors and Key Senior Officers with a balance to attract and retain talent without paying excessive remuneration;</li><li>(b) the compensation payable to Executive Directors and Key Senior Officers for their individual contributions to the Company's overall performance, taking into account the demands, complexities and performance of the Company as well as the skills and experience required; or</li><li>(c) any loss or termination of their office or appointment, and the compensation arrangements relating to their dismissal or removal for misconduct.</li></ul> <p>The Terms of Reference of the Remuneration Committee was last reviewed, revised and approved on 20 November 2020 and is available on the corporate website at <a href="http://tuneprotect.com">tuneprotect.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b> :	Applied			
<b>Explanation on application of the practice</b>	The total Directors' remuneration received from the Company and the Group during the financial year ended 31 December 2020 are as follows:			
	<b>Remuneration received from the Company</b>			
		<b>Directors' Fee RM'000</b>	<b>Meeting Allowance RM'000</b>	<b>Total RM'000</b>
	<b>Executive Director</b>			
	NIL	NIL	NIL	NIL
	<b>Non-Executive Director</b>			
	Ng Soon Lai @ Ng Siek Chuan	202	80	<b>282</b>
	Tan Ming-Li	146	70	<b>216</b>
	Mohamed Rashdi bin Mohamed Ghazalli	187	80	<b>267</b>
	Aireen Omar	116	35	<b>151</b>
	Kelvin Desmond Malayapillay <sup>1</sup>	107	45	<b>152</b>
	<b>Total</b>	<b>758</b>	<b>310</b>	<b>1,068</b>
	<b>Remuneration received from the Group</b>			
		<b>Directors' Fee RM'000</b>	<b>Meeting Allowance RM'000</b>	<b>Total RM'000</b>
	<b>Executive Director</b>			
	NIL	NIL	NIL	NIL
	<b>Non-Executive Director</b>			
	Ng Soon Lai @ Ng Siek Chuan	274	93	<b>367</b>
	Tan Ming-Li	259	124	<b>383</b>
	Mohamed Rashdi bin Mohamed Ghazalli	187	80	<b>267</b>
Aireen Omar	116	35	<b>151</b>	
Kelvin Desmond Malayapillay <sup>1</sup>	107	45	<b>152</b>	
<b>Total</b>	<b>943</b>	<b>377</b>	<b>1,320</b>	
<i>Note:</i>				
<i>Appointed on 28 February 2020</i>				

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

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board has considered this matter and is of the view that the disclosure of the Senior Management's remuneration in bands of RM50,000 would not be in the best interest of the Group due to competitive conditions for talent in the industry.	
		However, the total remuneration of the Senior Management is disclosed as per Bank Negara Malaysia's Corporate Governance policy document and can be found in Section B of this Corporate Governance Report.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board will monitor market practices.	
<b>Timeframe</b>	:	Others	

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Audit Committee of the Company is chaired by Encik Mohamed Rashdi bin Mohamed Ghazalli while the Board is chaired by Mr Ng Soon Lai @ Ng Siek Chuan.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In line with the recommendation of the MCCG to safeguard the independence of the audit of the Company's financial statements, the Terms of Reference of the Audit Committee was updated 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 a member of the Audit Committee.</p> <p>The Terms of Reference of the Audit Committee was last reviewed, revised and approved on 20 November 2020 and is available on the corporate website at <a href="http://tuneprotect.com">tuneprotect.com</a>.</p> <p>The Company does not have any Audit Committee member or Board member, who was a former audit partner.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To ensure the independence of external auditors, the policy on Assessment of the Independence of External Auditors ("<b>the EA Assessment Policy</b>") was approved by the Board on 20 May 2013 and was last reviewed on 29 August 2018.</p> <p>The EA Assessment Policy requires the external auditors to provide a written statement giving assurance of their independence. The EA Assessment Policy also requires non-audit services to be rendered by the external auditors to be deliberated by the Audit Committee and thereafter to be recommended to the Board for approval.</p> <p>In addition, as set out in the Terms of Reference of the Audit Committee, the responsibilities of the Audit Committee include, amongst others, the following:</p> <ul style="list-style-type: none"><li>(a) To consider and recommend to the Board the appointment, re-appointment or removal of the external auditors, the audit fees and to consider any questions of resignation or dismissal of the external auditors;</li><li>(b) To assess the suitability, objectivity and independence of the external auditors, including the provision of any non-audit services by the external auditors; and</li><li>(c) To review annually the external auditors' audit plans, scope of audits and audit reports, including the evaluation of the Group's system of internal controls.</li></ul> <p>The Audit Committee undertook an annual assessment on the external auditors' performance covering the following areas:</p> <p><b>A. Performance</b></p> <ul style="list-style-type: none"><li>(i) Level of knowledge, capabilities and experience of the audit team;</li><li>(ii) Quality of previous work undertaken by the external auditors;</li><li>(iii) Appropriateness of audit scope, approach and the effectiveness of audit planning;</li><li>(iv) Ability to perform the audit work within the agreed duration and fees;</li><li>(v) Ability to provide constructive observations, implications and recommendations in areas which require improvements; and</li><li>(vi) Adequacy of frequency of updates by the audit engagement partner to provide independent views.</li></ul> <p><b>B. Independence and Objectivity</b></p> <ul style="list-style-type: none"><li>(i) Non-audit services rendered by external auditors did not impede independence; and</li><li>(ii) External Auditors demonstrated unbiased stance when interpreting the standards/policy adopted.</li></ul>

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

**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.

<b>Application</b>	:	Adopted	
<b>Explanation on adoption of the practice</b>	:	Throughout the financial year ended 31 December 2020, the Audit Committee of the Company comprises solely of Independent Directors namely:-	
		<b>Members</b>	<b>Designation</b>
		Mohamed Rashdi bin Mohamed Ghazalli	Chairman, Senior Independent Non-Executive Director
		Ng Soon Lai @ Ng Siek Chuan	Member, Independent Non-Executive Director
		Tan Ming-Li	Member, Independent Non-Executive Director
		Kelvin Desmond Malayapillay <sup>(1)</sup>	Member, Independent Non-Executive Director
		<i>(1) Appointed on 28 February 2020.</i>	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The members of the Audit Committee are financially literate and are able to perform their duties and discharge their responsibilities. Mr Ng Soon Lai @ Ng Siek Chuan is a fellow of the Institute of Chartered Accountants in England &amp; Wales. Other members have relevant experience, for example, in corporate and securities law, in management and technology consulting and in financial services and consulting with exposure to credit risk management.</p> <p>The Audit Committee members had undertaken continuous professional development during the financial year 2020. The Audit Committee was also updated on the implications of any changes and pronouncements on the Company and the Group, which were issued by the accountancy, statutory and regulatory bodies as well as publications on matters of significance, which may be of interest to the Audit Committee and the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Risk Management Framework is approved by the Board and it outlines the principles of the risk management in driving strong risk management culture and practices across the Group. As risk management is a core discipline of the Group, it is underpinned by a set of key risk principles, which serves as the foundation for the Group's risk management practices and processes (i.e. identification, measurement, control, monitoring and reporting).</p> <p>The Group's approach to risk management is premised on the risk principles as mentioned in the framework for effective risk management practice.</p> <p>The Board is of the view that the risk management framework and internal control mechanism are designed to manage the Group's risks within the acceptable risk appetite, rather than to eliminate the risk of failure to achieve the business goals and objectives. Effective risk management gives comfort to shareholders, customers, employees and society at large that the Group's business is being effectively managed and helps the Group confirms its compliance with corporate governance requirements.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>There is a clear, effective and robust Group governance structure, which includes the role of the Board, Risk Management Committee and the Senior Management with well defined, transparent and consistent lines of responsibility established within the Group. This is supported by an Independent Audit function as the third line of defence.</p> <p>The governance model encapsulates the overall risk management and internal control structure of the Group, with appropriate oversight covering all areas.</p> <p>The Board receives reports during the quarterly Risk Management Committee meetings relating to the risk management updates, regulatory developments and compliance deficiencies identified (if any) within the Group. The Board focuses on the deficiencies reported, understands the root causes and directs the Management to take all steps necessary to correct the circumstances and conditions that caused the compliance deficiencies. This includes specific remediation plans and follow-up actions to ensure the deficiencies are addressed.</p> <p>Further details on the Risk Management and Internal Control Statement of the Company can be found in the Annual Report 2020 on pages 70 to 73.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Risk Management Committee, which comprises solely of Independent Directors, is primarily responsible for overseeing the risk management activities of the Company and the Group. The Committee has a broad mandate to ensure effective implementation of the objectives outlined in the Risk Management Framework approved by the Board and compliance with them throughout the Group. Such mandate includes overseeing effective communication and implementation of the Company's risk appetite and risk tolerance, overseeing the design and development of the Company's risk management framework, in particular, challenging the credibility and robustness of development processes and ensuring that there are no material gaps or weaknesses, and periodically reporting higher risk exposures to the Board.

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established an in-house Internal Audit function that reports directly to the Audit Committee.</p> <p>The Audit Committee:</p> <ul style="list-style-type: none"> <li>(a) reviews the adequacy of the scope, functions, frequency, competency and resources of the internal audit function, and that it has the necessary independence and authority to carry out its work, which should be performed professionally and with impartiality and proficiency;</li> <li>(b) reviews the internal audit annual plan, the results of the internal audit assessments, investigations undertaken, if any, and ensures that appropriate actions are taken on the recommendations of the internal audit function;</li> <li>(c) reviews the key audit reports and ensures that Senior Management takes necessary corrective actions in a timely manner to address control weaknesses, non-compliance with statutory and regulatory requirements, policies and other shortcomings identified by the internal audit and other control functions;</li> <li>(d) notes any significant disagreements between the Head of Group Internal Audit and the Senior Management team, irrespective of whether these have been resolved, and to identify and assess the impact and disagreements regarding the audit process or on the internal controls; and</li> <li>(e) establishes a mechanism to:             <ul style="list-style-type: none"> <li>(i) assess the performance and effectiveness of the internal audit function;</li> <li>(ii) review any appraisal or assessment of the performance of the Head of Group Internal Audit;</li> <li>(iii) approve any appointment or termination of senior staff members of the Group Internal Audit; and</li> <li>(iv) take cognisance of resignations of internal audit staff and provide the staff an opportunity to submit reasons for their resignation.</li> </ul> </li> </ul> <p>The Head of the Group Internal Audit holds informal meetings with the Audit Committee Chairman prior to Audit Committee meetings, to update the Audit Committee Chairman on developments and progress of plans actions and activities of the internal audit function.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group Internal Audit function is governed by the International Professional Practices Framework (“<b>IPPF</b>”) that organises authoritative guidance promulgated by The Institute of Internal Auditors (“<b>IIA</b>”), a global, guidance setting body. The IIA provides internal audit professionals worldwide with authoritative guidance organised in the IPPF.</p> <p>The Group has an in-house Internal Audit Department which is based in its subsidiary, Tune Insurance Malaysia Berhad. The Head of Group Internal Audit, Mr Suresh Maria Alexandar, is a Certified Internal Auditor and a Chartered Fellow Member of IIA Malaysia. There were six (6) full time employees in the internal audit function as at 31 December 2020, including the Head of Group Internal Audit.</p> <p>All Internal Audit personnel have declared that they have no conflict of interest and are free from any relationships that could impair their objectivity and independence vide the annual declaration on Conflict of Interest. The Internal Audit function also carried out its audit activities in accordance with the approved Internal Audit Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Tune Protect Group Berhad engages its stakeholders through various platforms, including in person, virtually or via teleconference and disclosure via the corporate website, through the Investor Relations ("IR") function.</p> <p>The corporate website (<b>tuneprotect.com</b>) houses the IR section, which consists of sub sections such as Corporate Governance, Financial Information, Reports &amp; Presentations and Investor Resources. Documents such as the Board Charter, relevant Group policies &amp; procedures and Terms of Reference for Board Committees which the Board of Directors has oversight to, can be found under the 'Corporate Governance' sub section.</p> <p>During the year, at every financial quarter, the Company conducted via teleconference, an analyst briefing to share the financial performance and initiative updates of the Group, as well as to address queries from analysts. In line with good corporate governance practice, the analyst briefings were held on the same day that the Board met and approved the financial statements and briefing materials. Briefing materials, which included the financial statements, analyst presentation, and press release, were circulated to analysts after the announcement on Bursa Malaysia, and prior to the teleconference. The materials were also made available immediately on the Company's IR website.</p> <p>In addition to regular dialogues and meetings, investors/analysts can contact the IR team at ir@tuneprotect.com or the IR contacts listed on the corporate website.</p> <p>The Board responds promptly to regulators and government bodies through face-to-face meetings, in writing or monthly reporting. Any queries addressed to the Board or its sub committees, have been attended to in a timely manner.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Tune Protect Group Berhad was not categorised as a large company by market capitalisation. Therefore, this Practice is not applicable to the Company.	
		The Company's Annual Reports have been prepared in accordance with the Main Market Listing Requirements by Bursa Malaysia. On Annual Report 2020, the Company has commenced the integrated reporting journey to provide more concise, connected and transparent reporting of the objectives and performance of the Company which was prepared in accordance with the International Integrated Reporting Council Framework.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Company recognises that the process to fully integrate the report is both continuous and dynamic. The Company shall continue to improve and progress to a fully integrated report in the near future.	
<b>Timeframe</b>	:	Others	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Notice convening the last AGM of the Company was issued on 25 June 2020 and the AGM was held on 4 August 2020. The Company dispatched the Notice of AGM to its shareholders at least 28 days prior to the AGM, in advance of the 21-day requirement under the Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All Directors attended the Ninth (“9 <sup>th</sup> ”) AGM of the Company held on 4 August 2020 to engage with shareholders.  The Group CEO, key Senior Management and external auditors also attended the 9 <sup>th</sup> AGM to take on and/or assist in replying to the shareholders’ queries.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's 9<sup>th</sup> AGM, which was convened on 4 August 2020, was held fully virtual with a broadcast venue arranged in accordance with Securities Commission's <i>Guidance and FAQs on the Conduct of General Meetings for Listed Issuers</i>.</p> <p>Shareholders participated remotely via live streaming and casted their votes remotely using Remote Participation and Voting ("<b>RPV</b>") facilities provided by the appointed Poll Administrator. The vote results were verified by the Independent Scrutineer. Administrative Guide of the 9<sup>th</sup> AGM was also provided to guide shareholders on the RPV procedures.</p> <p>Moving forward, the Company shall continue to leverage technology to enhance shareholders' engagement and participation in the general meetings of the Company.</p>
<b>Explanation for departure</b>	:	Please provide an explanation for the departure.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	



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

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

<b><u>BOARD OF DIRECTORS</u></b>	
<b>1. Composition</b>	
Name and designation of each Director	The profiles of the Directors are disclosed in the Annual Report 2020 on pages 47 to 49.  Any Directors' shareholdings in the Company can be found in the Annual Report 2020 on page 211.
Key personal details and background of each Director including relevant experience, any shareholding in the financial institution and external professional commitments	
Chairman and members of each Board Committee	Refer to <b>Appendix 1</b> .
The appointments, resignations, and removals of Directors during the financial year	Appointment : One (1) Director Resignation : None Removal : None Refer to <b>Appendix 1</b> for details.
Description of training and education provided to the Board	Refer to <b>Appendix 2</b> for training and education attended by the Directors.
Number of meetings convened by the Board and each Board Committee	Refer to <b>Appendix 1</b> .
<b>2. Function and Conduct</b>	
Roles and responsibilities of the Board and the Board Committees	Roles and Responsibilities of the Board and the Board Committees are set out in the Board Charter and the respective Board Committees' Terms of Reference, which are available on the corporate website at <b>tuneprotect.com</b> .
Attendance of each Director at Board and Board Committee meetings during the financial year	Refer to <b>Appendix 1</b> .
<b><u>INTERNAL CONTROL FRAMEWORK</u></b>	
<b>3. Overview</b>	
Main features of the internal control framework, and the nature and frequency of any review and assessment conducted on the internal control framework	The internal control framework addresses amongst others: <ul style="list-style-type: none"> <li>• Control Environment (tone at the top);</li> <li>• Risk Assessment (risk management);</li> <li>• Control Activities (policies and procedures); and</li> <li>• Information and Communication and Monitoring Activities.</li> </ul>

	<p>The objectives of this framework are:</p> <ul style="list-style-type: none"> <li>• To identify the elements that guide in the implementation and maintenance of internal control system;</li> <li>• To act as a drive towards effectiveness and efficiency of operations;</li> <li>• To address the reliability, adequacy and timeliness of management information;</li> <li>• To ensure that the Company activities are in compliance with all applicable laws and regulations, supervisory requirements and internal policies and procedures, in order to protect the Company's interest.</li> </ul> <p>It provides the basis for governance with existing internal policies and procedures as well as applicable laws, regulations and guidelines imposed by the regulatory and/or statutory bodies. The nature and frequency of the reviews are determined by several criteria, including the level of risks derived through the risk assessment exercise, issues raised by the regulators, external auditors and management requests (if any).</p>
<p>Key policies and procedures of the internal control framework, including any changes made to these policies and procedures during the financial year</p>	<p>Key elements of the internal control framework are embedded in the Group's policy and operationalised in the procedure and business process. Any changes made to the policies during the year are in line with the requirements of regulatory bodies and authorities to reflect the latest rulings/guidelines. The changes are made in accordance with the Group's policies and procedures on review and approval process.</p>

## **REMUNERATION**

### **4. Qualitative Disclosures**

<p>Information relating to the design and structure of the remuneration system, including–</p> <ul style="list-style-type: none"> <li>• an overview of the key features and objectives of the remuneration policy</li> <li>• a description of the scope of the remuneration policy (such as by regions or business lines), including the extent to which it is applicable to foreign subsidiaries and branches</li> <li>• a description of the types of officers considered as senior officers and as other material risk takers, including the number of officers in each group</li> <li>• an overview of the findings, recommendations and actions taken with respect to any review and assessment conducted on the remuneration system during the financial year</li> </ul>	<p>The disclosures can be found in the 'Remuneration' section of the Corporate Governance Overview Statement in the Annual Report 2020 on pages 60 to 63.</p>
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<ul style="list-style-type: none"> <li>• a discussion of measures taken to ensure that officers in control functions are compensated independently of the businesses they oversee</li> </ul>		
<p>Description of the ways in which current and future risks are taken into account in the remuneration system, including–</p> <ul style="list-style-type: none"> <li>• an overview of the key risks that the financial institution takes into account when implementing remuneration measures</li> <li>• an overview of the nature and type of the key measures used to take account of these risks, including risks that are difficult to measure (values need not be disclosed)</li> <li>• a discussion of the ways in which these measures affect remuneration</li> <li>• a discussion of how the nature and type of these measures have changed over the financial year, reasons for the changes, and the impact of these changes on remuneration</li> </ul>		
<p>Description of the ways in which the financial institution seeks to link performance during a performance measurement period with levels of remuneration, including–</p> <ul style="list-style-type: none"> <li>• an overview of the main performance metrics for the financial institution, top-level business lines and officers</li> <li>• a discussion of how amounts of individual remuneration are linked to institution-wide and individual performance</li> <li>• a discussion of the measures that will be taken to adjust remuneration in the event that performance metrics are weak, including the financial institution’s criteria for determining “weak” performance metrics</li> </ul>		
<p>Description of the ways in which the financial institution seeks to adjust remuneration to take account of longer-term performance, including–</p> <ul style="list-style-type: none"> <li>• a discussion of the financial institution’s policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across officers or groups of officers, a description of the factors that determine the fraction and their relative importance</li> <li>• a discussion of the financial institution’s policy and criteria for adjusting deferred remuneration before vesting and after vesting through clawback arrangements</li> </ul>		
<p>Description of the different forms of variable remuneration that the financial institution utilises and the rationale for using these different forms, including–</p> <ul style="list-style-type: none"> <li>• an overview of the forms of variable remuneration offered (such as cash, shares and share-linked instruments)</li> <li>• a discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration</li> </ul>		

differs across officers or groups of officers), a description the factors that determine the mix and their relative importance	
<b>5. Quantitative Disclosures</b>	
<p>Breakdown of the total amount of remuneration awards for the CEO and Directors for the financial year, disclosed individually for the CEO and each director, to show–</p> <ul style="list-style-type: none"> <li>• fixed and variable remuneration</li> <li>• deferred and non-deferred remuneration</li> <li>• the different forms of remuneration used (such as cash, shares and share–linked instruments)</li> </ul>	Refer to <b>Appendix 3</b> for the total amount of remuneration awarded for each Director and CEO for the financial year ended 31 December 2020.
<p>Remuneration information in two broad categories, namely in respect of Senior Management and other material risk takers, as follows:</p> <ul style="list-style-type: none"> <li>• breakdown of the total amount of remuneration awards for the financial year as exemplified in Table A, to show– <ul style="list-style-type: none"> <li>- fixed and variable remuneration</li> <li>- deferred and non-deferred remuneration</li> <li>- the different forms of remuneration used (such as cash, shares and share-linked instruments)</li> </ul> </li> <li>• number of officers having received a variable remuneration during the financial year</li> <li>• number and total amount of guaranteed bonuses awarded during the financial year</li> <li>• number and total amount of sign-on awards made during the financial year</li> <li>• number and total amount of severance payments made during the financial year</li> <li>• total amount of outstanding deferred remuneration, split into cash, shares, share-linked instruments and other forms</li> <li>• total amount of deferred remuneration paid out during the financial year</li> <li>• the officers’ exposure to implicit (such as fluctuations in the value of shares or performance units) and explicit adjustments (such as malus, clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration, including– <ul style="list-style-type: none"> <li>- total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and implicit adjustments</li> <li>- total amount of reductions during the financial year due to ex-post explicit adjustments</li> <li>- total amount of reductions during the financial year due to ex-post implicit adjustments</li> </ul> </li> </ul>	Refer to <b>Appendix 3</b> for the total amount of remuneration awarded for Senior Management for the financial year ended 31 December 2020.

**APPENDIX 1: Chairman and members of Board and the Board Committees, meeting attendance, number of meeting convened during the financial year ended 31 December 2020.**

**i. BOARD OF DIRECTORS**

Members	Designation	Meeting Held	Attendance
Ng Soon Lai @ Ng Siek Chuan	Chairman	10	10
Tan Ming-Li	Member	10	10
Mohamed Rashdi bin Mohamed Ghazalli	Member	10	10
Aireen Omar	Member	10	10
Kelvin Desmond Malayapillay	Member <sup>1</sup>	9	9

Note:

(1) Appointed on 28 February 2020.

There were ten (10) Board meetings held during the financial year ended 31 December 2020, two (2) of which were adjourned meetings.

**ii. AUDIT COMMITTEE**

Members	Designation	Meeting Held	Attendance
Mohamed Rashdi bin Mohamed Ghazalli	Chairman	6	6
Ng Soon Lai @ Ng Siek Chuan	Member	6	6
Tan Ming-Li	Member	6	6
Kelvin Desmond Malayapillay	Member <sup>1</sup>	5	5

Note:

(1) Appointed on 28 February 2020.

There were six (6) Audit Committee meetings held during the financial year ended 31 December 2020, one (1) of which was an adjourned meeting.

**iii. RISK MANAGEMENT COMMITTEE**

Members	Designation	Meeting Held	Attendance
Kelvin Desmond Malayapillay	Chairman <sup>1</sup>	4	4
Mohamed Rashdi bin Mohamed Ghazalli	Member <sup>2</sup>	5	5
Ng Soon Lai @ Ng Siek Chuan	Member	5	5
Tan Ming-Li	Member	5	5

Notes:

(1) Appointed as member on 28 February 2020 and as Chairman on 1 June 2020.

(2) Relinquished as Chairman and remained as member with effect from 1 June 2020.

There were five (5) Risk Management Committee meetings held during the financial year ended 31 December 2020.

**iv. NOMINATION COMMITTEE**

Members	Designation	Meeting Held	Attendance
Tan Ming-Li	Chairman	4	4
Ng Soon Lai @ Ng Siek Chuan	Member	4	4
Mohamed Rashdi bin Mohamed Ghazalli	Member	4	4

There were four (4) Nomination Committee meetings held during the financial year ended 31 December 2020.

**v. REMUNERATION COMMITTEE**

Members	Designation	Meeting Held	Attendance
Tan Ming-Li	Chairman	3	3
Ng Soon Lai @ Ng Siek Chuan	Member	3	3
Mohamed Rashdi bin Mohamed Ghazalli	Member	3	3

There were three (3) Remuneration Committee meetings held during the financial year ended 31 December 2020, one (1) of which was an adjourned meeting.

**APPENDIX 2: Training Programme**

Directors	Training Programme Attended
Ng Soon Lai @ Ng Siek Chuan	<ul style="list-style-type: none"> <li>The Iclif Executive Education Center: FIDE Elective Understanding the Evolving Cybersecurity Landscape</li> <li>The Iclif Executive Education Center: Raising Defenses: Section 17A, MACC Act</li> <li>Ernst &amp; Young: IFRS 17 for Directors – What You Need to Know</li> <li>Wong &amp; Partners: Corporate Liability under Malaysian Anti Corruption Laws</li> </ul>
Tan Ming-Li	<ul style="list-style-type: none"> <li>FIDE FORUM Webinar: Covid-19 and Current Economic Reality: Implications for Financial Stability</li> <li>FIDE FORUM Webinar: Outthink the Competition: Excelling in a Post Covid-19 World</li> <li>Wong &amp; Partners: Corporate Liability under Malaysian Anti Corruption Laws</li> </ul>
Mohamed Rashdi bin Mohamed Ghazalli	<ul style="list-style-type: none"> <li>PwC Webinar: Cyber and Economic Crime: Fraudsters and Cyber Criminals</li> <li>PwC Webinar: Governance and Risk: an Uncertain World</li> <li>Wong &amp; Partners: Corporate Liability under Malaysian Anti Corruption Laws</li> <li>CIMB The Cooler Earth Webinar: Regulation and Board Intervention</li> <li>FIDE FORUM Webinar: Climate Action: The Board's Leadership in Greening the Financial Sector</li> <li>FIDE FORUM Webinar: Green Fintech: Ping An's Use of Technology to Support Green Finance Objectives</li> </ul>
Aireen Omar <sup>1</sup>	<ul style="list-style-type: none"> <li>The Iclif Executive Education Center: Mandatory Accreditation Programme for Directors of Public Listed Companies</li> <li>Wong &amp; Partners: Corporate Liability under Malaysian Anti Corruption Laws</li> </ul>
Kelvin Desmond Malayapillay <sup>2</sup>	<ul style="list-style-type: none"> <li>The Iclif Executive Education Center: Mandatory Accreditation Programme for Directors of Public Listed Companies</li> <li>Wong &amp; Partners: Corporate Liability under Malaysian Anti Corruption Laws</li> </ul>

In addition, the Board was updated by the Company Secretary on changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and relevant guidelines on the regulatory and statutory requirements. The external auditors also updated the Audit Committee members on significant changes in the financial reporting standards as well as tax matters.

### APPENDIX 3: Remuneration

#### A. Remuneration award for each Director from the Group

##### i. Ng Soon Lai @ Ng Siek Chuan

Total value of remuneration awards for the financial year	Unrestricted (RM'000)	Deferred (RM'000)
<b>Fixed remuneration</b>		
Cash-based	282	-
Shares and share-linked instruments	-	-
Other	-	-
<b>Variable remuneration</b>		
Cash-based	-	-
Shares and share-linked instruments	-	-
Other	-	-

##### ii. Tan Ming-Li

Total value of remuneration awards for the financial year	Unrestricted (RM'000)	Deferred (RM'000)
<b>Fixed remuneration</b>		
Cash-based	216	-
Shares and share-linked instruments	-	-
Other	-	-
<b>Variable remuneration</b>		
Cash-based	-	-
Shares and share-linked instruments	-	-
Other	-	-

##### iii. Mohamed Rashdi bin Mohamed Ghazali

Total value of remuneration awards for the financial year	Unrestricted (RM'000)	Deferred (RM'000)
<b>Fixed remuneration</b>		
Cash-based	267	-
Shares and share-linked instruments	-	-
Other	-	-
<b>Variable remuneration</b>		
Cash-based	-	-
Shares and share-linked instruments	-	-
Other	-	-

##### iv. Aireen Omar

Total value of remuneration awards for the financial year	Unrestricted (RM'000)	Deferred (RM'000)
<b>Fixed remuneration</b>		
Cash-based	151	-
Shares and share-linked instruments	-	-
Other	-	-

<b>Variable remuneration</b>		
Cash-based	-	-
Shares and share-linked instruments	-	-
Other	-	-

**v. Kelvin Desmond Malayapillay**

<b>Total value of remuneration awards for the financial year</b>	<b>Unrestricted (RM'000)</b>	<b>Deferred (RM'000)</b>
<b>Fixed remuneration</b>		
Cash-based	152	-
Shares and share-linked instruments	-	-
Other	-	-
<b>Variable remuneration</b>		
Cash-based	-	-
Shares and share-linked instruments	-	-
Other	-	-

**B. Remuneration awards for Group CEO**

**i. Khoo Ai Lin\***

<b>Total value of remuneration awards for the financial year</b>	<b>Unrestricted (RM'000)</b>	<b>Deferred (RM'000)</b>
<b>Fixed remuneration</b>		
Cash-based	982	-
Shares and share-linked instruments	-	-
Other	98	-
<b>Variable remuneration</b>		
Cash-based	1407	-
Shares and share-linked instruments	-	-
Other	19	-

- Resigned as Group CEO of the Company on 31 July 2020 and as Director of Tune Insurance Malaysia Berhad on 30 July 2020.

**ii. Rohit Chandrasekharan Nambiar\***

<b>Total value of remuneration awards for the financial year</b>	<b>Unrestricted (RM'000)</b>	<b>Deferred (RM'000)</b>
<b>Fixed remuneration</b>		
Cash-based	231	-
Shares and share-linked instruments	-	-
Other	28	-
<b>Variable remuneration</b>		
Cash-based	0	-
Shares and share-linked instruments	-	-
Other	19	-

- \* Joined as Group CEO of the Company with effect from 14 October 2020 and appointed as Executive Director of Tune Insurance Malaysia Berhad with effect from 19 February 2021.

**C. Remuneration awards for Senior Management**

<b>Total Value of remuneration awards for the financial year</b>	<b>Unrestricted RM'000</b>	<b>Deferred RM'000</b>
<b>Fixed remuneration</b>		
• Cash-based	4,240	-



<ul style="list-style-type: none"> <li>• Shares and share-linked instruments</li> <li>• Other</li> </ul>	<p>-</p> <p>429</p>	<p>-</p> <p>-</p>
<b>Variable remuneration</b>		
<ul style="list-style-type: none"> <li>• Cash-based</li> <li>• Shares and share-linked instruments</li> <li>• Other</li> </ul>	<p>358</p> <p>-</p> <p>29</p>	<p>130</p> <p>-</p> <p>5</p>