

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6599
COMPANY NAME : AEON CO. (M) BHD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible in setting the strategic directions and oversee the overall corporate strategies, key policies, management and financial matters of the Company. The Board also ensures the Company and its businesses are managed in compliance with relevant regulatory requirements, standards, policies and guidelines applicable to the Company.</p> <p>The Board delegates the implementation of its strategies to the Company's Management. However, the Board remains ultimately responsible for corporate governance and the affairs of the Company.</p> <p>The Board also ensures that resources are in place for the Company to meet its objectives as well as strategies are aligned to the interests of shareholders and other stakeholders.</p> <p>The Board provides oversight on matters delegated to the Management. The Company adopts a Financial Authority Approving Limit (FAAL) approved by the Board which the Management has to adhere to in carrying out its day-to-day operations.</p> <p>The Board meets at least four (4) times a year, at quarterly intervals, to review the performance, strategies and operations of the Company, with additional meetings to be convened as and when necessary.</p> <p>The roles and responsibilities of the Board and matters reserved for the Board are clearly defined in the Board Charter.</p> <p>While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide it with recommendations and advices:</p> <ul style="list-style-type: none">• Nomination and Remuneration Committee (NRC); and

	<ul style="list-style-type: none"> • Audit Committee (AC); and • Sustainability and Risk Management Committee (SRMC) <p>The Board Committees' roles and responsibilities in discharging its functions are set out in the Terms of Reference of each Committees.</p> <p>The Board provides leadership within a framework of prudent and effective controls which enable risk to be appropriately assessed and managed. The Board sets the Company's values and standards and believes that effective corporate governance is based on honesty, integrity and transparency.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman is responsible for instilling leadership, effectiveness, conducts and governance practice of the Company.</p> <p>Datuk Iskandar Sarudin is the Independent Non-Executive Chairman of the Board. He provides strong leadership and is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. He also actively seeks opinions of the Board members and allow dissenting view to be freely expressed during the Board Meetings.</p> <p>The roles and responsibilities of the Chairman of the Board is specified in the Company's Board Charter, which is available online on the Company's website at https://aeongroupmalaysia.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of the Chairman and the Managing Director (MD) are distinct and separate to create accountability and facilitate clear division of responsibilities to ensure that there is a balance of power and authority in the Company.</p> <p>The Chairman, Datuk Iskandar Sarudin, provides strong leadership to the Board in its cohesive oversight of Management while both the previous MD, Mr. Keiji Ono (who resigned on 29 February 2024) and current MD, Mr. Naoya Okada (who is appointed on 1 March 2024) are responsible for the running of the Company's operations and implementation of Board's policies and decisions. The respective roles and responsibilities of the Chairman and the MD are clearly articulated in the Board Charter, which is available on the Company's website at https://aeongroupmalaysia.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board, Datuk Iskandar Sarudin is not a member of the AC and NRC. He does not attend nor participate in any meeting of AC and NRC by way of invitation or in any other capacity. The Board Charter and Terms of Reference of the AC and NRC clearly stipulate that the Chairman of the Board shall not be a member of the AC and NRC.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries, Ms Tai Yit Chan and Ms Tan Ai Ning, both from Boardroom Corporate Services Sdn. Bhd, are fellow members of MAICSA and have more than 20 years of experience as Company Secretaries.</p> <p>The Directors have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are professionally qualified, experienced and knowledgeable on new or revised regulatory requirements as well as corporate governance best practice. In this respect, the Company Secretaries play an advisory role to the Board, particularly with regards to the Company's Memorandum and Articles of Association, Board policies and procedures, and its compliance with regulatory requirements as well as adoption of corporate governance best practices. The roles and responsibilities of the Company Secretary are specified in the Board Charter, which is available on the Company's website at https://aeongroupmalaysia.com.</p>
Explanation for departure	:	
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Timeframe	:	

Intended Outcome

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

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>Directors are furnished with the agenda of meetings together with a due notice, Board or Board Committees papers and reports at least five (5) business days prior to the Board and Board Committees meetings. This is to allow Directors with sufficient time to review and to facilitate a full and effective discussions during the meeting. Exceptions may be made for certain ad hoc or urgent instances when Directors unanimously consent to short notice.</p> <p>All Board Committee meetings are held separately from the main Board meeting, which enable objective and independent discussion during the meeting. The Chairman of the Board Committee will then report significant matters discussed during the Board Committee meetings to the Board during the main Board meeting.</p> <p>The Board or Board Committees papers are prepared by the Management to provide accurate and quality information or updates on financial, operational and legal related matters that enable informed decision making to be performed smoothly at the meeting.</p> <p>Upon conclusion of the meeting, the minutes of meeting are circulated in a timely manner to all Directors to allow Directors to review and make corrections to the minutes. This is to ensure that the minutes of meeting prepared by the Company Secretaries accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter.</p> <p>Any matters arising from the meeting including suggestion and request by the Board and Board Committee's members are communicated to the Management. In subsequent meetings, the Board and Board Committee will follow up on any matters arising until the resolution of the matter.</p> <p>Besides direct access to the Management, the Directors, either as a group or individually, may upon obtaining prior Board's approval, seek independent advice, where necessary, at the Company's expense on any matters in relation to discharging their duties.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Board Charter which clearly sets out the roles, functions, composition and operation of the Board, having regard to the principles of good corporate governance and requirements of Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities).</p> <p>The Board Charter further defines matters that are reserved for the Board as well as the roles and responsibilities of the Chairman and the MD. Key matters, among others, reserved for the Board include:</p> <ul style="list-style-type: none">• Approval of corporate strategic plans and capital budgets,• Approval of material acquisitions and disposals of undertakings and properties,• Review and approve quarterly and annual financial statements, and• Review and approve Financial Authority Approving Limit (FAAL) <p>On 24 November 2023, Encik Hisham Zainal Mokhtar has been appointed as Senior Independent Non-Executive Director in replacement of Encik Abdul Rahim Abdul Hamid who has retired as an Independent Non-Executive Director of the Company on 17 May 2023. The Senior Independent Non-Executive Director is a person to whom concerns on matters relating to corporate governance of the Company can be conveyed.</p> <p>The Board Charter will be regularly reviewed and updated in line with the needs of the Company and any new / revised regulations that may have an impact on the discharge of the Board's duties. The Board Charter is available on the Company's website at https://aeongroupmalaysia.com.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adopts the AEON Code of Conduct (ACOC) which was established by AEON Co., Ltd. in Japan to support the Company's objectives, vision and values. The basic principles have been carried out by having appropriate regard to the interests of the Company's customers, shareholders, people, business partners and the broader community in which the Company operates.</p> <p>All employees are briefed and provided with a copy of the ACOC on the commencement of their employment. Employees are also being constantly made aware of the principles of ACOC through citation in staff assemblies. The ACOC is available on the Company's website at https://aeongroupmalaysia.com.</p> <p>In addition, the Company has also established the Anti-Bribery and Corruption Policy in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2018 with effect from 1 June 2020. The Anti-Bribery and Corruption Policy is available on the Company's website at https://aeongroupmalaysia.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established a Whistleblowing Policy and Procedures that was reviewed and approved by the Board on 22 February 2023.</p> <p>The Company is committed to the highest standard of integrity, openness and accountability in the conduct of its business and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner. Recognising these values, the Company provides avenue for all employees and members of the public to disclose any improper conduct or irregularities within the Company, such as conflicts of interest, abuse of power, corruption, insider trading and money laundering, with assurance that they will be protected from possible reprisals or victimisation.</p> <p>The Whistleblowing Policy and Procedures is available on the Company’s website at https://aeongroupmalaysia.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a multifaceted approach towards sustainability by aligning itself to the United Nations Sustainable Development Goals, which have been aligned to AEON Basic Principles that focus on three key thrusts of Peace, People and Community with CUSTOMER as the central core.</p> <p>The Board is responsible for AEON's overall sustainability strategy and performance while the SRMC advises the Board on the implementation and integration of sustainability risks, policies, practices and goals.</p> <p>The SRMC was established in 18 May 2023 to provide sustainability and climate risk strategy, aligned to AEON's strategic business objectives. The SRMC is chaired by Ms Chong Swee Ying and supported by the Sustainability Steering Committee (SSC), whose role is to oversee the implementation of sustainability strategy and performance.</p> <p>Chaired by the Deputy Managing Director and with the participation from AEON Leadership Council members, the Sustainability Steering Committee (SSC) oversees the implementation of sustainability strategy and performance. The SSC is supported by the Sustainability Task Force (STF) whose role is to manage the overall sustainability performance, drive initiatives throughout the Company as well as monitor its progress and targets.</p> <p>The Company had also adopted a Sustainability Policy and the AEON Sustainability Charter (ASC) in 2022 as a blueprint for the Company's key engagement area, which highlights the Company's sustainability principles and key initiatives for the coming years.</p>
Explanation for departure	:	

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

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Guided by the AEON Sustainability Charter, AEON’s sustainability strategies, priorities and targets have been incorporated into the strategic plan of the Company and is communicated to the employees. The employees are made aware that sustainability will be the value driver of the Company and forms part of the Company’s business model.</p> <p>The detailed narrative as well as specific disclosures on strategies, priorities and achievements on how the company has continued to make progress on its journey of sustainability are communicated to external stakeholders through its Sustainability Statement, which are set out in our Integrated Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is updated through the SRMC on the sustainability issues relevant to the Company and the sustainability effort undertaken by the Company, which are categorised based on the Environmental, Social, and Governance criteria.</p> <p>The Board also understands the importance of the Company in playing its role in the community and fulfilling its corporate social responsibility.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Questions relating to the Environmental, Social and Governance (ESG) issues and sustainability had been included in the Board Evaluation questionnaire.</p> <p>The Board is responsible for monitoring the development of the ESG strategies, as well as associated goals and metrics, including the identification and integration of non-financial KPIs. KPIs in relation to ESG had also been embedded in the corporate scorecard.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The SRMC was established in 18 May 2023 to provide sustainability and climate risk strategy, aligned to AEON's strategic business objectives. The SRMC is chaired by Ms Chong Swee Ying and supported by the SSC.</p> <p>Led by the Deputy Managing Director and with the participation from AEON Leadership Council members, the Sustainability Steering Committee (SSC) oversees the implementation of sustainability strategy and performance. The SSC is supported by the Sustainability Task Force (STF) whose role is to manage the overall sustainability performance, drive initiatives throughout the Company as well as monitor its progress and targets.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NRC had reviewed and evaluated the effectiveness of the Board as a whole based on the summary of results from the evaluation completed by the Directors and was satisfied that the Directors have discharged their responsibilities in a commendable manner.</p> <p>The NRC was also of the view that all the Directors have contributed to robust deliberation and decision making during the Board and Board Committees meetings. The NRC had proposed for the re-election of all the retiring Directors to the Board for recommendation to the shareholders’ approval at the 39th Annual General Meeting of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2023, the Board consist of 11 Directors, six of which are Independent Non-Executive Directors (INEDs), which constitute more than half of the Board. Subsequent to the resignation of Mr Keiji Ono as Executive Director and MD on 29 February 2024, the total number of Board member is 10, of which six are INEDs. Mr Naoya Okada was appointed as the MD on 1 March 2024. All the INEDs have satisfied the independence criteria as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The INEDs are able to demonstrate their independent judgement and objectivity during the decision-making process of the Board and acts in the best interest of the Company and its stakeholders.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied													
Explanation on application of the practice	:	During the 38 th AGM, Dato' Tunku Putra Badlishah Ibni Tunku Annuar, Datuk Syed Ahmad Helmy Syed and Encik Abdul Rahim Abdul Hamid Ahmad who had exceeded a cumulative term limit of nine (9) years, had expressed their intention for not seeking for re-election. Subsequently, they had retired at the conclusion of the 38 th AGM. Currently, all independent directors does not exceed cumulative term of nine years.													
		<table border="1"><thead><tr><th>Years of service</th><th>< 1 year</th><th>1 - < 5 years</th><th>5 - < 9 years</th><th>9 years</th></tr></thead><tbody><tr><td>No. of Directors</td><td>3</td><td>2</td><td>1</td><td>-</td></tr></tbody></table>	Years of service	< 1 year	1 - < 5 years	5 - < 9 years	9 years	No. of Directors	3	2	1	-			
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Explanation for departure	:														
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Measure	:														
Timeframe	:														

Intended Outcome

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

Practice 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

Application :	Applied																																																																			
Explanation on application of the practice :	<p>The Board has adopted a formal policy on diversity of the Company by taking into consideration a range of different skills, age, gender, ethnicity, backgrounds and experiences (including international experience) represented among its Directors, Senior Management, officers and staff as the Board is aware that it is important in ensuring robust decision-making processes with a diversified viewpoint and the effective governance of the Company. The Diversity Policy is available on the Company's website at https://aeongroupmalaysia.com.</p> <p>The Company has restricted any person who is or becomes an active politician to be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.</p> <p>The diversity composition for AEON are as follows:</p> <table border="1"> <thead> <tr> <th colspan="5">Race/Ethnicity</th> <th colspan="2">Nationality</th> </tr> <tr> <th>No. of Directors</th> <th>Bumiputera</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> <th>Malaysian</th> <th>Foreigner</th> </tr> </thead> <tbody> <tr> <td></td> <td>5</td> <td>2</td> <td>-</td> <td>3</td> <td>7</td> <td>3</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th>No. of Directors</th> <th>40 - 49</th> <th>50 – 59</th> <th>60 - 69</th> <th>70 -79</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td></td> <td>1</td> <td>7</td> <td>2</td> <td>-</td> <td>6</td> <td>4</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="5">Race/Ethnicity</th> <th colspan="2">Nationality</th> </tr> <tr> <th>No. of AEON Leadership Council</th> <th>Bumiputera</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> <th>Malaysian</th> <th>Foreigner</th> </tr> </thead> <tbody> <tr> <td></td> <td>2</td> <td>4</td> <td>-</td> <td>3</td> <td>6</td> <td>3</td> </tr> </tbody> </table>						Race/Ethnicity					Nationality		No. of Directors	Bumiputera	Chinese	Indian	Others	Malaysian	Foreigner		5	2	-	3	7	3	Age Group				Gender		No. of Directors	40 - 49	50 – 59	60 - 69	70 -79	Male	Female		1	7	2	-	6	4	Race/Ethnicity					Nationality		No. of AEON Leadership Council	Bumiputera	Chinese	Indian	Others	Malaysian	Foreigner		2	4	-	3	6	3
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No. of AEON Leadership Council	Bumiputera	Chinese	Indian	Others	Malaysian	Foreigner																																																														
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	<p>Skill and Experience of Directors:</p> <table border="1" data-bbox="432 226 1390 618"> <thead> <tr> <th data-bbox="432 226 914 271">Industry Experience</th> <th data-bbox="914 226 1390 271">Functional Experience</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 271 914 618"> <ul style="list-style-type: none"> ➤ Retail & Consumer goods ➤ Public Services/Government Relations ➤ Property Management & Construction ➤ Plantation ➤ Corporate Financing ➤ Banking ➤ Healthcare </td> <td data-bbox="914 271 1390 618"> <ul style="list-style-type: none"> ➤ Strategy ➤ Legal / Regulatory ➤ Audit & Accounting ➤ General Management ➤ Sales & Marketing ➤ Human capital ➤ Investment ➤ Sustainability </td> </tr> </tbody> </table> <p>Board members will declare their directorship in both listed and non-listed companies twice per year through a declaration form. No Director of the Company holds more than five (5) directorships in public listed companies.</p>		Industry Experience	Functional Experience	<ul style="list-style-type: none"> ➤ Retail & Consumer goods ➤ Public Services/Government Relations ➤ Property Management & Construction ➤ Plantation ➤ Corporate Financing ➤ Banking ➤ Healthcare 	<ul style="list-style-type: none"> ➤ Strategy ➤ Legal / Regulatory ➤ Audit & Accounting ➤ General Management ➤ Sales & Marketing ➤ Human capital ➤ Investment ➤ Sustainability
Industry Experience	Functional Experience					
<ul style="list-style-type: none"> ➤ Retail & Consumer goods ➤ Public Services/Government Relations ➤ Property Management & Construction ➤ Plantation ➤ Corporate Financing ➤ Banking ➤ Healthcare 	<ul style="list-style-type: none"> ➤ Strategy ➤ Legal / Regulatory ➤ Audit & Accounting ➤ General Management ➤ Sales & Marketing ➤ Human capital ➤ Investment ➤ Sustainability 					
<p>Explanation : for departure</p>						
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>						
<p>Measure :</p>						
<p>Timeframe :</p>						

Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company utilises independent sources (e.g. directors' registry, advertisement or recruitment agency) to identify qualified candidates in addition to the recommendation from the Directors, Management or Shareholders of the Company for its assessment before recommending to the Board based on criteria set.</p> <p>The NRC is responsible for making recommendations to the Board on the most appropriate Board size and composition. This responsibility includes making recommendations on the desirable competencies, experience and attributes of the Board members and strategies to address Board diversity. The NRC develops certain criteria used in the recruitment process based on annual assessment of Directors. In evaluating the suitability of candidates, the NRC considers the following factors before recommending to the Board for appointment:</p> <ul style="list-style-type: none">• skills, knowledge, expertise and experience;• professionalism and integrity;• commitment (including time commitment) and contribution;• background, character and competence;• fit and proper criteria;• boardroom diversity; and• in the case of candidates for the position of Independent Non-Executive Directors, the NRC also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. <p>The NRC will arrange for the induction for any new appointment such as visits to the Company's significant businesses and meetings with Senior Management personnel, as appropriate, to enable the new appointee to have full understanding of the nature of the business, current issues within the Company and corporate strategies as well as the structure and management of the Company.</p>

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

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The profiles of the Board, including their professional qualifications, work experiences and interest in the Company (if any) are set out on pages 94 to 99 of the Integrated Annual Report 2023 for shareholders' purview. The Board has recommended the re-election of all Directors for shareholders' approval at the forthcoming 39 th Annual General Meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NRC is chaired by Independent Non-Executive Director, Puan Zaida Khalida Shaari.</p> <p>The Terms of Reference of the NRC is available on the Company's website at www.aeongroupmalaysia.com</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the benefit for having gender diversity and values the different perspectives from women Director during discussions or meetings and acknowledges that appointment of Director should be based on merit and with due regard to the candidate’s background, experience, and competency so that an appointment would add value to the Board and the Company.</p> <p>There is currently four women Directors sitting in the Board, representing 40% of total Board composition.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has a Diversity Policy which sets out to promote diversity and manage diversity, including gender, on the Board of Directors, Management and workforce of AEON and is currently published on the AEON's website at https://aeongroupmalaysia.com .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board has adopted a formal and objective annual evaluation of the Board as a whole, Board Committees, succession plan, Board diversity, Directors' performance, training courses for Directors and other qualities of the Board, including core competencies which Directors should bring to the Board. The assessment took into account the contribution and performance of the Directors in relation to their competencies, time commitment, and experience in meeting the needs of the Company.</p> <p>The evaluation process for financial year 2023 was conducted based on a self-review assessment questionnaire whereby the Directors assessed themselves and also the Board as a whole as well as the performance of the Board Committees. The results of the assessment and comments by Directors are summarised and discussed at the NRC meeting and reported to the Board at the Board Meeting by the Chairman of the NRC. All assessments and evaluations carried out by the NRC in the discharge of its functions are properly documented.</p> <p>Based on the assessment, the NRC was satisfied that the Board size and its composition are optimum as the Board comprises individuals with the required mix of skills, knowledge, experience, characteristics and competencies that enable the Board to effectively discharge its roles. The Directors, Board Committees and key officers had also discharged their responsibilities in a commendable manner and contributed to the overall effectiveness of the Board and Company. The Directors had also committed the time necessary to responsibly fulfil their commitment to the Company during the year under review.</p> <p>The Board engages the Company Secretaries who are from an independent external secretarial firm to facilitate the Board evaluation via evaluation forms and informal discussion with the Directors.</p>

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

Intended Outcome

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

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

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The NRC has established sets of policy, framework and reviewed the remuneration of Directors and/or Senior Management which is linked to strategy and/or performance or long-term objectives of the Company to ensure that the Company is able to attract and retain capable Directors and/or Senior Management. The Remuneration Policy is published on the Company's website at https://aeongroupmalaysia.com .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a NRC to implement its policies and procedures on remuneration of Directors and/or Senior Management. The NRC comprises of a majority Independent Non-Executive Directors and is chaired by Puan Zaida Khalida Shaari.</p> <p>The NRC reviews and recommends the remuneration of the MD and Executive Directors of the Company for the Board's approval pursuant to the Terms of Reference of the NRC. The Directors' fees and benefits payable to Directors have also been reviewed and recommended by the NRC to the Board to seek shareholders' approval at the Company's forthcoming AGM pursuant to the Articles of Association of the Company. No Director is involved in deciding his own remuneration.</p> <p>The Terms of Reference of the NRC can be viewed on the Company's website at https://aeongroupmalaysia.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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 Board ensures that information relating to Directors' remuneration is made transparent to all shareholders. The details of Directors' remuneration on named basis are disclosed as follows:-

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Iskandar Sarudin	Independent Director	200,000	9,000	-	-	9,250	60,180	278,430	-	-	-	-	-	-	-
2	Mr. Naoya Okada	Executive Director	-	-	420,030	114,669	91,700	36,080	662,479	-	-	-	-	-	-	-
3	Mr. Tsugutoshi Seko	Executive Director	-	-	377,294	114,669	66,300	90	558,353	-	-	-	-	-	-	-
4	Puan Zaida Khalida Shaari	Independent Director	142,753	15,000	-	-	-	-	157,753	-	-	-	-	-	-	-
5	Encik Hisham Zainal Mokhtar	Independent Director	142,753	13,000	-	-	-	-	155,753	-	-	-	-	-	-	-
6	Dato' Merina Abu Tahir (Appointed on 18 May 2023)	Independent Director	87,452	7,000	-	-	-	-	94,452	-	-	-	-	-	-	-
7	Encik Mohamad Abdul Naser Md Jaafar @ Yunus (Appointed on 18 May 2023)	Independent Director	87,452	7,000	-	-	-	-	94,452	-	-	-	-	-	-	-
8	Ms. Jenifer Thien Bit Leong (Appointed on 18 May 2023)	Independent Director	87,452	6,000	-	-	-	-	93,452	-	-	-	-	-	-	-
9	Ms. Chong Swee Ying	Non-Executive Non-Independent Director	140,616	15,000	-	-	-	180	155,796	-	-	-	-	-	-	-
10	Mr. Hiroaki Egawa	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Datuk Syed Ahmad Helmy Syed Ahmad (Retired on 17 May 2023)	Independent Director	52,548	9,000	-	-	-	180	61,728	-	-	-	-	-	-	-
12	Dato' Tunku Putra Badlishah Ibni Tunku Annuar (Retired on 17 May 2023)	Independent Director	54,164	10,000	-	-	-	180	64,344	-	-	-	-	-	-	-
13	Encik Abdul Rahim Abdul Hamid (Retired on 17 May 2023)	Independent Director	54,164	11,000	-	-	-	180	65,344	-	-	-	-	-	-	-
14	Mr. Keiji Ono	Executive Director	-	-	366,370	104,720	66,300	7,280	544,670	-	-	-	-	-	-	-

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the view that disclosure of top five Senior Management's remuneration on named basis would not be in the Company's best interest due to confidentiality concerns. Nevertheless, the detailed remuneration of top two Senior Management who are the MD and Executive Directors are disclosed in this CG Report under Practice 8.1.</p> <p>The Board will closely monitor developments in the market and review the appropriateness of such disclosure in future.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	<p>The Board wishes to give assurance that the remuneration of Senior Management commensurate with their individual performance, taking into consideration of Company's performance. The remuneration packages of Senior Management are based on experience, expertise, and skills. The Board opines that the current remuneration package is competitive to attract, retain and motivate its Senior Management to lead and operate the Company successfully.</p> <p>The Board will continuously review this practice and the appropriateness of such disclosures.</p>
Timeframe	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the AC and the Chairman of the Board is not assumed by the same person. The Chairman of the Board is Datuk Iskandar Sarudin whilst the Chairman of AC is Encik Hisham Zainal Mokhtar, a Senior Independent Non-Executive Director. His profile is set out on page 96 of the Integrated Annual Report 2023.</p> <p>The composition of the AC, including its roles and responsibilities, number of meetings and attendance of AC and summary of AC's activities during the financial year under review are set out on pages 118, 122 to 125 of the Integrated Annual Report 2023.</p> <p>The Terms of Reference of the AC can be viewed on the Company's website at https://aeongroupmalaysia.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	None of the members of the AC are former key audit partners and employees of External Auditors of the Company for the three (3) years preceding to their appointment to the AC. The requirement for a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC is clearly stated in the AC’s Terms of Reference. This is to ensure that the objectivity, independence and effectiveness of the External Auditors are not influenced by the AC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is entrusted to provide advice and assistance to the Board in fulfilling its statutory and fiduciary responsibilities relating to the Company's external audit functions and matter that may significantly impact the financial condition or affairs of the business. The AC is also responsible in ensuring that the financial statement of the Company complies with the applicable financial reporting standards in Malaysia.</p> <p>Guided by Terms of Reference, AC carries out its duties to assess the suitability, objectivity, independence and performance of the appointed external auditor. This includes reviewing the audit plan, scope and nature of audit, discussing the contracts the Company enters into with the external auditor for the provision of non-audit services, reviewing the external auditor's evaluation of the system of internal controls.</p> <p>The AC recommends to the Board the appointment or re-appointment of an external auditor after considering, among others, the following criteria:</p> <ul style="list-style-type: none">• adequacy of the experience and resources of the external auditor;• persons assigned to the audit;• external auditor's audit engagements;• size and complexity of the audit; and• number and experience of supervisory and professional staff assigned to the audit <p>In the financial year under review, the AC held two meetings with the external auditor on 21 February 2023 and 21 November 2023 without the presence of Management, to allow the External Auditors to discuss issues arising from the audit exercise or any other matters, which the external auditors wished to raise.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The AC comprises four members, all of whom are Independent Non-Executive Directors. This enables the AC to exercise its independent judgement objectively in the best interest of the Company.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC assists the Board to review the integrity of the Company's financial information for publication, including quarterly and annual financial statements, to ensure compliance with new updates of relevant financial reporting standards, Listing Requirements and other legal and regulatory requirements. Additionally, the AC reviews the adequacy and effectiveness of the internal control procedures to safeguard the shareholder's investments and assets of the Company.</p> <p>All the AC members are financially literate and well aware with the matters under AC's purview including the financial reporting process. This enables them to discharge their roles and responsibilities effectively. The composition of AC is set out under the AC Report in pages 122 to 125 of the Integrated Annual Report 2023 while the members' profiles are disclosed under the Board of Directors' Profiles in pages 94 to 99 of the Integrated Annual Report 2023.</p> <p>The Board, through the NRC, reviews the terms of office and performance of the AC and each of its members annually to determine whether the AC and the members have carried out their duties in accordance with the Terms of Reference.</p> <p>During the financial year under review, the members of AC keeps themselves abreast of relevant developments in the accounting standards and corporate governance practices. The details of the continuous professional development undertaken by each member of AC are presented on pages 114 to 117 under the Corporate Governance Overview Statement of the Integrated Annual Report 2023.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibilities over the Company’s system of internal control and risk management, covering all its financial and operating activities, to safeguard shareholders’ investment and the Company’s assets.</p> <p>The Board has established an ongoing process for identifying, evaluating and managing significant risks which may affect the Company’s business objectives. The Board, through the SRMC, regularly reviews this process to ensure the internal control and risk management frameworks are adequate and effective.</p> <p>The Risk Management Committee (RMC) (chaired by Deputy Managing Director) meets quarterly to review the risks identified and discuss on mitigation actions in place and are reported to SRMC.</p> <p>The Company maintain an internal control framework to protect, detect and monitor any significant control gaps. In addition, the Board has an effective oversight of the audit findings and recommendations highlighted by both the internal audit department and the external auditors, and is responsible for determining our Company’s risk appetite and risk tolerance for management.</p> <p>For more details on key initiatives that were undertaken in FY2023, please refer to the Statement of Risk Management and Internal Control (SORMIC) on pages 126 to 132 in the Integrated Annual Report 2023.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for managing the key business risks of the Company and implementing appropriate internal control system to manage those risks. The Board also reviews the adequacy and effectiveness of risk management framework and systems of internal control.</p> <p>The Board approved the SORMIC which includes disclosures on:</p> <ul style="list-style-type: none"> (a) Responsibility and accountability for the implementation of risk management process (b) Risk governance structure and risk management policy to ensure efficiency and effectiveness of the Company's risk management and internal control function (c) Main feature of risk management and internal control initiatives which have been in place throughout the year (d) Assurance that the risk management and internal control system of the Company is operating adequately and effectively for the financial year and up to the issuance of the financial statement. <p>Features of the risk management framework and internal control processes are disclosed in the Statement on Risk Management and Internal Control on pages 126 to 132 of the Integrated Annual Report 2023.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established the SRMC on 18 May 2023 to oversees the risk management framework and sustainability policy and strategies of the Company.</p> <p>The SRMC is chaired by Ms Chong Swee Ying and supported by the Sustainability Steering Committee (SSC), whose role is to oversee the implementation of sustainability strategy and performance.</p> <p>Details of the SRMC and its members are set out in pages 118 to 119 of the Integrated Annual Report 2023.</p>

Intended Outcome

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

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>Internal audit function is carried out by an in-house Internal Audit (IA) Department led by a Head of IA. The Head of IA reports directly to the AC. Empowered by its Terms of Reference, the AC reviews and approves the IA plan, determines the adequacy of the scope, functions, competency and resources of the IA Department and ensures that it has the necessary authority to carry out its work professionally, effectively and independently. AC also considers major findings of IA and monitors the actions taken by Management in response to the findings to ensure all key risks and control weaknesses are properly and timely addressed.</p> <p>The IA Department is guided by the Internal Audit Charter which defines the purpose, authority, responsibilities, reporting of the IA function, independence, objectivity, professionalism and ethical principles of the function.</p> <p>The IA Department has access to all relevant records, personnel and properties within the Company to carry out its duties. IA Department independently reviews the risk identification procedures and control processes implemented by the Management, conducts audits that encompass review of critical areas being identified, and reports to AC on quarterly basis. IA Department also carries out internal control reviews on key activities of the Company's business on the basis of any annual IA plan approved by the AC. The IA function adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the major business units of the Company.</p> <p>The AC, assisted by the IA Department, provides the Board with assurance on the adequacy and effectiveness of the Company's risk governance and internal controls systems. During the financial year under review, AC had private meetings with the Head of IA on 21 February 2023 and 21 November 2023 for discussion on audit related matters and activities of the IA Division without the presence of Management.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal audit department (IAD) is independent from the Company's business operations and activities. The principles to having an effective IA function has been outlined in the Internal Audit Charter and Internal Audit Manual. The Internal Audit Charter sets out the purpose, authority, responsibilities, reporting of the IA function and maintaining independence and objectivity status. The Internal Audit Manual outlines risk-based auditing approach in accordance with the International Standards for the Professional Practice of Internal Auditing (ISPPIA). In order to maintain its independence and objectivity, the IA Department has no operational responsibility and authority over the activities it audits.</p> <p>As at 31 December 2023, IAD comprises eight auditors with mix level of expertise. The internal auditors also attended various external training programmes, aimed at maintaining and enhancing the desired competency levels.</p> <p>Audit activities are carried out by the Internal Audit Department, led by the Head of Internal Audit, Ms. Nur Suriya Selasiya Mohamad Omar. She has a Bachelor of Mathematics and Management with Honors, is an Associate Member of the Institute of Internal Auditors Malaysia and is currently pursuing Certified Internal Auditor (CIA) certification for Part 3.</p> <p>The IAD's performance and conduct is guided by The International Standards for the Professional Practice of Internal Auditing (the Standards) and the International Professional Practices Framework (IPPF). IPPF is the conceptual framework that organises authoritative guidance promulgated by the Institute of Internal Auditors (IIA). The IAD is also guided by the MCCG 2021.</p> <p>The IA function is carried out in a manner consistent with the ISPPIA together with its Code of Ethics that encompass all the mandatory elements of the IPPF, which demonstrates its practices are in line with a recognised framework.</p>

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

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of an effective communication with stakeholders. The corporate disclosures policies and procedures through the organisation's functions enable comprehensive, accurate and timely information relating to the Company to be disclosed to the shareholders and other stakeholders.</p> <p>The Board also established a dedicated section for corporate information on the Company's website (https://aeongroupmalaysia.com) where information on the Company's announcements, financial information, share prices and the Company's annual report can be found. The contact details of designated persons to address queries are also published on this website.</p> <p>During the Annual General Meeting (AGM), the Company will present on its performance and major activities during the financial year under review and shareholders are given opportunities to enquire and comment on the Company's performance and operations. Same or similar information are also shared in the event of press conferences or press release being held throughout the year.</p> <p>The Company's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. Further update of the Company's activities and operations are also disseminated to shareholders and investors through dialogue with analysts and fund managers, investor relations roadshows and the media.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted the integrated reporting approach for the financial year ended 31 December 2023 to improve the quality of information disclosures to stakeholders and promote greater transparency regarding our business and how we create value over the short and longer term.</p> <ul style="list-style-type: none">(i) The Integrated Annual Report 2023 was prepared in line with the International Integrated Reporting Framework issued by the International Integrated Reporting Council ("IIRC"). The Integrated Annual Report 2023 focuses on the disclosure of financial/ quantitative and non-financial/ qualitative information, and incorporation of integrated reporting content principles and content elements for a holistic and strategic approach to corporate reporting to better meet the needs of various stakeholders.(ii) Application of integrated reporting principles in the Integrated Annual Report 2023 include our Value Creation Model section detailing key areas of business focus amid the prevailing market landscape. We identify capitals that serve as inputs in our business processes, our business opportunities and risks, our Value Creation Model, which centred around our Strategic Priorities under Retail, Property Management Services and Sustainability as well as outputs thereof impacting our business and stakeholders. We explain how the Company proactively engages its stakeholders to address their concerns (Stakeholder Engagement) and disclose our refreshed Material Matters.(iii) Connectivity of information focusing on the interrelatedness and dependencies of disclosures throughout the Integrated Annual Report 2023, as evidenced by the 360° referencing applied throughout.
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of the 38th AGM was circulated at least twenty eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed.</p> <p>In respect of the 39th AGM to be held on 23 May 2024, the Notice of the 39th AGM which will be conducted virtually was issued on 24 April 2024, giving 28 clear days' prior notice. Shareholders are provided with link to download the Integrated Annual Report, Circular to Shareholders, Corporate Governance Report, Notice of AGM, Proxy Form and Administrative Details. The said documents are published on the Company's website and the Notice of AGM is advertised in one local language newspaper. The Integrated Annual Report 2023 and/or Circular to Shareholders will be sent to shareholders upon request.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors and the Chair of all the respective Board Committees were present at the 38th AGM held on 17 May 2023 which was conducted virtually from the broadcast venue through live streaming. The Chairman, Managing Director, Deputy Managing Director and the Chief Financial Officer addressed all the questions submitted by the Minority Shareholder Watchdog Group (“MSWG”) and also questions from shareholders and proxies in relation to the Company’s performance, operational, financial as well as governance matters.</p> <p>All Directors will endeavour to attend the upcoming 39th AGM which will be held on 23 May 2024 so that the shareholders are given opportunities to enquire the Directors in person on the Company’s performance and operations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	At the 38 th AGM held on 17 May 2023, the Company conducted a virtual AGM at the broadcast venue through live streaming. Shareholders who participated in the AGM had also voted via remote voting using the remote participation and voting facilities. Once the vote casting process had been completed, the scrutineer verified the results and passed the results to the Chairman of the meeting for announcement to the shareholders. All the resolutions set out in the Notice of the AGM were put to vote by poll and were duly passed. The outcome of the AGM was announced to Bursa Securities on the same day as the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: At the 38 th AGM, the Chairman presented the overall outlook of the Company while the Managing Director and Chief Financial Officer provided shareholders with a brief review on the Company's operating environment, financial highlights, business performance, ecosystem, key strategies and key priorities of the Company. Shareholders are then provided with the opportunity to pose questions including but not limited to the financial performance, non-financial performance and strategies of the Company during the 38 th AGM. The Chairman together with the MD, Deputy MDs and Chief Financial Officer had provided meaningful response to the questions posed by the shareholders during the 38 th AGM. The questions raised by the shareholders and the responses were minuted and the minutes of the 38 th AGM is available online on the Company's website at https://aeongroupmalaysia.com .
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	Shareholders may submit questions to the Board of Directors prior to the 38 th AGM via Tricor’s TIIH Online platform or to use the query box to transmit questions to Board of Directors via Remote Participation and Voting facilities during live streaming of the 38 th AGM. The questions by the shareholders and proxies were answered by the Chairman, MD, Deputy MDs and Chief Financial Officer. The Company had opted for Tricor’s TIIH Online platform to conduct the 38 th AGM as it is a well-tested and secured application and Tricor has sufficient hardware and infrastructure in place.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 38 th AGM is available online on the Company's website at https://aeongroupmalaysia.com no later than 30 business days after the completion of the 38 th AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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.

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