

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 6602  
**COMPANY NAME** : BCB Berhad  
**FINANCIAL YEAR** : June 30, 2022

## 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 TO 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 shall actively strive and be collectively responsible to promote the success of the Group by directing and supervising its business and affairs.</p> <p>In addition to fulfilling its commitment for increased shareholder value, the Board shall endeavour to uphold the interests of the Group's customers, employees, suppliers and the communities where it operates, but bearing in mind the circumstances and requirements for successful business. The Board has a formal schedule of matters reserved to itself for decisions, including the overall Group strategy and direction as well as significant financial matters. There is a clear division of responsibilities between the Chairman, Group Managing Director and Independent Non-Executive Directors.</p> <p>The duties, powers and functions of the Board are governed by the Constitution of the Company, the Companies Act 2016, and other regulatory guidelines and requirements that are in force.</p> <p><b>Roles and Responsibilities</b></p> <p>Having regard to its commitments, the Board is expected to direct and supervise the management of its business by fulfilling the following responsibilities:-</p> <ol style="list-style-type: none"><li>1. Ensure that the Group's goals are clearly established;</li><li>2. Review and approve strategies, business plans and significant policies and to monitor its implementation and performance thereof;</li><li>3. Observe its legal and fiduciary obligations that affect the business by adopting performance appraisal measures;</li></ol>

	<ol style="list-style-type: none"> <li>4. Ensure a competent management by establishing policies for strengthening the performance of the Group with a view to proactively build the business through innovation, initiative, technology, new products and the development of its business capital;</li> <li>5. Evaluate whether the business is being properly managed, ensure the solvency of the Group and its ability to meet contractual obligations, and safeguard the Group's assets;</li> <li>6. Ensure that the Group has appropriate business risk management framework and processes including adequate control environment, systems for compliance with applicable laws and regulations, and controls in areas of significant financial and business risks;</li> <li>7. Establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various Board Committees and acting on their reports;</li> <li>8. Ensure that the statutory accounts of the Company and Group are fairly stated and otherwise conform to the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;</li> <li>9. Ensure that there is an appropriate succession plan for members of the Board and senior management;</li> <li>10. Ensure that the Group adheres to high standards of ethics and corporate behaviour including transparency in the conduct of its business, and Directors are required to comply with the Directors' Code of Best Practice; and</li> <li>11. Ensure that there is an appropriate investor relations and communications policy.</li> </ol>
<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 1.2

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>Tan Sri Dr Ali Bin Hamsa was the Chairman, Independent Non-Executive Director of BCB Berhad ("BCB") throughout the Financial Year Ended 2022 ("FYE 2022"). Due to his decease on 21 April 2022, he ceased to be the Director of BCB. Subsequent to that, Dato' Ismail Bin Karim was appointed to the Board as Chairman, Independent Non-Executive Director with effective from 15 July 2022.</p> <p>The Chairman is primarily responsible for the leadership, effectiveness, conduct and governance of the Board.</p> <p>The responsibilities of the Chairman, amongst others, are as follows:-</p> <ol style="list-style-type: none"><li>1. Leading the Board in setting the values and ethical standards of the Company;</li><li>2. Chairing the Board Meetings and stimulating debates on issues and encouraging positive contributions from each Board Member;</li><li>3. Consulting with the Group Managing Director and Company Secretary in setting agenda for Board Meetings and ensuring that all relevant issues are on the agenda;</li><li>4. Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;</li><li>5. Ensuring the provision of accurate, timely and clear information to Directors;</li><li>6. Ensuring effective communication with shareholders and relevant stakeholders;</li><li>7. Arranging evaluation of performance of Board Members, its Committees and individual Directors, including assessment of the independence of Independent Directors;</li><li>8. Facilitating effective contribution of Non-Executive Directors and ensuring constructive discussions at Board Meetings;</li><li>9. Ensuring that, in determining policy-related matters, the following are carried out:-<ul style="list-style-type: none"><li>• All directors are properly briefed on issues arising at Board Meetings;</li><li>• There is sufficient time allowed for discussion on complex or contentious issues and where</li></ul></li></ol>

	<p style="text-align: center;">appropriate, arranging for informal meetings beforehand to enable thorough preparations;</p> <ol style="list-style-type: none"> <li>10. Allowing every Board Resolution to be voted on and ensuring the will of the majority prevails;</li> <li>11. Casting his votes in accordance with the prescribed Constitution of the Company;</li> <li>12. Together with the Group Managing Director, representing the Company and/or Group to external groups such as major shareholders, creditors, consumer groups, and other stakeholders;</li> <li>13. Ensuring that all Board Members, upon taking up their office, are fully-briefed on the terms of their appointment, time commitment, duties and responsibilities, and the business of the Group; and</li> <li>14. Acting as liaison between the Board and Management, and between the Board and the Group Managing director.</li> </ol>	
<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 1.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The positions of Chairman and Managing Director are held by two (2) different individuals. There is a clear division of responsibility between the Chairman and Managing Director to ensure a balance of power and authority. The principal duties of the Chairman are to conduct the meetings of the Board and shareholders and to facilitate constructive discussions at these meetings. The Managing Director is responsible for the day-to-day running of the businesses of the Group and to develop and implement strategies.	
<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 1.4

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>		
<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Chairman of the Board is a member of the Audit Committee ("AC") and Nomination &amp; Remuneration Committee ("NRC") of the Company.</p> <p>The Board is of the view that this departure does not impair the objectivity of the Chairman or the Board when deliberating on the observations and recommendations put forth by Board Committees as all the Independent Non-Executive Directors deliberate and discuss matters as a team.</p>
<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>	:	Choose an item.

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company Secretaries play an advisory role to the Board in relation to the Company's compliances to relevant regulatory requirements, guidelines and legislation and are capable of carrying out their duties efficiently to ensure the effective functioning of the Board.</p> <p>The Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference. They also ensure that all Board and Board Committee meetings are properly convened, and that deliberations, proceedings and resolutions are properly minuted and documented.</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**

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All Directors are provided with an agenda and board papers at least five (5) days prior to every Board meeting to enable the Directors to obtain further explanations or information, where and when necessary, in order to be properly briefed before the meeting.	
<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 sets out the composition and balance, roles and responsibilities and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.</p> <p>The Board Charter is published on the Company's website at <a href="http://www.bcbhd.com.my">www.bcbhd.com.my</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

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>	:	The Group's Codes of Conduct and Ethics govern the standards of conduct and behaviour expected from the Directors and the employees in all aspects of the Group's operations. To ensure its compliance with the Code of Conduct and Ethics, the Board and the Senior Management ensure that all level of officers are properly communicated and informed through emails, notice board or corporate website.  The Code is published on the Company's website at <a href="http://www.bcbhd.com.my">www.bcbhd.com.my</a> .
<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 3.2

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>	:	The Group has in place a Whistleblowing Policy that sets out avenues where legitimate concerns can be objectively investigated and addressed. Employees of the Group can raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.  The Whistleblowing Policy is published on the Company's website at <a href="http://www.bcbhd.com.my">www.bcbhd.com.my</a> .
<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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has an overall responsibility on the Company’s sustainability initiatives.</p> <p>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.</p> <p>The Board has delegated the authority for management of the sustainability effort, including the economic, environmental and social sustainability issues to the senior management who will drive the Group’s overall sustainability process which has been put in place to identify, assess, manage and report the Group’s material sustainability matters and to ensure that the Group’s sustainability process including advancing strategic decision making, coordinating and implementing sustainability action plans and accountability for business and sustainability results is effectively carried out.</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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is committed to working closely with all stakeholders in its journey towards its sustainable growth. The Company is also committed to communicate effectively with its shareholders and other stakeholders on the Company's strategies, priority and targets in its sustainability initiatives.</p> <p>Stakeholders are entities or individuals significantly affected by the Group's activities, products and services; and whose actions affect the ability of the Group to successfully implement its strategies and achieve its objectives.</p> <p>As part of its business, the Company engaged with a wide range of stakeholders throughout the year using formal and informal engagement methods, depending on the target stakeholders such as face-to-face meetings with the government regulators, customers, suppliers and bankers; email communication or written letters with interested public and employees and meeting with shareholders at general meetings.</p> <p>The Company's on-going sustainability strategies, priority and targets, material sustainability matters as well as performance against those targets during the financial year are disclosed in the Sustainability Statement in the Company's Annual Report 2022.</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 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board continuously keep itself abreast and updated with the latest sustainability agendas which are relevant to the Company and its business.</p> <p>In view of the increased interest from regulators and stakeholders on matters relating to sustainability such as those relating to climate related risks, the Board will continue to engage with stakeholders to explore further improvement in conducting its business in a more sustainable manner.</p> <p>The Board is also mindful of the need to keep abreast of the external trends in sustainability practices and will engage external consultants to provide training to the Board and senior management of the Company to enhance the Company’s sustainability efforts and initiatives.</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 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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	A detailed study is required for developing the criteria for the performance evaluations of the Board and the Management to address the material sustainability risks and opportunities.	
<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 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.*

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The roles and functions of NRC includes regular review of the structure, size and composition (including mix of skills, knowledge, experiences, gender diversity and etc.) of the Board and to make recommendations to the Board for any changes required.</p> <p>The terms of reference of the Nomination and Remuneration Committee is published on the Company's website at <a href="http://www.bcbhd.com.my">www.bcbhd.com.my</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 5.2

At least half of the Board comprises Independent Directors. For Large Companies, the Board comprises a majority Independent Directors.

<b>Application</b>	:	Departure																
<b>Explanation on application of the practice</b>	:																	
<b>Explanation for departure</b>	:	<p>The Board currently has seven (7) members comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors as follows:-</p> <table border="1"><thead><tr><th><b>Name</b></th><th><b>Designation and Directorate</b></th></tr></thead><tbody><tr><td>Dato' Ismail Bin Karim</td><td>Chairman, Independent Non-Executive Director</td></tr><tr><td>Tan Sri Dato' Tan Seng Leong</td><td>Group Managing Director</td></tr><tr><td>Ms Tan Lay Hiang</td><td>Executive Director</td></tr><tr><td>Ms Tan Lindy</td><td>Executive Director</td></tr><tr><td>Mr Tan Vin Sern</td><td>Executive Director</td></tr><tr><td>Mr Tan Kok Wee</td><td>Independent Non-Executive Director</td></tr><tr><td>Ms Law Lee Yen</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>Although less than half of the Board are comprised of Independent Directors, Board decisions are able to be made objectively in the best interest of the Company given the fact that any Director who may be in the position of conflict of interest or having an interest in any transaction would abstain from deliberating and voting at Board meeting. In addition, the Board as a whole would also ensure that person(s) connected with the interested director would also abstain from deliberating and voting at board meeting.</p> <p>The Board endeavour to apply the principles of the MCCG and would consider appointing more Independent Directors.</p>	<b>Name</b>	<b>Designation and Directorate</b>	Dato' Ismail Bin Karim	Chairman, Independent Non-Executive Director	Tan Sri Dato' Tan Seng Leong	Group Managing Director	Ms Tan Lay Hiang	Executive Director	Ms Tan Lindy	Executive Director	Mr Tan Vin Sern	Executive Director	Mr Tan Kok Wee	Independent Non-Executive Director	Ms Law Lee Yen	Independent Non-Executive Director
<b>Name</b>	<b>Designation and Directorate</b>																	
Dato' Ismail Bin Karim	Chairman, Independent Non-Executive Director																	
Tan Sri Dato' Tan Seng Leong	Group Managing Director																	
Ms Tan Lay Hiang	Executive Director																	
Ms Tan Lindy	Executive Director																	
Mr Tan Vin Sern	Executive Director																	
Mr Tan Kok Wee	Independent Non-Executive Director																	
Ms Law Lee Yen	Independent Non-Executive Director																	

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

<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 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.

<b>Application</b>	:	Not applicable - No Independent Director(s) served beyond 9 years	
<b>Explanation on application of the practice</b>	:	None of the Independent Directors served beyond 9 years.	
<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 5.4 - Step Up**

The Board has a policy which limits the tenure of its Independent Directors to nine years without further extension.

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Candidates for the appointment to the Board and Senior Management are selected after taking into consideration the mix of skills, experience and strength that would be relevant for the effective discharge of the Board's responsibilities.</p> <p>For appointment as Director, potential candidates are first evaluated by the NRC and, if recommended by the NRC, subsequently, by the Board based on their respective profiles as well as their character, integrity, professionalism, independence and their ability to commit sufficient time and energy to the Company's matters. Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from the existing Directors, management, major shareholders or independent sources.</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 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Selection of candidates to be considered for appointment as Directors may be recommended by existing Directors, management and major shareholders. The Board is also open and may seek external independent sources to identify suitable qualified candidates.  The Nomination Committee assesses the suitability of the candidates before recommending the candidates to the Board for appointment.	
<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 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Shareholders are kept informed on the Board's decision in respect of appointment of Director via announcements to Bursa Securities and/or issuing press releases.  The details of Directors who are standing for re-election is set out in pages 14 to 16 of the Annual Report and statement accompanying notices of annual general meeting.	
<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 5.8**

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. Law Lee Yen, who is an Independent Non-Executive Director.	
<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 5.9**

The Board comprises at least 30% women Directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	As at FYE2022, the Board consist of three (3) out of the seven (7) women Directors representing 42.86% of the Board composition.	
<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 5.10**

The Board discloses in its annual report the Company’s policy on gender diversity for the board and senior management.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	<p>There is no plan by the Board to implement a gender diversity policy or target, as the Board adheres to the practice of non-discrimination of any form, whether based on age, race, religion or gender, throughout the Group. This includes the selection of Board members. The Company believes in and provides equal opportunity to candidates with merit.</p> <p>As at FYE2022, the Board consist of three (3) out of the seven (7) women Directors representing 42.86% of the Board composition.</p> <p>The Board is of the view that the suitability of a candidate for the Board is dependent on the candidate’s competency skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company, regardless of gender.</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 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The NRC annually reviews the size and composition of the Board and the Board Committees in order to ensure the Board and the Board Committees have the requisite competencies and capacity to effectively oversee the overall business and carry out their respective responsibilities.  The NRC uses the Board and Board Committee Evaluation Forms comprising questionnaires for the annual assessment. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, administration and conduct of meetings, communication and interaction with management and stakeholders and Board engagement.
<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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is responsible for implementing remuneration policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully.</p> <p>The components of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.</p> <p>In setting the basic salary for each Executive Director, the NRC takes into account the compensation practices of other companies and the performance of each individual director. Salaries are reviewed (although not necessarily increased) annually depending on the category of employment. Salaries are increased only where the Committee believes that adjustments are appropriate to reflect performance, increased responsibilities and/or market pressures.</p> <p>The Board determines fees payable to all Directors, subject to the approval of shareholders at each Annual General Meeting. The non-executive members of the Board receive a fixed base fee as consideration for their Board duties.</p> <p>The Company has established a formal Remuneration Policy and Procedures for Directors and Senior Management and is available at the Company's website at <a href="http://www.bcbhd.com.my">www.bcbhd.com.my</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

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board has a NRC to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and senior management.  Terms of Reference of the NRC which deals with its authority and duties are disclosed on the Company's website at <a href="http://www.bcbhd.com.my">www.bcbhd.com.my</a> .
<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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Detail disclosure on named basis for the remuneration of individual directors is set out in the Corporate Governance Overview Statement of Company's Annual Report. The remuneration breakdown of individual Directors includes fees, salaries, bonuses and other benefits.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Ismail Bin Karim	Independent Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	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	Tan Sri Dato' Tan Seng Leong	Executive Director	Input info here	Input info here	703.318	Input info here	22.700	133.866	859.884	Input info here	Input info here	2,880.000	Input info here	22.700	459.571	3,362.271
3	Tan Lay Hiang	Executive Director	Input info here	Input info here	224.996	Input info here	8.800	43.357	277.153	Input info here	Input info here	342,000	Input info here	8.800	65.903	416.703
4	Tan Lindy	Executive Director	Input info here	Input info here	342.000	Input info here	31.150	65.903	439.053	Input info here	Input info here	534.000	Input info here	31.150	89.867	655.017
5	Tan Vin Sern	Executive Director	Input info here	Input info here	136.126	Input info here	22.700	26.231	185.057	Input info here	Input info here	642,000	Input info here	22.700	103.750	768.450
6	Tan Kok Wee	Independent Director	48.000	5.500	Input info here	Input info here	Input info here	Input info here	53.500	48.000	5.500	Input info here	Input info here	Input info here	Input info here	53.500
7	Law Lee Yen	Independent Director	39.333	5.500	Input info here	Input info here	Input info here	Input info here	44.833	39.333	5.500	Input info here	Input info here	Input info here	Input info here	44.833
8	Tan Sri Dr Ali Bin Hamsa	Independent Director	101.336	3.500	Input info here	Input info here	Input info here	Input info here	104.836	101.336	3.500	Input info here	Input info here	Input info here	Input info here	104.836
9	Ash'ari Bin Ayub	Independent Director	12.667	Input info here	Input info here	Input info here	Input info here	Input info here	12.667	12.667	Input info here	Input info here	Input info here	Input info here	Input info here	12.667
10	Tan Sri Datuk Seri Ismail Bin Yusof	Independent Director	8.400	Input info here	Input info here	Input info here	Input info here	Input info here	8.400	8.400	Input info here	Input info here	Input info here	Input info here	Input info here	8.400
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	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**

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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company had disclosed the top five Senior Management's remuneration component in bands of RM50,000 on aggregate basis in the Corporate Governance Overview Statement of the Company's Annual Report.	
		In the view of Board, the disclosure of the remuneration of key executives on a named basis with specific remuneration components would not be in the best interest of the Company due to confidentiality concerns.	
<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>	:		

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.

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

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Audit Committee is chaired by Ms. Law Lee Yen whereas the Chairman of the Board is Dato' Ismail Bin Karim.	
<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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company has adopted the policy that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee. The policy is stated in the Terms of Reference of Audit Committee of the Company which is published on the Company's website at <a href="http://www.bcbhd.com.my">www.bcbhd.com.my</a> .  None of the existing Independent Directors are former key audit partner of the Company and its subsidiaries.
<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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board through the AC maintains a formal and transparent professional relationship with the External Auditors, Messrs. BDO PLT. The appointment of External Auditors is recommended by the AC. The AC reviews the performance, suitability, independence and objectivity of the External Auditors annually before recommending them for re-appointment at the Annual General Meeting.</p> <p>The AC also reviews the nature and fees of non-audit services provided by the External Auditors in assessing their independence. In accordance with the MIA By-Laws, BDO PLT rotates its engaging partner once every 7 years to ensure objectivity, independence and integrity of the audit opinions.</p> <p>The External Auditors also gave their assurance confirming their independence and objectivity throughout the conduct of the audit engagement and the internal processes undertaken by them to determine their independence.</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 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The AC members comprise solely of Independent Directors.

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	All the AC members are financially literate and are able to understand matters under the purview of the AC including financial reporting process. The Committee members possess the necessary qualification, knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC.  All members of the Board which include the AC members undertake continuous professional development to keep themselves abreast of relevant development in accounting and auditing standards, either through attendance at seminars or briefings by the External Auditors during the quarterly meetings.
<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 10.1**

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 Board has established policies and procedures for the oversight and management of material business and financial risks as well as the monitoring of the internal controls that are in place.</p> <p>The risk management policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of the businesses of the Group. The risks covered in the procedures and reviewed by the internal audit group include operational, market (both business and finance risks), legal and credit risks. The Management and the Board also carry out a regular review of political, regulatory and economic risks in line with the Board’s oversight of the strategic direction and position of the Group within the marketplace it operates.</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 10.2

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>The Board, through the AC oversees the risk management matters of the Group. The committee sets objectives and identify areas of risk management activities within the Group. It also ensures that proper risk management strategy / methodology are in place at all times.</p> <p>Key areas of the risk management and internal control framework are set in the Statement on Risk Management and Internal Control in the Annual Report 2022 of the Company.</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 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.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</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 11.1

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>	:	The Group's internal audit function is outsourced to a professional service firm, Tricor Axcelasia Sdn. Bhd. The internal auditors perform its functions with impartiality, proficiency and due professional care. It undertakes regular monitoring of the Group's key controls and procedures, which is an integral part of the Group's system of internal control.  The internal audit reports are presented to the AC for its review and deliberation. The AC will be briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The internal auditors report directly to the AC to ensure independency.	
<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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is outsourced to Tricor Axcelasia Sdn. Bhd. and the internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>The number of staff deployed for the internal audit reviews ranges from one (1) to three (3) staff per visit.</p> <p>The internal audit lead is Mr. Chang Ming Chew who has diverse professional experience in internal audit / risk advisory of public listed companies. He is a member of the Institute of Internal Auditors Malaysia.</p> <p>The Internal Audit Function adopts a risk-based approach focusing on effective risk management practices.</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 12.1**

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>	:	The Company recognises the importance of effective and timely communication with shareholders and investors to keep them informed of the Group's latest financial performance and material business/corporate matters affecting the Company. Such information is available to shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Malaysia Securities Berhad and the Company's website.
<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 12.2**

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

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Not applicable as the Company is not categorised as “Large Company” as defined in the Malaysian Code on Corporate Governance.	
<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 13.1**

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 for the 33rd Annual General Meeting (“AGM”) was provided to shareholders on 29 October 2021 whereas the AGM will be held on 14 December 2021, which is more than 28 days’ notice.	
<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 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All the Directors attended the Company's 33rd AGM held on 14 December 2021.	
<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 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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	The 33rd AGM of the Company was physically held at The Elysia Park Residence Sales Gallery, Jalan Persiaran Medini Utara 1, Bandar Medini Iskandar Malaysia, 79250 Iskandar Puteri, Johor Darul Takzim.	
<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 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Chairman has successfully created a meaningful engagement with the Board, Senior Management and Shareholders throughout the 33rd AGM.</p> <p>The Shareholders were welcomed to pose questions to the Board and Senior Management relating to the AGM matters.</p> <p>The Board endeavours to provide clear and meaningful responses to questions posed to them by shareholders at the AGM.</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

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>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	<p>The 33rd AGM of the Company was held at The Elysia Park Residence Sales Gallery, Jalan Persiaran Medini Utara 1, Bandar Medini Iskandar Malaysia, 79250 Iskandar Puteri, Johor Darul Takzim. This venue is easily accessible for the shareholders of the Company.</p> <p>The Company has less than 2,500 shareholders. As such, while all practical efforts are taken to ensure that shareholders' ability to participate at general meetings, considering that cost involved, it is not economically justifiable to enable voting in absentia or remote shareholders' participation at general meetings. Nonetheless, with the advent of technology, the appointed proxies may communicate with shareholders instantaneously on matters deliberated at all general meetings.</p>
<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 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Minutes of the 33rd AGM have been made available to shareholders within 30 business days after the AGM on its website at <a href="http://www.bcbhd.com.my">www.bcbhd.com.my</a> .
<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>	:  

**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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