

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5264  
**COMPANY NAME** : Malakoff Corporation Berhad  
**FINANCIAL YEAR** : December 31, 2020

## OUTLINE:

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

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>Board</b>") of Malakoff Corporation Berhad ("<b>Malakoff</b>" or "<b>Company</b>") established and disclosed on its website, Malakoff's "Vision", which is "To be a premier global power and water company" together with its Missions as follows:</p> <ul style="list-style-type: none"><li>• Aspiring to become the preferred employer of choice</li><li>• Delivering superior shareholder value</li><li>• Being sought after as a partner</li><li>• Sustaining best in class operating discipline</li><li>• Earning respect as a good corporate citizen</li></ul> <p>The Company's corporate values as Integrity, Teamwork, Innovation, Excellence and Harmony had further strengthened and formed the basis of work ethics, conduct and behaviour for all employees for the Group to achieve its Vision and Missions. The Board ensures that these values are disseminated and operationalised through the establishment of various internal policies, details of which are further described in the explanation to the application of Practice 3.1.</p> <p>In pursuit of the Company's corporate objectives, an annual Board and Management engagement session was organised in the fourth quarter of 2020, dedicated to deliberating and setting the Company's proposed 5-year business plan. At this strategy session, industry analysts were invited to provide the Board with an insight on, amongst others, the latest trends in waste management and implications on Malaysia to give the Board an idea in developing a new top-down strategy. This is to enable the Group to better position itself in this industry, in particular Alam Flora Sdn Bhd Group as the forefront of waste sector, thus, offering the Group an opportunity to expand regionally in waste management and environmental services segment.</p> <p>This engagement session will then be followed with an informal session between the Board and Management which involves the presentation</p>

by the Management on the proposed business plan for discussion and feedback of the Board. Key takeaways from the strategy session will be used to guide the Management in improving the 5-year business plan for approval of the Board.

The Board sets annual Corporate Key Performance Indicators (“KPIs”) of the Company with specific quantifiable targets to be achieved by the Management. Appropriate weightages are assigned to the key result areas in guiding the Management on where the key focus and resources should be dedicated to. The Board will also provide, if necessary, the mandate for additional resources required by Management to execute the 5-year business plan.

The Board had on 24 November 2020 and 17 December 2020 approved the Company’s 5-year business plan and corporate KPIs for financial year 2021 (“FY2021”). The Board will be updated on the progress and achievement of the business plan on a quarterly basis.

The Board assumes, amongst others, the following duties and responsibilities:

- i. review and adopt the overall strategic plans and programmes for the Company and the Group;
- ii. oversee and evaluate the conduct of business of the Company and the Group;
- iii. review and ensure that transaction entered into with a related party is fair, reasonable and not to the detriment of minority shareholders;
- iv. identify principal risks and ensure implementation of a proper risk management system to manage the risks;
- v. establish a succession plan for the Board and Management;
- vi. develop and implement a shareholder communication policy for the Company;
- vii. review the adequacy and integrity of management information and internal controls systems of the Company and the Group; and
- viii. promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.

The Board delegates the responsibility for the day-to-day operations to the Managing Director/Chief Executive Officer (“MD/CEO”), who will be accountable for the overall organisation, management and staffing of the Group with its procedures in financial and operational matters including conduct and discipline.

In order to effectively discharge its functions and duties, the Board has established and maintained a governance structure as follows:



Key activities of the Board during **FY2020** are set out below:

<p><b>Strategy</b></p>	<ul style="list-style-type: none"> <li>attended the annual strategy engagement session with the Management for the setting of the Company's 5-year business plan from 2021 to 2025;</li> <li>attended industry analysts' briefings to gain better insights of the global shift of market trends and industry, competition strategy, current/future business opportunities and insights on emerging market before setting the strategic direction of the Group for its 5-year business plan; and</li> <li>quarterly update on business development initiatives approved under the business plan, its progress and challenges.</li> </ul>
<p><b>Financial oversight &amp; reporting</b></p>	<p>Reviewed and deliberated the following reports and approval papers:</p> <ul style="list-style-type: none"> <li>annual budget and capital/operation expenditure plan of the Group for financial year 2021;</li> <li>the Group's quarterly interim financial results;</li> <li>the subsidiaries' financing/refinancing matters for its business operation; and</li> <li>the Group's tenders and procurements in accordance with Limits of Authority ("<b>LOA</b>") of the Group.</li> </ul>

	<p><b>Risk and compliance oversight</b></p>	<p>Reviewed, deliberated and/or endorsed/approved the following reports and approval papers:</p> <ul style="list-style-type: none"> <li>• action plans to mitigate significant strategic and operational risks confronting the Group on quarterly basis;</li> <li>• quarterly reports on the Group’s safety performance for the local and overseas operating assets of the Group and reviewed the Health, Safety, Security &amp; Environment (“<b>HSSE</b>”) activities undertaken during the financial year to improve safety performance and enhance workplace safety awareness;</li> <li>• close monitoring on the COVID-19 pandemic development that could have an impact to the safety at workplace and measures taken to mitigate this unprecedented risk to the employees at work and business of Malakoff Group operationally and financially;</li> <li>• Internal Audit Reports from the Board Audit Committee;</li> <li>• quarterly reports on related party transactions and recurrent related party transactions, including those under the shareholders’ mandate, to ensure that transactions entered by Malakoff Group with related parties are fair, reasonable and not detrimental to the minority shareholders’ interest;</li> <li>• adequacy and integrity of management information and internal control systems of the Company and the Group;</li> <li>• adoption of MCB Anti-Bribery Policy by subsidiaries of Malakoff;</li> <li>• integration/adoption of policy and procedure framework, where necessary, by Alam Flora Sdn Bhd and its subsidiary;</li> <li>• the Group’s compliance with the relevant laws and regulations as well as Malakoff’s internal policies and procedures including the Company’s Constitution.</li> </ul>
	<p><b>Governance, Board performance and composition</b></p>	<ul style="list-style-type: none"> <li>• evaluated the performance of the Board, Board Committees and each individual director via the annual Board assessment exercise;</li> <li>• monitored the attendance of Directors for trainings, seminars and workshops to keep themselves abreast with recent development of laws, regulations and the industry;</li> <li>• reviewed the composition of the Board and Board Committees and its subsidiaries and associate companies; and</li> </ul>

		<ul style="list-style-type: none"> <li>establishment of a new Board Audit Committee (“<b>BAC</b>”) for an active subsidiary with expanding business.</li> </ul>
	<b>Leadership evaluation &amp; selection</b>	<ul style="list-style-type: none"> <li>set Corporate KPIs for the Company upon the approval of business plan for 2021;</li> <li>evaluated the Company’s performance and achievement against the Corporate KPIs set for 2020;</li> <li>reviewed and approved the appointment of the new MD/CEO of Malakoff following the resignation of the CEO in October 2020;</li> <li>reviewed and approved the appointment of Chief Operating Officer of Malakoff;</li> <li>reviewed and approved the appointment and resignation of Joint Secretary of Malakoff; and</li> <li>determined the bonus and salary increment for CEO and the Senior Management team as well as bonus pool and increment for the Group.</li> </ul>
	<b>Succession planning</b>	<ul style="list-style-type: none"> <li>reviewed succession planning for the CEO, Senior Management team and other key positions of the Company;</li> <li>reviewed and evaluated the calibre and suitability of candidate(s) to be nominated on the Boards of Malakoff’s key subsidiaries or associate companies; and</li> <li>established internal policy and training for employees who are nominated to represent Malakoff on the Boards of subsidiaries and associate companies of Malakoff.</li> </ul>
	<b>Sustainability</b>	<ul style="list-style-type: none"> <li>reviewed and monitored the Group’s corporate social responsibilities (“<b>CSR</b>”) and the related activities to promote CSR; and</li> <li>reviewed and considered the social and environmental impact of the Group’s activities and operations and monitor the compliance with the Group’s sustainability responsibilities and the relevant regulatory requirements.</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 1.2

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>The Chairman of the Company, Datuk Haji Hasni Harun, is an Independent Non-Executive Director (“INED”). He possesses strong leadership skills to not only in steering the Board to be an effective decision-making body but has also taken the lead role in instilling good corporate governance practices across the organisation.</p> <p>The roles and responsibilities of the Chairman provided in the Board Charter, which is available on the Company's website at <a href="http://ir.chartnexus.com/malakoff/doc/Board%20Charter.pdf">http://ir.chartnexus.com/malakoff/doc/Board%20Charter.pdf</a>, are set out below:</p> <ol style="list-style-type: none"><li>1) provide leadership to the Board to enable effective discharge of the Board's responsibilities;</li><li>2) lead the Board in setting up and oversee good corporate governance practices throughout the Group;</li><li>3) chair meetings of the Board in such a manner that will stimulate debate on issues before the Board and encourage effective contribution from each Board member;</li><li>4) chair meetings of shareholders and ensure effective communication with the Company's shareholders and stakeholders;</li><li>5) set the agenda for meetings, in consultation with the Company Secretaries, and ensure that the Board members receive complete and accurate information in a timely manner;</li><li>6) act as liaison between the Board and Management. The Chairman acts as the main link between the Board and Management, particularly, the MD/CEO;</li><li>7) ensure proper Board committee structure is established including assignment of members and chairman of the Board committees;</li><li>8) ensure that a succession planning framework which had been properly evaluated by the BNRC and approved by the Board, is in place;</li><li>9) ensure 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 Malakoff Group;</li><li>10) conduct performance assessment of the Board, its committees and individual Directors; and</li><li>11) ensure appropriate steps are taken for effective communication between the Board and the stakeholders in exchange of their</li></ol>

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

## Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The distinct and separate roles of the Chairman and CEO is properly maintained with clear division of responsibilities to promote accountability of the two roles and ensure that no one individual has unfettered powers over decision making are provided in the Board Charter which is available on the Company's website at <a href="http://ir.chartnexus.com/malakoff/doc/Board%20Charter.pdf">http://ir.chartnexus.com/malakoff/doc/Board%20Charter.pdf</a>. This has been effectively practiced on the selection of new MD/CEO of the Company in 2020 to ensure the responsibilities of these two roles are not overlapping and clearly defined.</p> <p><b><u>The Chairman</u></b></p> <p>Datuk Haji Hasni Harun has been the Independent Non-Executive Chairman of the Company since June 2017. As a Chairman, he is responsible for leading and ensuring the adequacy and effectiveness of the Board's performance and governance process. He acts as a facilitator at Board meetings to ensure that contribution by Directors are forthcoming on matters being deliberated. He works closely with the Board members in forming policy framework and strategies to align the business activities driven by the Management team.</p> <p><b><u>The MD/CEO</u></b></p> <p>Encik Anwar Syahrin Abdul Ajib was appointed as the MD/CEO of the Company effective 1 December 2020 subsequent to the resignation of Dato' Ahmad Fuaad Mohd Kenali as CEO of the Company on 31 October 2020. As the MD/CEO of the Company, he is responsible for the overall operations of the business, organisational effectiveness and the implementation of the Group's strategies and policies.</p> <p>The MD/CEO together with the Management Committee manage the business of the Group in accordance with the business plans, instructions and directions of the Board, and ensure the implementation of the Group's policies and procedures effectively.</p>
<b>Explanation for departure</b>	:	

*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

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

### Practice 1.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by two (2) qualified Company Secretaries who are experienced and competent in their roles. The Board has unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries attended all the meetings of the Board and Board Committees during the financial year 2020.</p> <p>The Company Secretaries assume, amongst others, the following duties and responsibilities:</p> <ul style="list-style-type: none"><li>• Corporate governance and compliance advisory:<ol style="list-style-type: none"><li>1) updating the Board on the new statutory and regulatory requirements pertaining to the duties and responsibilities of the Directors;</li><li>2) monitoring and ensuring compliance with the Board's and Board Committees' policies and procedures and advising the Board on all governance matters;</li><li>3) providing periodic reminder to the Board on the requirements to disclose Directors' interest in securities of the Company or in any contract to be entered with the Company (if any) or any changes thereof; and</li><li>4) coordinating the induction of new directors with the Management and facilitating the professional development of all Directors by identifying suitable development programmes for the Directors' selection or participation throughout the year.</li></ol></li><li>• Information flows and meetings:<ol style="list-style-type: none"><li>1) organising and attending all Board and Board Committees' meetings and ensuring the meetings are properly convened. This includes accurate and proper recording of the proceedings and resolutions passed at the meetings. Records on the Board and Board Committees' meetings are properly kept at the registered office of the Company;</li><li>2) facilitating the review of material proposals by the Chairman with the Management prior to Board meetings to enhance effective Board communication and deliberation of the subject</li></ol></li></ul>

	<p>matters; and</p> <p>3) ensuring the decisions of the Board and Board Committees are communicated to the Management for action, as necessary.</p> <ul style="list-style-type: none"> <li>• Stakeholder communication: <ul style="list-style-type: none"> <li>1) managing the process pertaining to the general meetings of the Company particularly during the Movement Control Order (“MCO”) and Conditional MCO periods where new rules and regulations implemented by the authorities, where relevant, were adopted by the Company; and</li> <li>2) serving as a focal point for stakeholder communication and engagement on corporate governance issues.</li> </ul> </li> </ul> <p>Despite the impact of COVID-19, the Company Secretaries constantly keep themselves abreast of the evolving environment by attending trainings and development programme to enhance their knowledge and keeping up to date with the compliance and regulatory changes.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company aimed to circulate the meeting materials to the Board at least five (5) business days prior to the date set for meetings after proper review of all meeting materials by the Management. This is to provide sufficient time for the Board to review the proposals and reports to be discussed at the Board meetings.</p> <p>After the conclusion of each meeting, the Company Secretaries would issue draft minutes of meeting for the review/comment of the Board in a timely manner before the same is tabled for confirmation by the Board at the next meeting.</p> <p>Timely circulation of materials to the Board and the process taken to ensure the minutes reflect the correct proceedings of the meeting are included in the KPIs of the Corporate Secretarial Department.</p> <p>The Directors are also informed of the requirement to notify or serve a notice in writing of his/her interest in securities, contracts or any transactions for the Board's information, and to abstain from deliberating and voting on matters concerning them.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 2.1

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>a) Board Charter</p> <p>The Board Charter, which is available on the Company's website at <a href="http://ir.chartnexus.com/malakoff/doc/Board%20Charter.pdf">http://ir.chartnexus.com/malakoff/doc/Board%20Charter.pdf</a>, is subject to periodic reviews and updates to ensure its relevance and compliance with regulatory requirements.</p> <p>The Board Charter which was revised and approved by the Board on 21 February 2018 sets out, amongst others, the following:</p> <p>a) roles and responsibilities of the Board primarily to provide strategic and business direction of the Company for Management's execution;</p> <p>b) roles and responsibilities of the Board Committees, namely Board Audit Committee ("<b>BAC</b>"), Board Nomination and Remuneration Committee ("<b>BNRC</b>"), Board Risk and Investment Committee ("<b>BRIC</b>") and Board Procurement Committee ("<b>BPC</b>"); and</p> <p>c) roles and responsibilities of the Chairman and CEO.</p> <p>In discharging its responsibilities effectively, the Board had delegated some of its oversight function to the Board Committees which operate within specific terms of reference ("<b>TOR</b>") of the respective Board Committee. The Board committees report to the Board on the outcome of their respective deliberations or recommendations (if any) on a quarterly basis. Out of the four Board Committees, only the BPC is conferred with a specific authority by the Board to approve or reject proposals within its authority limits. All decisions made or outcome of the deliberations on the proposals are reported to the Board for its notation at the next forthcoming Board meeting.</p> <p>The TORs of all Board Committees had been included in the Board Charter. Approval of the TOR of the respective Board Committee remains within the prerogative of the Board, which has the power</p>

	<p>at any time to change the terms of operations of each Board Committee as it deems fit.</p> <p>The Board Charter is also applied as a tool for the performance appraisal of the Board members.</p> <p>b) Board reserved matters</p> <p>To ensure that the direction and control of the Group remain with the Board, a formal schedule of matters reserved for the Board has been adopted for the Board's deliberation and decision. The Board's reserved matters are stated in the Board Charter as summarised below:</p> <ul style="list-style-type: none"> <li>a) review and approve the Company's and the Group's strategic plans;</li> <li>b) approval of material investment or divestment in a Company, material business, property or undertaking;</li> <li>c) approval of investment or divestment of capital projects which represent a significant diversification from the Group's existing business activities;</li> <li>d) approval of material changes in the business activities and corporate structure of the Group;</li> <li>e) approval of policies and bank mandates of the Company and the Group;</li> <li>f) approval of LOA for the Company and the Group and its revision therein;</li> <li>g) any decision to cease operation of all or any material part of the Group's business; and</li> <li>h) declaration of dividends and approval of financial statements including accounting policies of the Group.</li> </ul> <p>Other than that, the execution of business matters delegated to the Management are clearly defined in the LOA of the Group. The LOA serves as an important document that recorded the specific authorities delegated by the Board to the Management. The Management is empowered to execute the appropriate business activities and strategies to meet the needs of the Group's business under the LOA. This will ensure timely business decisions making and execution. The LOA allows a balanced and effective oversight with appropriate empowerment and accountability to Management.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had on 23 November 2015 adopted the Code of Conduct ("<b>Code</b>") which is made available on the Company's website. The introduction and implementation of this Code is as a catalyst to achieve such goal where the Code will function as a guide for the employees to understand and adopt the basic standard of conduct that is expected of them. Malakoff Group is committed to maintain the highest standards of integrity and professionalism in its business dealings including conducting its business fairly and impartially and in full compliance with all applicable rules and regulations.</p> <p>Further to the revision of the Code on 1 July 2020, it maintained eight underlying principles that the employees must observe. These principles form the basis of the employees' conduct towards the Company, customers, vendors, suppliers, contractors and other external parties. These basic principles are:</p> <ul style="list-style-type: none"><li>a. <b>HONESTY</b>: avoiding hiding the truth;</li><li>b. <b>INTEGRITY</b>: avoiding situations where the personal interest of the Employees appears to be in conflict with the interest of Malakoff Group;</li><li>c. <b>LEADERSHIP</b>: avoiding abuse or misuse of the employees' position in the Company;</li><li>d. <b>PROFESSIONALISM</b>: maintaining secrecy at all time of confidential information obtained in the course of the employees' employment in Malakoff Group and not disclosing or using such confidential information for personal advantage;</li><li>e. <b>LOYALTY</b>: avoiding placing the reputation of the Company in jeopardy;</li><li>f. <b>RESPONSIBILITY</b>: disclosing and seeking clarification from relevant persons in the Company whenever in doubt or whenever ethical concerns arise;</li><li>g. <b>TRUSTWORTHY</b>: avoiding misuse of the Company's resources or assets for personal gain; and</li><li>h. <b>PERSONAL CONDUCT</b>: conducting or behaving in any manner at any</li></ul>

	<p>place and time that does not bring disrepute to the good name of Malakoff Group.</p> <p>The Code is meant as a reference for all levels of employees as well as all parties that conduct business with the Company. It serves as the Company's formal commitment to conduct itself professionally at all times and conduct business in a transparent, appropriate and fair manner.</p> <p>As Malakoff is committed in upholding the highest standards of ethical conduct, integrity and accountability in all its business activities and operations, it had adopted Malakoff Group Anti-Bribery Policy (“<b>ABP</b>”) in October 2019, which was further enhanced in 2020. The ABP was cascaded to Malakoff subsidiaries for adoption in 2020. The ABP applies zero-tolerance policy towards any form of bribery by, or of, its employees or any persons or companies acting for or on behalf of the Group. The Integrity &amp; Governance Unit was set up to support the implementation of the ABP, with direct access to the Board and Top Management on issues concerning bribery and integrity.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board believes the setting up an appropriate avenue for the voice of the Company's staff and third parties to be heard is important to continue upholding a healthy corporate culture for the Group. This will be achieved by maintaining an open working environment where all parties would act in a responsible and appropriate manner.</p> <p>The Whistleblowing Policy established by the Board embodies the Company's commitment to promote and maintain high standards of transparency, accountability, ethics and integrity at the workplace. This policy provides an avenue for employees and third parties to disclose cases of improper conduct which include criminal offences, fraud, corruption, non-compliance to laws and regulations, breach of Group policies and the Code or other malpractices without fear of reprisal.</p> <p>Any disclosure of improper conduct can be made verbally or in writing to the Chairman of the BAC through letter or e-mail to <a href="mailto:whistleblowing@malakoff.com.my">whistleblowing@malakoff.com.my</a>. A whistleblower is assured confidentiality of identity to the extent reasonably practicable. This includes protecting the whistleblower from detrimental action that may result from the disclosure of improper conduct, provided that the disclosure is made in good faith.</p> <p>The Whistleblowing Policy is also to ensure that fair treatment is provided to both whistleblower and the alleged wrong-doer when a disclosure of improper conduct is made. The involvement of the BAC Chairman in the reporting channel will also provide an added assurance to whistleblowers that the implementation of the Whistleblowing Policy will be properly followed and escalated to the Board. The salient terms of the Whistleblowing Policy are made available at the Company's corporate website.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 4.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>With the appointment of a new MD/CEO in the Company, the Board composition has increased from seven to eight members by end of 2020. Notwithstanding the newly appointed executive director, the Company maintains the weightage of independent directors. Presently, there are four INED and three Non-Independent Non-Executive Directors (“<b>NINED</b>”) in the Company. The Board’s composition also fully complied with the provisions of the Main Market Listing Requirements (“<b>MMLR</b>”) of Bursa Malaysia Securities Berhad (“<b>Bursa Securities</b>”) for INED to make up at least two (2) or one third (1/3) of the Board membership, whichever is higher.</p> <p>The Board has regarded the current Board composition to be effective in decision making at the Board level where independent deliberation is being upheld and maintained with the presence of four INEDs, including the Independent and Non-Executive Chairman, at the Board together with a nominee director of the Company’s major shareholder which is a statutory body managing funds belonging to the general public. The views and deliberations of this Board nominee is usually aligned towards safeguarding public interest and this had brought independence and objectivity to the Board deliberations 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**

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

**Practice 4.2**

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

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

<b>Application</b>	:	Not applicable - No independent director(s) serving beyond 9 years	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b>	:	Adopted										
<b>Explanation on adoption of the practice</b>	:	<p>The term limit and retirement age of IDs are reflected in the Company's Policy on Independent Non-Executive Directors Tenure ("<b>INED Policy</b>"). The revised INED Policy was approved by the Board on 19 February 2020 to include the policy on cumulative nine-year limit for INEDs. An INED who has reached the cumulative nine-year limit may, subject to assessment of the BNRC and approval of the Board, be recommended for retention as INED by the shareholders' approval annually, or the INED will be re-designated as Non-IDs of the Company.</p> <p>The tenures of Malakoff's IDs have not exceeded a cumulative term of nine years since its listing in May 2015 and will only be due in May 2024. The years of service of the IDs as at 31 December 2020 is summarised below:</p> <table border="1"><thead><tr><th>Years of Service</th><th>&lt;3</th><th>3 to 5</th><th>6 to 8</th><th>≥ 9</th></tr></thead><tbody><tr><th>No. of Directors</th><td>0</td><td>2</td><td>2</td><td>0</td></tr></tbody></table>	Years of Service	<3	3 to 5	6 to 8	≥ 9	No. of Directors	0	2	2	0
Years of Service	<3	3 to 5	6 to 8	≥ 9								
No. of Directors	0	2	2	0								

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	: Applied												
<b>Explanation on application of the practice</b>	<p>The BNRC is delegated with the responsibilities of assessing and recommending potential candidates to be appointed as Directors based on the required mix of (i) skills, knowledge, expertise and experience; (ii) contribution and performance; (iii) character, professionalism and integrity; (iv) number of directorships and other external obligations; and (v) ability of the candidates to discharge responsibilities/functions as an ID. The ultimate decision on the appointment is solely at the discretion of the Board.</p> <p>The following key skills and experience served as a guide in the nomination/appointment of new Directors and Senior Management for Malakoff Group: -</p> <ul style="list-style-type: none"><li>(i) knowledge and experience in energy and water industry that is relevant to the Group's strategy of its core business as well as the Company's new venture into waste management and environmental services;</li><li>(ii) financial acumen to assess and analyse the quality of financial controls, financial statements and performance, corporate finance, capital management and funding arrangements;</li><li>(iii) knowledge and experience in the best practice governance structures, policies &amp; processes, risk &amp; compliance frameworks;</li><li>(iv) legal knowledge on operation of the business and managing legal, regulatory, public policy and corporate affairs issues; and</li><li>(v) experience in monitoring the Company's culture, overseeing people management and succession planning and setting remuneration framework at Board and Management level.</li></ul> <p>The Board skills matrix set out below described the combined skills, expertise and experience presently represented on the Board. This matrix has been used by the Board to assess the required Board composition especially on selection and recruitment of Directors. The Board also considers diversity when it recruits Senior Management.</p> <table border="1"><thead><tr><th>Skills and Experience</th><th>No. of Directors</th></tr></thead><tbody><tr><td>Accounting</td><td>4</td></tr><tr><td>Business Administration</td><td>1</td></tr><tr><td>Economics</td><td>1</td></tr><tr><td>Legal</td><td>1</td></tr><tr><td>Energy / Technical</td><td>1</td></tr></tbody></table>	Skills and Experience	No. of Directors	Accounting	4	Business Administration	1	Economics	1	Legal	1	Energy / Technical	1
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	<p>The diversity in the race/ethnicity (cultural background), nationality, age and gender in the Board and Management are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="4">Race / Ethnicity</th> </tr> <tr> <th></th> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td><b>Directors</b></td> <td>5</td> <td>2</td> <td>0</td> <td>1</td> </tr> <tr> <td><b>Management</b></td> <td>8</td> <td>1</td> <td>2</td> <td>1</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Nationality</th> <th colspan="2">Gender</th> </tr> <tr> <th></th> <th>Malaysian</th> <th>Foreigner</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td><b>Directors</b></td> <td>8</td> <td>0</td> <td>7</td> <td>1</td> </tr> <tr> <td><b>Management</b></td> <td>11</td> <td>1</td> <td>11</td> <td>1</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th colspan="3">Age Group</th> </tr> <tr> <th></th> <th>39 – 49 years</th> <th>50 – 59 years</th> <th>≥ 60 years</th> </tr> </thead> <tbody> <tr> <td><b>Directors</b></td> <td>1</td> <td>1</td> <td>6</td> </tr> <tr> <td><b>Management</b></td> <td>6</td> <td>6</td> <td>0</td> </tr> </tbody> </table>					Race / Ethnicity					Malay	Chinese	Indian	Others	<b>Directors</b>	5	2	0	1	<b>Management</b>	8	1	2	1		Nationality		Gender			Malaysian	Foreigner	Male	Female	<b>Directors</b>	8	0	7	1	<b>Management</b>	11	1	11	1		Age Group				39 – 49 years	50 – 59 years	≥ 60 years	<b>Directors</b>	1	1	6	<b>Management</b>	6	6	0
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<b>Timeframe</b> :																																																												

## Intended Outcome

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

## Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company remains with one woman Director on Board in year 2020. Following the appointment of the MD/CEO in 2020, the percentage of women Directors of the Company is revised from 14% to 12% by end of 2020. Whilst the Board recognises that MCCG 2017 had recommended for Large Companies to have at least 30% women directors, any appointment of director on the Board is only made after objective and thorough assessment by the BNRC of the appropriateness of the candidate's skills and experience to the position as well as the Company's requirement at that point of time.</p> <p>The appointment of additional woman director(s) would be made as and when the right women candidate(s) who can complement the current Board composition and mix is identified.</p> <p>The current Board of Malakoff which comprised eight (8) board members have the appropriate mix of the skills and experience as set out in Practice 4.4. These differences would be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.</p> <p>The Board is of the view that the current Board has the right mix of skills and experience and has been effective in meeting the business demands of the Group. The Board has always placed priority for new directors joining the Board to have the required skills and competence to contribute to an effective Board and all other contributing factors considered for appointment of Directors.</p> <p>The Company had adopted the Diversity Policy which outlines its approach in achieving and maintaining diversity (including gender diversity) on its Board of Directors. In the meantime, the Board had continued to leverage on the current Board members which have a diverse background, ethnicity, age and areas of expertise to meet the application of the above principles.</p>

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

<b>Measure</b>	:	The Board will consider the appointment of women Director(s) when the suitable women candidate(s) is identified.	
<b>Timeframe</b>	:	Others	As and when the suitable woman candidate who can complement the current board composition and mix is identified.

## Intended Outcome

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

## Practice 4.6

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The BNRC shortlisted candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Board Committees. The Company maintains a formal and transparent procedure in appointing new directors.</p> <p>Searches for potential candidates generally take into account recommendations from the major shareholders, Directors and various other sources. Should it be necessary, the BNRC may consider the use of external search firms to find appropriate candidates. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.</p> <p>In reviewing and recommending to the Board any new appointment of director, the BNRC considers:</p> <ul style="list-style-type: none"><li>(a) the candidate's track record, experience and capabilities or such other factors as may be determined by the BNRC to be relevant and which would contribute to the Board's collective skills;</li><li>(b) any competing time commitments if the candidate has multiple listed company board representations and/or other principal commitments;</li><li>(c) the candidate's independence, in the case of the appointment of an independent director; and</li><li>(d) the composition requirements for the Board and Board Committees after matching the candidate's skills set to the requirement of the relevant committees (if the candidate is proposed to be appointed to any of the Board Committees).</li></ul> <p>The current selection mechanism represents a proven method of sourcing high calibre directors with a sound understanding of the business imperative.</p> <p>In light of the resignation of Dato' Ahmad Fuaad Mohd Kenali as CEO of the Company on 31 October 2020, the BNRC, with the assistance of Human Capital Division, had sourced for suitable candidates in the market. Considering the educational background of the new MD/CEO in Accounting and Mechanical Engineering which fits the Company's</p>

	business requirements and complement with his six year stint as MD/CEO of a listed company, the BNRC has conducted thorough assessment of his recent years' performance, and recommended the appointment of Encik Anwar Syahrin Abdul Ajib as MD/CEO of the Company for the Board's approval.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.7**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The BNRC is chaired by Datuk Haji Hasni Harun, the Independent Non-Executive Chairman of the Company with the support of three non-executive directors (" <b>NED</b> "), two of whom are independent directors (" <b>ID</b> "). The majority of the BNRC members are IDs.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company engaged external independent expert to assist the Board assessment for the first three years (2015-2017) after the listing of Malakoff in May 2015. Thereafter, the yearly Board assessment had been carried out internally, facilitated by the Company Secretary up to year 2020. The Board had considered engaging an independent consultant to facilitate periodic review on the Board's performance for Malakoff in year 2022.</p> <p>Over these years, the Board, through the BNRC, had effectively carried out yearly Board assessment exercise to evaluate the appropriateness of the Board and Board Committees in terms of size, composition and effectiveness as well as the performance of individual directors. The evaluation is carried out by way of feedback obtained from each Board member through the completion of a set of customised questionnaires designed to evaluate the performance of each Board member and the independency of the IDs. This Board assessment covers the evaluation of the Board effectiveness in terms of its structure, Board operation and interaction, Board communication and its roles and responsibilities, as a combination of self and peer assessment.</p> <p>Other than the self-assessment performed by the IDs in the annual assessment exercise, the independence of each ID of the Company is also observed by other NINED to determine that each ID had acted in an independent and objective manner throughout the year. The IDs had self-declared their independency in the Board evaluation.</p> <p>Pursuant to the said exercise, comments received from the Board (including areas for improvements) would be addressed during FY2021. The areas of improvement from the Board assessment include amongst others, the following:</p> <ul style="list-style-type: none"><li>(i) quality training and updates in respect of the changes and development of regulations, audit, accounting, financial reporting and industry; and</li><li>(ii) certain administrative aspects of Board meetings on the inclusion of additional agenda items identified by the Board to be discussed at</li></ul>

	<p>the Board meetings, enhancement of the board paper contents and presentation at Board meetings and consistency of the timeliness of board paper dissemination.</p> <p>The Board's response and feedback to the questionnaires were collated and, thereafter, analysed for formulation of action plans to improve areas for improvement. The BNRC, upon discussion of the results, would present the findings to the Board.</p> <p>The retiring Directors, who are seeking for re-election, are subject to Directors' assessment conducted by the BNRC. The Board, with the recommendation of the BNRC, makes decision as to whether it would endorse a retiring Director for re-election.</p> <p>With the recommendation of the BNRC, the Board confirmed that the following Directors, who are retiring pursuant to Article 105 of the Company's Constitution and standing for re-election at the forthcoming 15<sup>th</sup> Annual General Meeting, would continue to perform effectively and demonstrate commitment to their roles:</p> <ul style="list-style-type: none"> <li>i) Datuk Haji Hasni Harun (INED); and</li> <li>ii) Dato' Sri Che Khalib Mohamad Noh (NINED)</li> </ul> <p>In addition, the Company's new MD/CEO, Encik Anwar Syahrin Abdul Ajib, would also retire at the forthcoming Annual General Meeting pursuant to Article 111 of the Company's Constitution and being eligible for re-election at the 15<sup>th</sup> Annual General Meeting of the Company.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

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

### Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, through the BNRC, had established a formal and transparent policy and procedure for the development of a remuneration policy for the Directors of the Company and its Group, Board Committees and the Senior Management.</p> <p>The BNRC had also established an objective remuneration structure for Directors of the Company, the Group and the Senior Management and provide the necessary recommendations to the Board on the remuneration of the aforesaid which includes CEO. This is achieved through a benchmarking exercise.</p> <p>The remuneration policy aims to attract, retain and motivate Directors and Senior Management personnel who would create sustainable value and returns for the Company's shareholders and other stakeholders. There is a clear distinction between the remuneration structure of the NED, Executive Director(s) ("ED"), CEO and the Senior Management. The components making up the remuneration of Directors and CEO are outlined in the TOR of BNRC which is available at the Company's website at <a href="http://www.malakoff.com.my">www.malakoff.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 6.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The BNRC reviews, amongst others, the overall remuneration policy of the NEDs, ED and Senior Management. The remuneration policy aims to attract, retain and motivate Directors and Senior Management who would create sustainable value and returns for the shareholders and other stakeholders. There is a clear distinction between the remuneration structure of the NEDs, ED and the Senior Management.</p> <p>As provided under the Company's remuneration policy, the recommendation of remuneration for the Directors of the Company and the Group and the Senior Management of the Company shall be based on the following considerations:</p> <ul style="list-style-type: none"><li>(i) level of remuneration structure that is sufficient to attract and retain the individuals needed to manage the Company successfully at the Board as well as the Senior Management level;</li><li>(ii) links rewards to both the Company and individual performances, responsibilities, expertise and complexity of the Company's activities; and</li><li>(iii) alignment of the interests of Directors, Senior Management and the stakeholders with the business strategy and long-term objectives of the Company.</li></ul> <p>The authority and duties of the BNRC are set out in the TOR of BNRC and made available for review on the Company's website at <a href="http://www.malakoff.com.my">www.malakoff.com.my</a>.</p>
<b>Explanation for departure</b>	:	

*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

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

### Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The detailed disclosure on named basis for the remuneration of individual director (including the MD/CEO) and the remuneration breakdown of each individual director includes fees, salary, Board Committees allowances, meeting allowances, benefits in-kind and other emoluments is included in the Corporate Governance Overview Statement of Annual Report 2020.</p> <p>The overall remuneration package of NEDs is subject to shareholders' approval annually. The interested directors would abstain from voting in respect of their shareholdings on the resolution relating thereto at the Company's general meetings.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 7.2

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>	:	Applied																								
<b>Explanation on application of the practice</b>	:	<p>Remuneration paid to the top five senior management personnel for the financial year ended 31 December 2020 is as follows:</p> <table border="1"><thead><tr><th>Total Remuneration in bands of RM50,000</th><th>Name</th></tr></thead><tbody><tr><td colspan="2"><i>Newly appointed during the year</i></td></tr><tr><td>RM100,000 – RM150,000</td><td>Anwar Syahrin Abdul Ajib (Appointed on 1 December 2020)</td></tr><tr><td>RM150,001 – RM200,000</td><td>Clive Anthony Smith (Appointed on 16 September 2020)</td></tr><tr><td colspan="2"><i>Existing/resigned during the year</i></td></tr><tr><td>RM700,001 – RM750,000</td><td>1. Mohd Nazersham Mansor 2. Yap Leng Khim 3. Mohammed Azmil Ismail</td></tr><tr><td>RM750,001 – RM800,000</td><td>-</td></tr><tr><td>RM800,001 – RM850,000</td><td>-</td></tr><tr><td>RM850,001 – RM900,000</td><td>-</td></tr><tr><td>RM900,001 – RM950,000</td><td>-</td></tr><tr><td>RM950,001 – RM1,000,000</td><td>-</td></tr><tr><td>RM1,000,001 and above</td><td>Dato' Ahmad Fuaad Mohd Kenali (resigned on 31 October 2020)</td></tr></tbody></table> <p>The remuneration value above is computed on an aggregate basis, taking into account the relevant personnel's salary, allowances, bonus, benefits in kind and other emoluments.</p> <p>The Board ensures that the remuneration of Senior Management is fair and commensurate with the performance of the Company and the contributions made by the Senior Management, and at the same time it is able to attract, retain and motivate the Senior Management to excel in their respective roles.</p>	Total Remuneration in bands of RM50,000	Name	<i>Newly appointed during the year</i>		RM100,000 – RM150,000	Anwar Syahrin Abdul Ajib (Appointed on 1 December 2020)	RM150,001 – RM200,000	Clive Anthony Smith (Appointed on 16 September 2020)	<i>Existing/resigned during the year</i>		RM700,001 – RM750,000	1. Mohd Nazersham Mansor 2. Yap Leng Khim 3. Mohammed Azmil Ismail	RM750,001 – RM800,000	-	RM800,001 – RM850,000	-	RM850,001 – RM900,000	-	RM900,001 – RM950,000	-	RM950,001 – RM1,000,000	-	RM1,000,001 and above	Dato' Ahmad Fuaad Mohd Kenali (resigned on 31 October 2020)
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<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Datuk Dr. Syed Muhamad Syed Abdul Kadir, an INED of the Company, has been the Chairman of BAC of the Company since the listing of Malakoff. He is not the Chairman of the Company.</p> <p>The educational background and vast experience of Datuk Dr. Syed Muhamad Syed Abdul Kadir have equipped him with the ability to lead the BAC in its discussions and deliberations on audit related matters. The full profile of Datuk Dr. Syed Muhamad Syed Abdul Kadir is provided in the Annual Report 2020.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Policy on the appointment of a former key audit partner as BAC member as per the recommendation of Practice 8.2 of the MCCG 2017 had been adopted and included in the TOR of BAC.</p> <p>As at to-date, none of the BAC member is a former key audit partner of the Company. Should there be any prospective former key audit partner identified by the Board, the prospect will be required to observe a cooling-off period of at least two years before being appointed a member of the BAC.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In assessing the suitability, objectivity and independence of the External Auditor ("EA"), the BAC had performed an annual assessment covering the key areas on quality of audit services rendered by the EA, such as the performance of EA, the quality processes/performance of the engagement team, audit team's independence, objectivity and professionalism, audit scope and planning, audit fees and audit communication and interaction. Assessment questionnaires were used as a tool to obtain inputs from each of the BAC member and the Management.</p> <p>EA's performance was rated using a four (4) point scale to, amongst others, assess the adequacy and competency of the audit team, the ability to provide advice, suggestions or clarifications using technical knowledge and independent judgment, to alert/keep the BAC informed and abreast of the significant audit issues affecting the Group and the impact of new accounting standards applicable to the Group's financial statements, maintain active engagement on the audit process with the BAC, as well as their responsiveness to resolving issues.</p> <p>During the year, the BAC had met the EA twice at BAC meetings held in March and November 2020 without the presence of the Management to ensure free and honest discussion and exchange of views on matters related to their findings during the course of audit.</p> <p>The independence of the EA is maintained and safeguarded through the establishment of a non-audit services policy which was approved by the Board on 23 May 2017. Under this policy, the BAC's approval is required for the engagement of the Group's EA for non-audit services, if the cumulative fee for the non-audit services for the year reaches 50% of prior year's audit fees (which included the fees for limited quarterly review). The BAC believes that this was an appropriate level to maintain and safeguard the independence of the EA and ensure that the judgement of the EA will not be impaired. In addition, the Company's EA, KPMG, has provided assurance that they have been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the Audited Financial Statements of the Group for FY2020.</p>

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 8.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Other than the one BAC member who is a member of the Malaysian Institute of Accountants ("MIA") that fulfilled the requirements under Paragraph 15.09(1)(c) of the MMLR of Bursa Securities, each of the BAC member is financially literate as prescribed under the Corporate Governance Guide 3rd Edition 2017, including but not limited to the following:</p> <ul style="list-style-type: none"><li>• has the ability to read and understand the financial statements;</li><li>• has the ability to understand and assess the general application of accounting principles and apply a critical view on the underlying assumptions;</li><li>• has the ability to analyse financial statements and challenge Management's assertions on financials;</li><li>• has the awareness of, and familiarity with, new financial reporting standards and how they impact the Company's financial performance so that appropriate questions are raised;</li><li>• has the ability to assess the effectiveness of the audit process and the Company's finance functions in generating reliable and timely financial information; and</li><li>• has the ability to ask probing questions about the Company's operations against internal controls and risk factors.</li></ul> <p>The BAC makes continuous efforts to further enhance its ability to discharge its duties as an effective BAC of the Company. In this regard, the BAC members have constantly looked out for courses or programmes that would further enhance their financial skills and understanding. Continuous development programmes have been recommended for the BAC members in relation to four areas namely core functions, skills development, role and purpose of the BAC and topical updates. During the financial year, the BAC members have attended trainings and conferences for their continuous professional development to keep themselves abreast with the current and future</p>

	<p>development in the industrial and changes in regulations. The list of trainings attended by the BAC members during FY2020, amongst others, are as follows:</p> <ul style="list-style-type: none"> <li>• The Quiet Transformation of Corporate Governance;</li> <li>• Malaysia Budget 2021 – Presentation by Ernst &amp; Young;</li> <li>• Cyber Security Awareness and Budget Tax 2021 Proposals;</li> <li>• Epidemics, Pandemics and Outbreaks;</li> <li>• Digital Transformation;</li> <li>• How to be an Effective Non-Executive Director in Disruptive World;</li> <li>• Artificial Intelligence in Marketing;</li> <li>• Briefing on the Corporate Liability Provision under Section 17A MACC Act;</li> <li>• FIDE Forum on Risks: A Fresh Look from the Board’s Perspective;</li> <li>• FIDE Forum Seminar on Digital Financial Institutions Series: Managing Virtual Banking and Insurance Businesses;</li> <li>• MACC 2018 under Section 17A on Corporate Liability;</li> <li>• BNM-FIDE Forum on Annual Dialogue with Governor of BNM;</li> <li>• Business Foresight Forum – Evolutionary Change to Revolutionary Impact; and</li> <li>• Fraud Risk Management Workshop by PricewaterhouseCoopers PLT.</li> </ul> <p>An annual assessment on the performance of the BAC during the term of office was undertaken by the Board through BNRC for FY2020 and the Board was satisfied with the performance of the BAC.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

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

### Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Risk management is integrated into the Group's day to day business activities and risk-based evaluation is incorporated into the Group's decision-making process. This demonstrates the emphasis placed by the Board on risk management and underlines the importance of a well-managed risk management program.</p> <p>The risk parameters are determined and documented in the Group's Enterprise Risk Management Policy &amp; Framework ("<b>ERM</b>PF"). The Board, who is responsible for the risk management and internal control framework, has delegated the responsibility to the BRIC. BRIC actively identifies, assesses and monitors key business risks to safeguard the interest of the Company's shareholders and assets, and provide reasonable assurance that any adverse impact on the Group's objectives is mitigated and managed.</p> <p>In accordance with the Group's Business Continuity Management Policy and Framework ("<b>BC</b>MPF"), the Company had implemented the Pandemic Response Procedure and Work From Home Procedure in managing and mitigating the risk of COVID-19 pandemic outbreak to ensure continuity of the businesses as well as to ensure tighter measures are implemented at the workplace, power plants and other operation areas.</p> <p>The Information Technology Governance and Security Policy has been in place since 2019.</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>	:		
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### Intended Outcome

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

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

### Practice 9.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The BRIC reports to the Board on a quarterly basis on the disclosure and discussion of the Group’s key risk areas such as strategic, operations, finance, reputation, information, cyber security and fraud. The Board evaluates these risks including the controls in place to mitigate them.</p> <p>The ERMPF is in line with the ISO 31000:2008 Risk Management – Guidelines codified by the International Organization for Standardisation.</p> <p>The Board, through the BRIC’s quarterly discussions, also reviews the internal control and risk management framework implemented in the Group. As for COVID-19 pandemic, the BRIC also reviews and discusses the COVID-19 status updates, in particular, cases involving the employees, the standard operating procedures being implemented, and the development of COVID-19 cases in key districts where the Group 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 9.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The BRIC of the Company comprises four (4) members, majority of whom are IDs. The members of the BRIC are as follows:  <ol style="list-style-type: none"><li>1) Datuk Idris Abdullah, an INED (Chairman);</li><li>2) Datuk Dr. Syed Muhamad Syed Abdul Kadir, an INED;</li><li>3) Madam Cindy Tan Ler Chin, a NINED; and</li><li>4) Datuk Rozimi Remeli, an INED.</li></ol>

### Intended Outcome

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

### Practice 10.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit Charter of the Company approved by the BAC establishes the framework for the effective and efficient functioning of Group Internal Audit (“GIA”). The Charter is a formal document that outlines GIA’s purpose, authority, responsibility, independence, objectivity and establishes GIA’s position within the organisation as well as GIA’s independent status within the Group.</p> <p>The BAC also reviews and approves the Annual Internal Audit Plan, budget and organisational structure of GIA to ensure that it is adequately resourced with competent staff to perform its function effectively and independently. In addition, the BAC also reviews the effectiveness of the internal audit function and assess the performance of GIA and held private sessions with the Chief Internal Auditor to ensure there were no restrictions on the GIA’s scope of work and to discuss any matters that GIA wishes to escalate to the BAC.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 10.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>GIA has an independent status within the Group. The objectivity and independence status of GIA to ensure that the internal audit personnel are free from any relationship or conflict of interest are accomplished through the following:</p> <ul style="list-style-type: none"><li>a) establishment of the Internal Audit Charter i.e. a formal document approved by the BAC which defines the GIA's purpose, authority, responsibility, independence, objectivity and establishes GIA's position within the organisation as well as GIA's independent status within the Group;</li><li>b) GIA reports directly and functionally to the BAC and administratively to the MD/CEO;</li><li>c) approval for the appointment and removal of the Chief Internal Auditor by the BAC;</li><li>d) approval of GIA's organisation structure, Internal Audit Charter, annual budget and Annual Internal Audit Plan by the BAC;</li><li>e) GIA is independent of the functions and activities that it audits; and</li><li>f) private sessions between the BAC and Chief Internal Auditor to ensure no restriction on GIA's scope of work and to discuss any matters that GIA wishes to escalate to the BAC.</li></ul> <p>As at 31 December 2020, the total number of personnel in GIA was nine (9) including the Chief Internal Auditor.</p> <p>The name, qualification and work experience of the Chief Internal Auditor are disclosed under the Company's Management Team profile in the Annual Report 2020.</p> <p>The internal audit function of the Company is carried out in accordance with the International Professional Practices Framework ("IPPF") by the Institute of Internal Auditors ("IIA").</p>
<b>Explanation for departure</b>	:	

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

## Intended Outcome

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

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company employs a wide range of communication modes with its shareholders primarily through its website at <a href="http://www.malakoff.com.my">www.malakoff.com.my</a> which has dedicated sections for corporate information of the Company and corporate governance practices adopted by the Group. The website provides a wide range of information such as the Company's policies, media releases, investor presentations, quarterly and annual financial statements, announcements, share and financial information, annual reports and circulars/statements, to shareholders and investors at large.</p> <p>Other than the forum of general meetings, the Board encourages other mediums of communication between the Company and its shareholders or investors as listed below:</p> <ul style="list-style-type: none"><li>(i) the disclosure of full and timely information on the Group's major developments pursuant to the MMLR of Bursa Securities;</li><li>(ii) all information of the Group's activities or press releases are made available on the Company's website;</li><li>(iii) all announcements released to Bursa Securities are uploaded onto the Company's website; and</li><li>(iv) physical forums for interactive exchange between the Company's Senior Management and investors at meetings, briefings and site visits.</li></ul> <p>In order to promote effective engagement with shareholders or public at large, an Investor Relations section had been set up on its corporate website at <a href="http://www.malakoff.com.my">www.malakoff.com.my</a>, where relevant investors' information are made available for review as well as for enquiries to be posed to the Company's Management. The Investor Relations team is assigned to attend or respond to shareholders'/investors' enquiries from time to time.</p> <p>The annual report of the Company also serves as another main channel of communication between the Group and its shareholders and stakeholders. The annual report communicates comprehensive information on the financial results and activities undertaken by the Group during the year.</p>

	<p>The Board also recognises the importance of shareholders' participation in general meetings. The Annual General Meeting provides the principal forum for dialogue and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutional, at general meetings, to seek clarifications on pertinent and relevant information, is encouraged. In addition, any queries raised by the Minority Shareholders Watch Group would also be presented to the shareholders at the Annual General Meeting together with the Group's response.</p>	
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

## Intended Outcome

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

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

## Practice 11.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Malakoff's Annual Report provides the stakeholders with a balanced and meaningful overview of the Company's financial and non-financial information, guided by the MMLR of Bursa Securities. In addition, Malakoff also strives to meet the global benchmarks by following the Global Reporting Initiative Standard on sustainability reporting.</p> <p>One of the main areas in the annual report is the "Management and Discussion Analysis (MD&amp;A)" section where Malakoff explains its performance in-depth on financial and operations together with the outlook and prospects. A Sustainability Statement, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control form an integral part of the non-financial information in the Annual Report. These areas will equip the Company towards the adoption of integrated reporting through the establishment of the necessary systems and controls.</p> <p>The Company is still at the stage of data collection for non-financial information and is estimated to take some time to reach maturity before embarking into integrated reporting. Although the Company has yet to follow the International Integrated Reporting Council's (IIRC) Framework ("<b>Framework</b>"), it has been displaying certain elements of the Framework in the Annual Report. This is to enable holistic changes to be made seamlessly in the future.</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>	:	<p>Continuous review and improvement on various reporting documents within the Company will help to gauge the readiness of the Company in adopting integrated reporting.</p> <p>At the same time, a progressive approach to integrated thinking shall be applied from the top to ensure that the Company develops and</p>

	<p>directs its strategy and manages the business in an integrated way, taking cognisance of the capital resources required and the interests of all stakeholders.</p> <p>The Company would consider embarking on full integrated reporting when the Company is more prepared and ready for it.</p>	
<b>Timeframe</b>	:	Others

### Intended Outcome

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had continued to observe the good practice to serve at least 28 days' prior notice for its 14<sup>th</sup> Annual General Meeting ("AGM") held on 9 June 2020, despite the impact of COVID-19 to the nation. The Company continues with this practice in 2021 where the same notice period is served on 29 March 2021 for its forthcoming 15<sup>th</sup> AGM to be held fully virtual on 28 April 2021.</p> <p>By serving this longer notice period, the shareholders are given sufficient time to allow them in making the necessary arrangement to attend and participate in person or through the appointment of corporate representatives or proxies 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 12.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its responsibility as steward of the Company to continuously engage and provide meaningful responses to the shareholders' questions. General meetings are regarded as one of the avenues for shareholders to communicate effectively with the Board.</p> <p>All general meetings of the Company are scheduled well in advance to encourage full attendance of the Board. All Directors were present at the 14<sup>th</sup> AGM of the Company held on 9 June 2020. The Board is duly informed of the date of the forthcoming 15<sup>th</sup> AGM of the Company scheduled on 28 April 2021.</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 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company conducted its fully virtual 14<sup>th</sup> AGM on 9 June 2020 by leveraging on the Remote Participation and Voting (“RPV”) facilities offered by its poll administrator. The RPV facilities had enabled remote shareholders’ participation and online remote voting by leveraging on technology, in accordance with Section 327(1) and (2) of Companies Act 2016.</p> <p>(a) Remote shareholders’ participation at the 14<sup>th</sup> AGM</p> <p>All shareholders were informed in advance of the use of RPV facilities for the Company’s 14<sup>th</sup> AGM and the steps to download the applicable application for such purpose.</p> <p>The online registration for remote participation by the shareholders/proxies/corporate representatives was opened from 8 May 2020 up to 7 June 2020 at the Boardroom Smart Investor Portal of which the detailed procedures were also provided in the revised administrative details.</p> <p>The shareholders/proxies were notified of their successful registration for the 14<sup>th</sup> AGM via email after the verification of shareholders’ identity against the General Meeting Record of Depositors as at 1 June 2020. With the successful registration online, the shareholders/proxies could log in to participate in the AGM via the RPV facilities.</p> <p>(b) Voting in absentia</p> <p>Shareholders/proxies who attended the Company’s fully virtual 14<sup>th</sup> AGM had voted remotely using the RPV facilities.</p>
<b>Explanation for departure</b>	:	

*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> :		

**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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