

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5211  
**COMPANY NAME** : SUNWAY BERHAD  
**FINANCIAL YEAR** : December 31, 2020

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the leadership of the Company and its subsidiaries (“Group”) and is collectively responsible for the achievement of its objectives and goals. It formulates and reviews the Group’s strategic direction, core values and management of the Group to ensure that the Group operates with integrity and in compliance with all the applicable laws, rules and regulations. In addition, it is also responsible to ensure good corporate governance culture is practised within the Group.</p> <p>The Board is guided by its Board Charter which outlines its duties and responsibilities. The Board Charter is available at the Company’s website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>. The Board has also set up Board Committees to assist and to effectively discharge its functions and responsibilities.</p> <p>The Board assumes, amongst others, the following principal roles and responsibilities in fulfilling its leadership and stewardship roles as well as meeting its fiduciary duties:</p> <ul style="list-style-type: none"><li>• <i>Setting the vision, mission, objectives, goals and strategic plans for the Group with a view to maximizing shareholders’ value as well as ensuring long term sustainability of the Group’s performance.</i></li></ul> <p>At the beginning of each financial year, the Board meets with the management to brainstorm and discuss on the annual business and strategic plans of various divisions within the Group. At the meeting, the Board and management reviewed and provided recommendations on corporate and operational strategies together with the proposed financial targets, investments and budgeted capital expenditure of the various divisions for the following year.</p> <p>A 2-day Board Meeting was held in January 2020 to brainstorm and approve the business plan of each division within the Group which</p>

comprised Property Development Division, Property Investment Division, Construction Division, Building Materials Division, Trading and Manufacturing Division, Quarry Division, Healthcare Division, Hospitality Division, Retail Division and Leisure Division. Due to the impact of the Covid-19 pandemic, the Board had brainstormed with each division management team on the strategies needed to control cost and the effective implementation of business continuity action plans.

In meeting the challenges of technological trends and disruptions, the Board together with management had agreed to establish a new business division which focuses on digital transformation initiatives to stay ahead of the game. It will explore new possibilities for growth in the digital space by incorporating artificial intelligence (AI), automation and Big Data to improve the Group's processes and to drive future growth as well as venturing into new digital businesses. The Board also agreed with management to leverage on the benefits of data mining and analysis for effective decision making. All the digital initiatives undertaken by management to improve cyber security and operational processes of the Group was presented at the two-day meeting.

The Board together with the management had set the key strategic objectives for each of the core divisions. Discussions were centred on various operational and tactical strategies to leverage on the Group's synergistic advantages to achieve competitive edge, asset optimisation, cost efficiency and exploring new business opportunities/markets.

At the meeting, the Board reviewed, deliberated, provided inputs and challenged the management's views and assumptions in achieving the projected financial performance targets in view of the challenging economic environment. The Board also reviewed and approved the budgeted capital expenditure and the key performance indicators ("KPIs") for the Company and the Group.

At the Board Meeting held on 7 April 2020, the Board was briefed on the Group's Business Continuity Plan which provides guidance to the Group and all employees in the event of a crisis such as the Covid-19 pandemic. The Board together with the management had reviewed the threats of the pandemic and its potential impact on the Group as well as the action plans undertaken and to be undertaken to mitigate the threat so as to ensure business sustainability of the Group. The Board and management had also formed a Crisis Management team to respond, manage and ensure appropriate actions were carried out in response to the pandemic.

The Group Chief Financial Officer had at the meeting, presented the potential financial impact on the Group from the implementation of the Movement Control Order ("MCO") by the Government. The Board members provided their views and comments on the revised

Business Plan of the Group based on best case, likely case and worst case scenarios.

The Chief Human Resources Officer also presented the human resource roadmap to achieve the objective of being an agile and growth-focused organisation with a productive workforce. She explained the methodology to achieve this through effective organisation, good leadership and capable and ready workforce. She also tabled for discussion the talent acquisition strategies and staff retention plan. In addition, the Board was briefed on the roadmap on people development, digitisation of data and future work related trends.

- *Monitoring the progress of the Company's strategies, budgets, plans and policies.*

The Board at its quarterly meetings, monitors the implementation of the strategic business plans to ensure that the management meets the set objectives in order to achieve sustainable growth and optimization of returns for the Group. All the variances against planned budgets were explained. Revisions or adjustments to the approved budgets in response to the uncertain business environment were explained and justified. The Board had provided guidance, ideas and feedbacks to the management in fine tuning its plans.

- *Monitoring the progress of the Group's businesses to evaluate whether the businesses are properly managed to achieve its targeted returns.*

At the Board Meetings held on 25 February 2020, 27 May 2020, 25 August 2020 and 27 November 2020, the President updated the Board on the global and domestic economic trend as a result of the pandemic. He also reported on the quarterly financial performance of each division against its budget and strategies taken to achieve its targeted KPIs and improve their competitiveness.

The Group Chief Financial Officer reported on the Group's quarterly financial performance, whereby the actual results were compared against the agreed business plan targets. This enabled the Board and the management to keep track of the budgeted KPIs against the actual results. Budget variances were highlighted and explained by the management as well as the action plans undertaken to address the situation. The Board was also briefed on talent development and retention, IT and digital initiatives, capital expenditures, corporate exercises and proposal for acquisitions of new businesses.

- *Identifying principal risks of the Group and ensuring the implementation of appropriate systems to mitigate and manage these risks.*

The Board, through the Risk Management Committee (“**RMC**”), sets risk tolerance levels, objectives, risk management policies to manage the key risks faced by the Group. A risk management framework is in place to enable the Group to identify, assess and manage/mitigate these risks. The Board reviews and comments on the risk management report which highlights the key risks of the Group as well as action plans to manage or mitigate the said risks on a quarterly basis.

The heads of selected Business Units were also invited by the Chairman of the RMC to present the top risks of their respective division and strategic action plans taken to mitigate the risks. During the financial year, the chief executive officers of the following divisions had reported their respective business and operational risks at the RMC Meetings:

- a) Hospitality Division;
- b) Building Materials Division;
- c) Sunway Money Sdn Bhd; and
- d) Sunway Pharma Sdn Bhd.

The Chairman of the RMC on the same day reported to the Board all the deliberations and recommendations made by the RMC.

The details of the risk management framework are set out in the Statement on Risk Management and Internal Control in the Company’s Annual Report 2020.

At the Board Meeting held on 25 August 2020, the Board was updated on the progress of implementation of the Anti-Bribery and Corruption Compliance Programme. The Anti-Bribery and Corruption Compliance officer had been given the responsibility to oversee the compliance of the Anti-Bribery and Corruption Policy in the Group.

- *Reviewing the adequacy and integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.*

The Board through the Audit Committee (“**AC**”), oversees the internal control systems and the integrity of the management information systems of the Group. The AC is assisted by the Group Internal Audit Department (“**GIAD**”) in reviewing and monitoring the adequacy and integrity of the internal control systems.

The Head of GIAD would present its annual Audit Plan at the beginning of the year outlining among others, the scope of works, audit methodology and audit timetable for the review and approval of the AC. The 2020 Audit Plan was approved at the AC Meeting held on 25 February 2020.

The Head of GIAD at the AC's quarterly meetings held on 25 February 2020, 27 May 2020, 25 August 2020 and 27 November 2020, reported the audit findings arising from the audit activities conducted. The AC then deliberated on the actions taken by the management to address the weaknesses and issues highlighted in the audit findings.

The minutes of the AC meetings were subsequently presented to the Board at its meetings for discussion and decision. The Chairman of the AC reported to the Board on all key financial matters and internal control related issues and recommendations made by the AC.

The details of the internal control system are set out in the Statement on Risk Management and Internal Control of the Company's Annual Report 2020.

- *Considering management's recommendations on key issues including acquisitions, material investment and divestments, restructuring, funding and significant capital expenditure.*

All significant management's proposals were presented to the Board for consideration and approval. Management also kept the Board informed on the progress of the proposals at subsequent board meetings.

During the financial year 2020, the Board had discussed and approved the following management's proposals:

- (i) Proposed renounceable rights issue of irredeemable convertible preference shares ("ICPS") at an issue price of RM1/- per ICPS on the basis of 1 ICPS for every 5 existing ordinary shares held by the entitled shareholders on an entitlement date to be determined at a later date ("**Proposed Rights Issue of ICPS**") and the proposed amendments to the constitution of the Company to facilitate the creation and issuance of ICPS pursuant to the Proposed Rights Issue of ICPS;
- (ii) Proposed disposal of a 24-storey office building known as "The Pinnacle Sunway" in Bandar Sunway by Sunway Pinnacle Sdn Bhd and the land it is built on by Sunway Integrated Properties Sdn Bhd to Sunway Real Estate Investment Trust; and
- (iii) Acquisition of 51% equity interest of Credit Bureau Malaysia Sdn Bhd by Sunway Holdings Sdn Bhd at a total consideration of RM14,918,968.

The Board had actively participated in the discussions and provided constructive comments and recommendations to the management on each of the proposals.

	<ul style="list-style-type: none"> <li>• <i>Human resources planning and talent development in particular, management succession planning.</i></li> </ul> <p>The Board through the Nomination and Remuneration Committee (“NRC”), oversees the management succession planning for key positions of the entire Group.</p> <p>The NRC together with the Chief Human Resources Officer, also develop the Executive Directors’ performance scorecard based on the strategic objectives and financial key performance indicators which are aligned to the business plan and corporate goals set by the Board.</p> <p>On 27 November 2020, the NRC was briefed on the management succession plan by the Chief Human Resources Officer. The potential successors to each key management position in the organization was tabled for deliberation. The NRC received assurances that all potential candidates nominated to C-suite and level 2 leaders’ positions were of sufficient calibre. A leadership programme was in place to track their readiness in order to provide orderly succession.</p> <p>The Group Human Resource Department (“GHR”) has a systematic program (i.e. Excel in My Career and Leadership (ExCeL) @ Sunway) to identify the next echelon of future leaders. A 2-day program was conducted whereby the identified candidates were given various case studies, role play, stimulations, etc to assess their leadership capabilities. The program enabled a more personalised, purposeful and focused career development journey to assist the candidates to realise their leadership potential. However, part of the program has to be postponed to 2021 due to the COVID-19 pandemic.</p> <p>The NRC also conducted an annual talent review with the Chief Human Resources Officer. The review encompassed comprehensive management succession planning for all key management positions across the business units. The identified successors for top management would be presented to the NRC for review and endorsement on an annual basis. Currently, all senior management have one or more potential successors in one or more of these stages i.e. ready now, ready soon or ready later.</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>	

<b>Timeframe</b>	:		
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## 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 Board is co-led by Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, the Executive Chairman and Dato' Sri Idris Jala, the Independent Non-Executive Co-Chairman of the Board.</p> <p>Their roles and responsibilities are defined in the Board Charter of the Company as follows:</p> <p>a) <u>Executive Chairman</u></p> <ul style="list-style-type: none"><li>• As founder, he is responsible for setting the visions, values and standards for the Company;</li><li>• He provides leadership support and guidance to senior management on operational matters as well as facilitating management succession planning; and</li><li>• He grooms and mentors identified senior management to achieve consistently high levels of professionalism and excellent performance.</li></ul> <p>b) <u>Non-Executive Co-Chairman</u></p> <ul style="list-style-type: none"><li>• He is responsible for:-<ol style="list-style-type: none"><li>(i) maintaining high integrity and effectiveness of the governance process of the Board;</li><li>(ii) forging a relationship of trust with and between the Executive and Non-Executive Directors;</li><li>(iii) facilitate open dialogue between the Board and management and inculcating positive culture in the Board;</li><li>(iv) ensuring accurate, timely and complete information are given to Directors;</li><li>(v) providing effective communication with shareholders and relevant stakeholders;</li><li>(vi) encouraging the Board to collaborate with the management in a constructive manner to formulate strategies, to monitor business operations, to achieve optimal financial performance; and to manage risk issues;</li><li>(vii) chairing and setting the agenda for Board meetings. Every Board member is given the opportunity to share his/her opinion on the meeting agenda and to debate on all issues tabled at the Board meetings. No Board member, whether executive and non-executive, will dominate the discussions. He also ensures that the Board receives the necessary management reports on a timely basis;</li></ol></li></ul>

	<ul style="list-style-type: none"> <li>• providing leadership to the Board and is responsible for the developmental needs of the Board;</li> <li>• ensuring that procedures and processes are in place to facilitate effective conduct of business by the Board; and</li> <li>• chairing general meetings of the Company.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Tan Sri Dato' Seri Dr Jeffrey Cheah and Dato' Sri Idris Jala are the Executive Chairman and Non-Executive Co-Chairman of the Board respectively while Tan Sri Dato' (Dr) Chew Chee Kin holds the position as the President of the Group. The roles of the Executive Chairman and Non-Executive Co-Chairman are listed in Practice 1.2.</p> <p>The President acts as the conduit between the Board and the management in ensuring the success of the Company's governance and management functions. He has the executive responsibility for the day-to-day operation of the Company's business including the execution of business policies and all operational decisions in managing the Company. All Board authorities conferred on the management is delegated through the President and this will be considered as the President's authority and accountability as far as the Board is concerned.</p> <p>The President leads a senior management team in formulating comprehensive medium to long-term business strategies and financial projections so as to achieve the Group's targeted revenue, profits and market capitalization growth. The objectives are to generate a reasonable return on investment for the Company's shareholders. He also spearheads the Group's synergy initiatives, directs and reviews the overall business activities of the various Business Divisions and Corporate Function so as to ensure the integrated efforts of these Divisions contribute to the optimum utilization of corporate resources and expertise in the attainment of the Group's long-term sustainability and objectives.</p> <p>The separate roles and responsibilities of the Chairmen and President are clearly defined in the Board Charter which is published at the Company's website at <a href="http://www.sunway.com.my">www.sunway.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>	:		
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## 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 2 Company Secretaries who are qualified to act as Company Secretary under Section 235 of the Companies Act 2016. Both of them are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).</p> <p>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 Board and Board Committees' meetings in the financial year 2020. The Company Secretaries, together with the Directors, are responsible for the proper conduct of the meetings according to applicable rules and regulations. The Company Secretaries regularly update and advise the Board on new statutes, regulations and directives issued by regulatory authorities.</p> <p>The Company Secretaries ensure that deliberations at Board and Board Committee meetings are properly documented and subsequently communicated to the relevant management for their further actions.</p> <p>The Company Secretaries constantly keep themselves updated of the regulatory changes and corporate governance developments by attending workshops, conferences and training programmes organised by MAICSA, Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>"), Securities Commission ("<b>SC</b>"), Companies Commission of Malaysia ("<b>CCM</b>"), etc. Based on the Board annual effectiveness evaluation survey, the Board is satisfied with the support rendered by the Company Secretaries in discharging their functions.</p> <p>During the financial year ended 31 December 2020, the Company Secretaries briefed the Board on the following developments in laws and regulations:</p> <ul style="list-style-type: none"><li>i) Amendments to the Main Market Listing Requirements ("<b>MMLR</b>") of Bursa Securities in relation to the anti-corruption measures via Bursa Securities' letter dated 18 December 2019. The amendments took effect on 1 June 2020;</li><li>ii) Annual General Meeting Corporate Governance Checklist for Shareholders ("<b>AGM CG Checklist</b>") issued by SC. The AGM CG Checklist aims to promote meaningful dialogue between shareholders and board of directors at the Annual General Meeting ("<b>AGM</b>");</li></ul>

	<p>iii) Press release dated 17 March 2020 by CCM in relation to the application for extension of time to hold annual general meeting more than 6 months from the financial year end after the Movement Control Order (“MCO”) ends;</p> <p>iv) Clarification on flexibilities accorded by Bursa Securities to the listed issuers during the effective period of the MCO and other Government Advisory/Directive which include inter alia, the decoupling of annual report and notice of AGM;</p> <p>v) Extension of time of one-month granted by Bursa Securities for issuance of quarterly reports and annual report that include the audited financial statements which were due by 31 March 2020 and 30 April 2020.</p> <p>vi) Amendments to the MMLR in relation to the application of corporate exercises via electronic means. The amendments are effective for any rights issue, issuance of convertible securities or dividend reinvestment scheme announced on or after 2 February 2021;</p> <p>vii) Additional temporary measures granted by Bursa Securities to listed issuers:</p> <ul style="list-style-type: none"> <li>• Further extension of time for submission of quarterly and annual reports until 30 June 2020;</li> <li>• listed issuers allowed to seek a higher general mandate under paragraph 6.03 of the MMLR of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities (“<b>20% General Mandate</b>”) provided that the conditions stated by Bursa Securities are complied with. The 20% General Mandate could be utilised to issue new securities until 31 December 2021.</li> </ul> <p>viii) Guidance on the Conduct of General Meeting issued by SC on 18 April 2020 and revised on 14 May 2020 for all listed issuers in conducting their general meetings during the period of MCO and outside MCO where safe distancing requirement is required;</p> <p>ix) 7 initiatives introduced by CCM on 10 April 2020, to ease the burden of the business community and corporate sector;</p> <p>x) Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by SC on 30 July 2020. The Chapters on Conduct Requirements for Directors and Maintaining Proper Records and Accounts took effect on 30 July 2020 while the Chapter on Group Governance came into effect on 1 January 2021;</p> <p>xi) Disclosure Guidance on COVID-19 Related Impacts and Investments (ICN 1/2020) issued by Bursa Securities on 10 June 2020;</p> <p>xii) Amendments to MMLR in enhancing requirements for new issue of securities to facilitate better understanding of corporate proposals and addressing gaps as well as enhancing board integrity for greater shareholder protection and confidence. The amendments took effect from 13 August 2020 onwards except for the imposition of the 50% limit to an exercise or conversion of convertible equity securities which was effective for corporate exercise involving convertible equity securities announced on or after 1 October</p>
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	<p>2020. The enhanced definition of independent directors applies to the independent director appointed on or after 1 October 2020;</p> <p>xiii) Further flexibilities accorded by Bursa Securities to facilitate secondary fund raising via an enhanced rights issue framework. It could be utilised by an eligible listed issuer to issue new rights shares or units until 31 December 2021; and</p> <p>xiv) Corporate Governance Monitor 2020 issued by the SC on the level of adoption of the Malaysian Code on Corporate Governance.</p> <p>The Company Secretaries in collaboration with the Share Registrar had implemented the Company's first virtual AGM using Remote Participation and Voting facility whereby shareholders participated virtually in the AGM and voted online at the Company's 10<sup>th</sup> AGM held on 2 September 2020. The reliability and integrity of the online polling system had been endorsed and verified by BDO Consulting Sdn Bhd, an independent scrutineer.</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 Secretaries planned and tabled the annual meeting calendar in advance of each new year. The schedule of pre-planned meetings of the Board and Board Committees, annual general meeting as well as closed periods for dealings in securities of the Company by Directors are uploaded onto the Directors' electronic devices.</p> <p>The Board normally meets quarterly to review financial, operational and business performances. The meetings are scheduled in advance in the third quarter of the preceding year to allow the Board members to plan their schedules. Notices and agenda of meetings duly endorsed by the Chairman together with the relevant board papers are normally distributed at least one week prior to the meetings for the Directors to study and evaluate the matters to be discussed. Occasionally, Board meetings or Board Committee meetings may be held at short notice, when decisions of a time-critical nature need to be made.</p> <p>The Board leveraged on digital technology by going paperless to save the environment, in which board papers were uploaded onto a secure platform and were accessible via laptop, tablet devices and mobile phone. The Directors had access to the electronic board papers conveniently and immediately wherever they might be located. The board papers provided include inter alia, financial results, business plan and budget, progress report on the Company's developments, risk management and internal control reports, minutes of meetings of Board and Board Committees, regulatory/statutory updates and other operational and financial issues for the Board's information and/or approval.</p> <p>A Director who has an interest in any proposal or transaction, either direct or indirect, which is being presented for the Board's approval, will declare his or her interest and abstain from deliberation and voting of the same at the Board meeting. All conflicts of interests are disclosed and recorded in the minutes of the meeting.</p> <p>All Directors' Circular Resolutions are approved using electronic means resulting in efficient and timely Board decision and facilitating speedy management implementation.</p>

	<p>Upon conclusion of each meeting, the minutes of meetings will be circulated for comments and for follow-up actions by the management within two weeks from the date of meeting.</p> <p>Upon confirmation by the Board or Board Committees at the following meetings, the minutes will be signed by the Chairman of the said meeting as a correct record of the proceedings of the meeting. Actionable items would be recorded in the minutes as matters arising until they are eventually resolved.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has a Charter which clearly defines the respective roles and responsibilities of the Board, board committees, individual directors and management as well as issues and decisions reserved for the Board. It is reviewed annually by the Board to be in line with any amendments to the relevant regulations and corporate governance practices. On 27 November 2020, the Board had reviewed and updated its Board Charter consequent upon amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance. It is available on the Company's website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>.</p> <p>As stated in the Board Charter, the Board is in charge of leading, governing and managing the Company in an effective and responsible manner. Each Director has a legal duty to act for a proper purpose and in good faith in the best interest of the Company. The Board members shall exercise reasonable care, skills and due diligence in discharging their duties.</p> <p>As for the day-to-day management of the Group, it is delegated to the President. This formal structure of delegation is further cascaded by the President to the senior management team. The President and senior management remain accountable to the Board for the authority that is delegated and for the performance of the Group.</p> <p>The Board, however, takes full responsibility for the oversight and overall performance of the Company. The Board reserves full decision-making powers, amongst others, on the following matters:</p> <ul style="list-style-type: none"><li>• Conflict of interest issues involving substantial shareholders or directors and senior management in decision making positions;</li><li>• Material acquisitions and disposals of undertakings not in the ordinary course of business;</li><li>• Material investments in capital projects;</li><li>• Material bid/tenders for construction projects;</li><li>• Overseas ventures;</li></ul>

- Annual business plan and budgets (including major capital commitments);
- Material corporate or financial exercise/restructuring;
- Dividend policy, declaration of dividend and directors' fees;
- Annual and interim financial results;
- Management approval authority limits; and
- Corporate Governance issues and related policies.

The President is supported by his team of management on the day-to-day operations. The responsibilities of the management are to:

- Formulate, recommend and implement the strategic objectives of the Company;
- Translate the approved strategic plans into operational and financial action plans;
- Manage the Company's human, physical and financial resources to achieve the Company's objectives;
- Operate within the delegated authority limits set by the Board;
- Assume the day-to-day responsibilities for the Group's conformance with relevant laws and regulations, governance framework and all other aspects of the day-to-day running of the Group;
- Develop, implement and manage the Company's risk management and internal control systems within the risk appetite and framework;
- Develop, implement and update management policies and procedures;
- Keep pace with industry and economic trends in the Company's operating environment; and
- Provide the Board with accurate, timely and complete information to enable the Board to perform its responsibilities.

In relation to the Independent Non-Executive Directors, they are actively engaged in the following functions;

- Independent review of the performance of the operations of the Group;
- Advising and monitoring corporate governance framework, policies and practice as well as management of conflict of interest situations;
- Oversight over risk management as well as internal controls systems; and
- Providing independent insights and value add to management proposals as well as protecting the interests of the minority shareholders.

The Independent Non-Executive Directors regularly engage in discussion with senior management, Group Internal Audit Department, Group Risk Management team, External Auditors and other relevant parties to ensure that the concerns and issues raised in regard to the business operations of the Group are properly addressed on a proactive basis.

	The Board also delegates certain responsibilities to the Board Committees, all of whom operate within their defined terms of reference. Notwithstanding this, the Board remains responsible for its fiduciary duties.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Code of Conduct and Business Ethics Policy ("<b>Code</b>") which provides an ethical framework to guide actions and behaviours of all Directors and its employees while at work. The Code is published at the Company's website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>.</p> <p>The Code reflects the Company's emphasis on high integrity and the need for effective corporate governance compliance measures in the conduct of the Group's business domestically and internationally. It emphasizes and advances the principles of honesty, discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of the Group.</p> <p>The objective of the Code is to provide guidance on the standards of behaviour expected of all Directors and employees of the Group, and where applicable, counterparts, suppliers and business partners. The standards of behaviour are derived from the Group's Core Values and Business Principles. All the Directors and employees shall always observe and ensure compliance with all applicable laws and regulations in the discharge of their duties.</p> <p>In line with good corporate governance practices, the management and Board of the Company encourage all employees and stakeholders of the Group to report suspected inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuses involving the Group's resources. No individual will be discriminated or suffer any act of retaliation for reporting in good faith.</p> <p>All employees of the Group are required to read and sign off their commitment in adhering to the Code at all time during their services with the Group.</p> <p>The Board had put in place an Anti-Bribery and Corruption Policy and Procedures ("<b>ABC Policy</b>") as well as an Anti-Money Laundering Policy and Procedures ("<b>AML Policy</b>"). It had also set up an Anti-Bribery and</p>

	<p>Corruption Task Force which comprises Group Internal Audit Department (“GIAD”), Group Human Resource, Group Legal, Group Finance, Group Risk Management, Group Procurement, Group Brand Marketing and Communications and heads of various business units.</p> <p>Under the ABC Policy, the Board had implemented a zero tolerance policy against all forms of bribery and corruption. It is committed to conducting its business in the highest ethical standards. It has adequate policies and procedures to comply with the provisions of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 and MACC (Amendment) Act 2018.</p> <p>The ABC Policy provides guidance to the employees and persons associated with the Group on dealings in relation to bribery and corruption in the daily operations. It covers the Group’s policy on gifts, entertainment and hospitality; donations, sponsorship and corporate responsibilities; political contributions; facilitation payments and kickbacks, money laundering, dealing with associates and third parties, dealing with public officials; recruitment of employees and whistleblowing policy. The Group’s associates, partners, agents, vendors, suppliers, contractors, consultants and other third party service providers will be required to sign a separate agreement to signify their undertaking to comply with this Policy.</p> <p>The ABC Policy is under the oversight of the Audit Committee (“AC”). The AC will be assisted by the GIAD in its audit reviews on the Group. GIAD will include a review on the ABC programme in its annual audit plan.</p> <p>The Risk Management Committee (“RMC”) is responsible in ensuring that structured policies and procedures on anti-corruption are in place. It places great emphasis on corruption risk as part of its annual risk assessment of the Group.</p> <p>The AML Policy provides guidance to the employees of the Group on anti-money laundering governance. It reiterates the Group’s commitment to comply with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 as well as terrorism financing. The Group strongly objects to all practices related to money laundering including dealings in the proceeds of criminal activities and terrorism financing. The AML Policy is under the oversight of the RMC.</p> <p>Regular trainings and communications to all employees and associates are provided to educate them on the requirements and obligations of the ABC Policy and AML Policy.</p> <p>Both policies are published at the Company’s website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

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

### Intended Outcome

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>In line with the Group's core value of integrity, the management and Board encourage all employees and stakeholders of the Group to report suspected inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuses involving the Group's resources.</p> <p>The Company has established a Whistleblowing Policy and Procedures and it was published in its website. The objective of this policy and procedure is to provide a mechanism for all level of employees and stakeholders of the Group to report concerns about any suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuse on a timely basis for management action.</p> <p>The whistleblowing procedure is intended to be used as an ultimate remedy, if no other means are available to address the matter. For the employees, if they wish to raise a specific concern, they are encouraged to try to solve the matter through existing procedures and discuss the matter first with their line supervisor(s) or head of department or profit centre manager before initiating the whistleblowing procedure.</p> <p>Any employee or member of the public who has knowledge or is aware of any improper conduct within the Group is encouraged to disclose through the following reporting channels:</p> <p><b>Whistleblowing hotlines</b> Tel: +603 5639 8025 E-mail: <a href="mailto:whistleblowing@sunway.com.my">whistleblowing@sunway.com.my</a> Fax: +603 5639 8027</p> <p>The faxes and emails to these channels will be directed to the Head of Group Internal Audit Department ("<b>GIAD</b>") and the Chairman of the Audit Committee ("<b>AC</b>").</p> <p>If the reporting individual is unsure of the type of evidence needed for the GIAD to begin an investigation, the employee is encouraged to make use of the "Whistleblowing Report Form" provided in the Company's</p>

	<p>portal under the Governance Portal. The employee may send this form via local postal service if he/she wishes to remain anonymous.</p> <p>The Head of GIAD will maintain a record of the complaints and will track their receipt, investigation and resolution. GIAD will investigate each claim independently based on standard internal audit practices and fraud response procedures. Upon completion of each investigation, GIAD will prepare a report to the Chairman of the AC for further action. The Head of GIAD shall prepare a summary report and present it to the AC on a quarterly basis.</p> <p>GIAD had received and investigated 3 reports through the whistle blower channel during the financial year ended 31 December 2020.</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>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### 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>The Board comprises majority Independent Directors. Out of 9 Directors, 5 of them are Independent Non-Executive Directors. The Co-Chairman of the Board is an Independent Non-Executive Director.</p> <p>A review and assessment was performed on the independence status of the Independent Non-Executive Directors on 25 February 2020. Based on the assessment, all the Independent Non-Executive Directors met the independence standards prescribed under the Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>All the independent directors had confirmed their ability to protect the minority interest and to ensure that there are proper checks and balances in 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>	:	During the year under review, a board renewal was undertaken whereby two Independent Non-Executive Directors having reached 9-year tenure, resigned. On 9 April, 2020, Mr Lim Swe Guan resigned as an Independent Non-Executive Director and he was replaced by Mr Philip Yeo Liat Kok.  Mr Wong Chin Mun also resigned and he was replaced by Datuk Tong Poh Keow on 21 September 2020.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

### Intended Outcome

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

### Practice 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 Company has a formal policy on selection process and assessment criteria for appointment of new directors. The policy details the processes and the criteria for selection and assessment of potential candidates for election to the Board. It sets out the criteria for assessment of the appropriateness of the board mix and composition.</p> <p>Based on the policy, the Board has delegated the responsibility for recommending a potential candidate to fill a board vacancy to the Nomination and Remuneration Committee (“<b>NRC</b>”) but the ultimate decision on the appointment of a candidate is solely that of the Board as a whole.</p> <p>The NRC has a policy to source for potential candidates for board appointment from professional bodies such as the Institute of Corporate Directors Malaysia (ICDM), Malaysian Directors Academy (MINDA), Malaysian Institute of Directors and other search agencies. Nomination for candidates may also come from the Directors and shareholders. The NRC will screen the initial selection of the candidates and assessed the candidates before recommending to the Board for approval. This is to ensure that the candidate possesses the appropriate knowledge, skills, competencies, experience, integrity and time to effectively discharge his/her role as a director. Besides that, the NRC will also take into consideration diversity of the Board’s composition which inter alia, includes gender, ethnicity, age, etc.</p> <p>The Board has adopted a diversity and inclusion policy. It is committed in encouraging diversity and inclusion in the workplace. The Board aims to create a culture that respects and values each other’s differences, promotes equality and diversity, as well as encourages individuals to grow and develop in order to realize their full potential. Diversity and inclusion are closely tied to the Group’s core values of integrity, humility and excellence which are embedded into every facet of the Group’s businesses and goals. Nonetheless, the Board will also prioritize selection criteria based on merit with an effective mix of competencies, skills as well as relevant experience and knowledge in order to strengthen the Board.</p> <p>The Board had assessed and reviewed the competencies of each Director using Board Skills Matrix. It will be used as a guide when deciding on future appointment of new Director(s) to identify any complementary skills.</p>

	<p>The Company's constitution provides that 1/3 of the Board is subject to retirement by rotation at each annual general meeting. Each Director shall retire once at least in each three years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in office since their last election or appointment.</p> <p>Pursuant to Clause 106(1) of the Company's constitution, Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Dato' Sri Idris Jala and Tan Sri Datuk Dr Rebecca Fatima Sta Maria will retire by rotation at the coming Eleventh Annual General Meeting ("<b>11<sup>th</sup> AGM</b>") of the Company and they have agreed to be re-elected as Directors.</p> <p>Datuk Tong Poh Keow who was appointed as Director on 21 September 2020, will retire by casual vacancy pursuant to Clause 89 of the Company's constitution at the 11<sup>th</sup> AGM and she has agreed to be re-elected as Director.</p> <p>Through the Directors' peer review and the Executive Director's scorecard, the NRC assessed the performances and contributions of the retiring directors, Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Dato' Sri Idris Jala, Tan Sri Datuk Dr Rebecca Fatima Sta Maria and Datuk Tong Poh Keow. Based on the assessments, the NRC subsequently recommended to the Board, their re-election as Directors at the coming 11<sup>th</sup> AGM.</p> <p>The NRC had on 25 February 2021, interviewed and assessed Tan Sri Jamaludin Bin Ibrahim who was nominated as an Independent Non-Executive Director. In line with the Group's digital transformation journey, Tan Sri Jamaludin's knowledge and experience in the telecommunication and digital industry will provide valuable guidance to the Board. The NRC was also satisfied with his time commitment before recommending his appointment to the Board for approval. The Board had subsequently endorsed his appointment which took effect on 3 March 2021. Tan Sri Jamaludin Bin Ibrahim will retire under casual vacancy at the Company's 11<sup>th</sup> AGM and he has consented to his re-election.</p> <p>In order to assist the shareholders in their decision, the information of the Directors such as their personal profile, record of attendance of meetings and the shareholdings of each Director (where applicable) are disclosed in the Annual Report 2020.</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>	

<b>Timeframe</b>	:		
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### Intended Outcome

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

### Practice 4.5

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board comprises 30% women directors. Out of 9 directors, 3 are women namely, Tan Sri Datuk Dr Rebecca Fatima Sta Maria, Datuk Tong Poh Keow and Sarena Cheah Yean Tih.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has a formal policy on selection process and assessment criteria for appointment of new directors. It sets out the criteria for assessment of the appropriateness of the board mix and composition.</p> <p>The policy allows the Board to engage executive search firms and other channels such as professional bodies e.g. the Institute of Corporate Directors Malaysia (ICDM), Malaysian Directors Academy (MINDA), Malaysian Institute of Directors, etc, to assist in finding candidates with the relevant skills and background. Under the policy, the candidate must possess high standards of ethics, integrity and professionalism, display independent and sound business judgment and have meaningful experience as well as expertise in business, corporate, property, accountancy, law, finance or other relevant endeavours. The qualifications of a candidate will be considered in addition to other factors it deems appropriate based on the current needs and requirements of the Board including specific desired business and financial expertise as well as experience as a director of public listed company, age, gender and ethnic diversity. In addition to the criteria set above, the nominee for an Independent Director’s vacancy must fulfil the independence test under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.7

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nomination Committee had been merged with the Remuneration Committee in September 2020 and the new Committee was named Nomination and Remuneration Committee. It is currently chaired by Tan Sri Datuk Dr Rebecca Fatima Sta Maria, an Independent Non-Executive Director.  Prior to merging with the Remuneration Committee, the Nomination Committee was chaired by Mr Philip Yeo Liat Kok, an Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Nomination and Remuneration Committee (“NRC”) makes an assessment each year to determine whether the performance of its Board, Board Committees and the individual directors are effective and to identify steps for its improvement. The process is facilitated by the Company Secretaries. The Board remained satisfied with the current evaluation methodology as each director was able to provide candid, frank opinion and recommendation to improve its performance and the overall governance process of the Group. The Board will engage an independent expert for its future annual evaluation.</p> <p>At the start of the board evaluation process, the NRC reviewed the scope of the assessment and determined the key areas to focus on.</p> <p>During the financial year 2020, the NRC was entrusted with the responsibility of carrying out the evaluation process of the Board’s performance as well as the Board Committees.</p> <p>There were a total of 7 assessments conducted as follows:</p> <ul style="list-style-type: none"><li>a) Evaluation on Board Effectiveness;</li><li>b) Director’s Peer Review;</li><li>c) Board Committee Evaluation;</li><li>d) Audit Committee Evaluation;</li><li>e) Audit Committee Members’ Self and Peer Evaluation;</li><li>f) Assessment of the Independent Non-Executive Directors; and</li><li>g) Independent Directors’ Self-Assessment Checklist.</li></ul> <p>The format of evaluation was tabled for discussion and approval on 24 August 2020. This process was undertaken at the last quarter of the financial year.</p> <p>The annual evaluation of Board effectiveness was conducted internally by way of self and peer assessment covering areas such as Board composition, Board roles and responsibilities, effectiveness of</p>

	<p>Chairman, legal and regulatory compliance, trainings attended, conduct of meetings, time commitment, engagement and communication with management and stakeholders, as well as competency and service quality of the Company Secretaries.</p> <p>The evaluation of individual directors is based on a set of performance criteria comprising contribution to interaction, quality of input, understanding of roles and responsibilities as well as competencies matrix.</p> <p>The NRC also undertook annual assessment of the effectiveness of various Board Committees. The assessments were used to identify the Board Committees' strengths and shortcomings as well as to recommend areas for improvement.</p> <p>The Board Committees were assessed on the following aspects:</p> <ul style="list-style-type: none"> <li>a) Size and Composition;</li> <li>b) Ability to provide useful recommendations;</li> <li>c) Relevant knowledge and expertise in the subject area;</li> <li>d) Effective communication;</li> <li>e) Sufficiency and frequency of meeting;</li> <li>f) Rights and authority conferred upon the Committees;</li> <li>g) Effectiveness of the Chairmen of the Committees; and</li> <li>h) Minutes of meeting.</li> </ul> <p>The results of the assessments were compiled by the Company Secretaries into summarised executive reports which were then tabled for review and discussion at the NRC meeting. The executive reports were then presented to the Board for further deliberation on 25 February 2021. At the Meeting, all critical comments and recommendation for improvement contained in the reports were highlighted by the NRC Chairman for immediate actions and improvement. The outcomes and key action steps to be taken to enhance the effectiveness of the Board and Board Committees were duly recorded in the minutes of the respective meetings. All recommended improvements were immediately acted upon.</p> <p>Generally, the Directors were satisfied with the performance of the Board as a whole. The Director's peer review indicated that all the Directors had performed their respective roles and functions effectively and responsibly during the financial year ended 31 December 2020. Each member was satisfied with each other's contribution in sharing their insights and active participation in Board and Board Committees' discussions. All the Board Committees were assessed to be effective in discharging their roles and responsibilities as required under their respective terms of reference.</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>: The Board has appointed an independent external consultant to undertake a 360 degree assessment of the Board and its Committees for the financial year 2021.</p>

<b>Timeframe</b>	:		
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### 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 Group's remuneration policy is available at its website.</p> <p>The Group recognizes that in order to attract and retain the Executive Directors and senior management, it is important to have a fair and competitive remuneration package that commensurate with their qualification, experience, skills, responsibilities, performance, contribution as well as benchmarking industry peers. In view of this, a framework and guidelines provided by an independent consultant and market data on the remuneration practices of comparable peers are taken into consideration in determining the remuneration package for Executive Directors and senior management.</p> <p>The total remuneration package of Executive Directors and senior management is made up of various components, primarily consisting of fixed monthly salary, performance bonus, incentive pay as well as benefits-in-kind. Executive Directors are not entitled to directors' fees and meeting allowances for his/her services.</p> <p>The remuneration of the Executive Directors and senior management are structured on the basis of linking rewards to corporate and individual performance. The Group uses the SAP SuccessFactors system to facilitate performance management and measurement process for Executive Directors and senior management. The review is conducted on a half-yearly basis.</p> <p>The Remuneration Committee ("<b>RC</b>") [now known as Nomination and Remuneration Committee ("<b>NRC</b>") ] had reviewed and discussed the mid-year performances of the Executive Directors on 25 August 2020 against their approved key performance indicators ("<b>KPIs</b>"). In September 2020, RC was merged with the Nomination Committee and is now known as the NRC.</p> <p>For Independent Non-Executive Directors, the level of remuneration reflects their experiences, level of responsibilities and industry's benchmark as well as complexity of the Group's businesses. The</p>

remuneration of Independent Non-Executive Directors including the Non-Executive Chairman consists of fixed annual directors' fees and fixed meeting allowances for each meeting attended. The fees have been benchmarked against peers of similar size. The NRC conducts annual review of annual fees for the Independent Non-Executive Directors.

The fees for the Independent Non-Executive Directors are not linked to the financial results of the Company. Independent Non-Executive Directors are not entitled to any performance bonus or any incentive arrangements.

The Board as a whole resolved on the fees for the Independent Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The fees including allowances payable to the Independent Non-Executive Directors are subject to the approval of shareholders at the annual general meeting ("AGM"). For the financial year ended 31 December 2020, the Independent Non-Executive Co-Chairman is entitled to a director's fee of RM360,000 per year while the rest of the Independent Non-Executive Directors are entitled to directors' fees of RM120,000 per individual per year. Their meeting allowance is set at RM1,000 per individual per meeting.

In addition to the directors' fees, the Chairman and members of the Audit Committee are entitled to Audit Committee's fees in respect of their governance and overseeing responsibilities in relation to the Company's financial reporting, internal control system, risk management system as well as internal and external audit function. The Audit Committee's fees are subject to the shareholders' approval at the AGM. The fees will be reviewed as and when the need arises. The Audit Committee's fees are payable annually together with the payment of the directors' fees.

In view of the increasing responsibilities of the Board Committees, the Board had upon the recommendation of the NRC, approved the proposed increase in the Audit Committee's fees and the following Board Committees' fees for the approval of the shareholders at the forthcoming Annual General Meeting of the Company to be held in June 2021:

	<b>Existing Fees (Per Annum)</b>	<b>Proposed Revised Fees (Per Annum)</b>
<b>Audit Committee</b>		
Chairman	RM6,000	RM25,000
Member	RM3,000	RM15,000
<b>RMC</b>		
Chairman	-	RM10,000
Member	-	RM5,000
<b>NRC</b>		
Chairman	-	RM10,000
Member	-	RM5,000

<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 Board has established a Nomination and Remuneration Committee ("<b>NRC</b>") to ensure that remuneration arrangements support the strategic aims of the Group's businesses and to enable the recruitment, motivation and retention of Executive Directors and senior management. The NRC was formed when the Board merged the Nomination Committee ("<b>NC</b>") with the Remuneration Committee ("<b>RC</b>") in September 2020.</p> <p>Before merging with NC, the RC comprised mainly Independent Non-Executive Directors, namely Tan Sri Datuk Dr Rebecca Fatima Sta Maria as Chairman, Dato' Sri Idris Jala, Tan Sri Dato' Dr Lin See Yan, Mr Wong Chin Mun and Mr Philip Yeo Liat Kok as members. Upon the establishment of NRC, the members are Tan Sri Datuk Dr Rebecca Fatima Sta Maria as Chairman, Tan Sri Dato' Dr Lin See Yan, Datuk Tong Poh Keow and Mr Philip Yeo Liat Kok, all of whom are Independent Non-Executive Directors. Dato' Sri Idris Jala has resigned as a member of NRC with effect from 18 May 2021.</p> <p>The NRC with the assistance of the Chief Human Resources Officer, evaluated the performances of the Executive Directors twice a year. The Executive Directors were assessed based on a set of pre-approved key performance indicators ("<b>KPIs</b>") using balanced scorecard. The KPIs of Tan Sri Dato' (Dr) Chew Chee Kin (President) and Ms Sarena Cheah (Executive Director) include budgeted financial targets, targeted land acquisition, employee engagement score, leadership competencies, people development, management succession plan, etc. As for the Deputy Executive Chairman, his KPIs include guidance to the Group Brand Marketing and Communications, representation of the Group at corporate and corporate social events, special projects and assignments assigned by the Executive Chairman from time to time.</p>

Based on the performance appraisals, the NRC determines the performance bonus for the Executives Directors. The NRC also reviews the remuneration package of the Executive Directors to ensure that it commensurates with their scope of responsibilities and performance achieved. It also deliberated and recommended the renewal of the terms of employment contracts for Executive Directors, with the aim of ensuring that the Company attracts and retains the Directors needed to run the Group successfully.

The terms of reference of the NRC is set out at the Company's website at [www.sunway.com.my](http://www.sunway.com.my).

During the financial year, the following meetings were held to deliberate and approve the following matters:-

(a) RC

- (i) On 25 February 2020, the RC reviewed and discussed the 2019 year-end performance appraisal of the Executive Directors. The actual results achieved were compared with their planned KPIs. Non achievement of KPIs were explained and justified. Based on their performance scorecard and ratings, the RC then recommended their annual increments and performance bonuses for the Board's approval.
- (ii) On 25 August 2020, the RC reviewed and discussed the achievement of mid-year KPIs and mid-year performance appraisal of the Executive Directors.

At the Meeting, the RC endorsed the merger of NC and RC and recommended the same to the Board for approval.

(b) NRC

On 27 November 2020, the NRC adopted its terms of reference and nominated Mr Philip Yeo Liat Kok as the Senior Independent Director in place of Mr Wong Chin Mun who had resigned on 21 September 2020, for the Board's approval.

At the meeting, the Chief Human Resources Officer briefed the NRC on the management succession plan. The potential successors to each key management position in the organisation was tabled for deliberation. The NRC received assurances that all potential candidates nominated to C-suite and level 2 leaders' positions were of sufficient calibre. A leadership programme was in place to track their readiness in order to provide orderly succession.

It also endorsed the renewal of contracts of employment of Tan Sri Datuk Seri Razman M Hashim and Tan Sri Dato' (Dr) Chew Chee Kin for another year.

	The Chief Human Resources Officer and Senior Manager – Human Resource Services attended the above meetings at the invitation of the Committee.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 7.1

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

<b>Application</b>	:	Applied																																																																					
<b>Explanation on application of the practice</b>	:	<p>The remuneration received/to be received by each of the Directors for the financial year 2020 is set out in the tables below:</p> <p><b>a) Independent Non-Executive Directors</b></p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name</th> <th>Directors' Fee (RM'000)</th> <th>Board Committee's fees (RM'000)</th> <th>Meeting Allowance (RM'000)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Dato' Sri Idris Jala</td> <td>360</td> <td>1.39</td> <td>14</td> </tr> <tr> <td>2.</td> <td>Tan Sri Dato' Dr Lin See Yan</td> <td>120</td> <td>26.39</td> <td>24</td> </tr> <tr> <td>3.</td> <td>Tan Sri Datuk Dr Rebecca Fatima Sta Maria</td> <td>120</td> <td>22.79</td> <td>22</td> </tr> <tr> <td>4.</td> <td>Philip Yeo Liat Kok (Appointed w.e.f 9 April 2020)</td> <td>87.54</td> <td>1.39</td> <td>7</td> </tr> <tr> <td>5.</td> <td>Datuk Tong Poh Keow (Appointed w.e.f. 21 September 2020)</td> <td>33.44</td> <td>9.72</td> <td>4</td> </tr> <tr> <td>6.</td> <td>Lim Swe Guan (Resigned w.e.f. 9 April 2020)</td> <td>32.79</td> <td>5.46</td> <td>11</td> </tr> <tr> <td>7.</td> <td>Wong Chin Mun (Resigned w.e.f. 21 September 2020)</td> <td>86.89</td> <td>21.72</td> <td>20.0</td> </tr> </tbody> </table> <p><b>b) Non-Independent Executive Directors</b></p> <table border="1"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Name</th> <th colspan="5">(RM'000)</th> <th rowspan="2">Total</th> </tr> <tr> <th>Salary</th> <th>Bonus/ Incentive*</th> <th>Defined Contribution Plan (i.e. EPF)</th> <th>Other emoluments</th> <th>Benefits-in-kind</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Tan Sri Dato' Seri Dr Jeffrey Cheah Fook LIng</td> <td>7,142</td> <td>117</td> <td>1,539</td> <td>840</td> <td>27</td> <td>9,664</td> </tr> <tr> <td>2.</td> <td>Tan Sri Datuk Seri Razman</td> <td>227</td> <td>20</td> <td>64</td> <td>90</td> <td>20</td> <td>421</td> </tr> </tbody> </table>	No.	Name	Directors' Fee (RM'000)	Board Committee's fees (RM'000)	Meeting Allowance (RM'000)	1.	Dato' Sri Idris Jala	360	1.39	14	2.	Tan Sri Dato' Dr Lin See Yan	120	26.39	24	3.	Tan Sri Datuk Dr Rebecca Fatima Sta Maria	120	22.79	22	4.	Philip Yeo Liat Kok (Appointed w.e.f 9 April 2020)	87.54	1.39	7	5.	Datuk Tong Poh Keow (Appointed w.e.f. 21 September 2020)	33.44	9.72	4	6.	Lim Swe Guan (Resigned w.e.f. 9 April 2020)	32.79	5.46	11	7.	Wong Chin Mun (Resigned w.e.f. 21 September 2020)	86.89	21.72	20.0	No.	Name	(RM'000)					Total	Salary	Bonus/ Incentive*	Defined Contribution Plan (i.e. EPF)	Other emoluments	Benefits-in-kind	1.	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook LIng	7,142	117	1,539	840	27	9,664	2.	Tan Sri Datuk Seri Razman	227	20	64	90	20	421
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		M Hashim						
	3	Tan Sri Dato' (Dr) Chew Chee Kin	2,036	147*	412	90	39	<b>2,724</b>
	4.	Sarena Cheah Yean Tih	812	18	158	-	39	<b>1,026</b>
	* include director's fee and meeting allowance from a listed subsidiary and the amount will be paid upon approval of the shareholders of the listed subsidiary.							
<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>	:	Not applicable - Step Up 7.3 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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>	:	Adopted																																																					
<b>Explanation on adoption of the practice</b>	:	<p>The remuneration received by the top 5 senior management of the Company for the financial year 2020 is set out in the table below:</p> <table border="1"><thead><tr><th rowspan="2">No.</th><th rowspan="2">Name</th><th colspan="5">(RM'000)</th><th rowspan="2">Total</th></tr><tr><th>Salary</th><th>Bonus/ Incentive*</th><th>Defined Contribution Plan (i.e. EPF)</th><th>Other emoluments</th><th>Benefits- in-kind</th></tr></thead><tbody><tr><td>1.</td><td>Dato' Tan Kia Loke</td><td>983</td><td>16</td><td>207</td><td>90</td><td>20</td><td><b>1,316</b></td></tr><tr><td>2.</td><td>Chung Soo Kiong</td><td>967</td><td>86</td><td>126</td><td>-</td><td>24</td><td><b>1,204</b></td></tr><tr><td>3.</td><td>Lau Beng Long</td><td>1,140</td><td>380</td><td>190</td><td>64</td><td>13</td><td><b>1,787</b></td></tr><tr><td>4.</td><td>Ng Boon Liang</td><td>724</td><td>126</td><td>185</td><td>124</td><td>18</td><td><b>1,176</b></td></tr><tr><td>5.</td><td>Chong Chang Choong</td><td>1,042</td><td>20</td><td>214</td><td>64</td><td>28</td><td><b>1,367</b></td></tr></tbody></table>	No.	Name	(RM'000)					Total	Salary	Bonus/ Incentive*	Defined Contribution Plan (i.e. EPF)	Other emoluments	Benefits- in-kind	1.	Dato' Tan Kia Loke	983	16	207	90	20	<b>1,316</b>	2.	Chung Soo Kiong	967	86	126	-	24	<b>1,204</b>	3.	Lau Beng Long	1,140	380	190	64	13	<b>1,787</b>	4.	Ng Boon Liang	724	126	185	124	18	<b>1,176</b>	5.	Chong Chang Choong	1,042	20	214	64	28	<b>1,367</b>
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### 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>The Audit Committee ("AC") is led by Datuk Tong Poh Keow, the Independent Non-Executive Director who is not the Chairman of the Board.</p> <p>The AC comprises three (3) members who are all Independent Non-Executive Directors for the financial year 2020. The members of the Audit Committee are:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Director/Designation</th> <th>Membership</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Datuk Tong Poh Keow</td> <td>Chairman</td> </tr> <tr> <td>2</td> <td>Tan Sri Dato' Dr Lin See Yan <i>(Independent Non-Executive Director)</i></td> <td>Member</td> </tr> <tr> <td>3</td> <td>Tan Sri Datuk Dr Rebecca Fatima Sta Maria <i>(Independent Non-Executive Director)</i></td> <td>Member</td> </tr> <tr> <td>4</td> <td>Mr Wong Chin Mun <i>(Senior Independent Non-Executive Director)</i> <i>(Resigned with effect from 29 September 2020)</i></td> <td>Chairman</td> </tr> <tr> <td>5</td> <td>Lim Swe Guan <i>(Independent Non-Executive Director)</i> <i>(Resigned with effect from 9 April 2020)</i></td> <td>Member</td> </tr> </tbody> </table> <p>The detailed report of the Audit Committee is set out in the Company's Annual Report 2020.</p>		No.	Director/Designation	Membership	1	Datuk Tong Poh Keow	Chairman	2	Tan Sri Dato' Dr Lin See Yan <i>(Independent Non-Executive Director)</i>	Member	3	Tan Sri Datuk Dr Rebecca Fatima Sta Maria <i>(Independent Non-Executive Director)</i>	Member	4	Mr Wong Chin Mun <i>(Senior Independent Non-Executive Director)</i> <i>(Resigned with effect from 29 September 2020)</i>	Chairman	5	Lim Swe Guan <i>(Independent Non-Executive Director)</i> <i>(Resigned with effect from 9 April 2020)</i>	Member
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<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**

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>The Company's policy allows a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the Audit Committee in the terms of reference of the Audit Committee.</p> <p>The terms of reference of the Audit Committee are set out at the Company's 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

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>The Audit Committee (“AC”) has direct oversight of Group audit. It is stated in the terms of reference that the AC is responsible for assessing the suitability, objectivity, effectiveness and independence of the External Auditors annually.</p> <p>The Company has in place a Policy on Selection of External Auditors and a Non-Audit Services Policy. The objectives of the policies are to outline the criteria and procedures for the AC to assess and select the External Auditors and to monitor the provision of non-audit services by the External Auditors. The Policies are available online at the Company's website.</p> <p>On 25 February 2020, BDO PLT (“BDO”) declared its independence from the Group in relation to its engagement as External Auditors of the Group in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statements of the Group for the financial year 2019. In addition, the provision of non-audit services by the External Auditors was not in conflict with their audit function.</p> <p>The annual assessment of the External Auditors encompassed areas such as objectivity and independence, competency, quality of services, communication and interaction, audit planning, delivery, fees and adequacy of resources.</p> <p>The results of the External Auditors' assessment were tabled to the AC on 7 April 2020. The AC was satisfied that the External Auditors were independent, effective and adequately resourced. As such, the AC had recommended the re-appointment of BDO as the External Auditors of the Company for the financial year 2020 for the shareholders' approval at the Tenth Annual General Meeting (“AGM”) of the Company. The Board at its meeting held on 7 April 2020, approved the Audit Committee's recommendation.</p> <p>The External Auditors will rotate their engaging partner in charge of the audited financial statements of the Company and the Group once every seven (7) years to maintain their independence from the Group in accordance with the Malaysian Institute of Accountants' By-Laws. The current audit engagement partner has held the position for only six (6)</p>

	years. The Policy on Selection of External Auditors provides that management shall on behalf of the Board, invite quotations from audit firms at any time or up to seven (7) years at the Board's discretion for the appointment/re-appointment of the External Auditors.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	All the members of the Audit Committee are Independent Non-Executive Directors.

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 8.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee ("AC") comprises a mix of qualified and experienced professionals in the fields of accountancy, economy, real estate development, property management and human capital development.</p> <p>Datuk Tong Poh Keow, the Chairman of the AC, is a Chartered Accountant of Association of Chartered Certified Accountants, United Kingdom (ACCA) and a member of Malaysian Institute of Accountants. Accordingly, the Company complies with Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>All the members of the AC are financially literate and are able to understand and grasp complex issues brought to its attention including the financial reporting standards and processes.</p> <p>The members of the Board including the AC members, had during the financial year, attended various training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations, risk management and business environment. Details of the trainings or seminars attended by the members of the AC during the financial year ended 31 December 2020 are set out in the Corporate Governance Overview Statement under "Directors' Training" in the Annual Report 2020 of the Company.</p> <p>The members of the AC had also been briefed on the relevant changes in the financial reporting standards by the Group Chief Financial Officer and External Auditors at the AC meetings held in the financial year.</p> <p>In 2020, the Board through the Nomination and Remuneration Committee, had assessed the performance of the AC and its members and was satisfied that the AC and its members had performed their duties and responsibilities effectively.</p>

	The detailed report of the AC's activities for the financial year 2020 is set out in the AC Report of the Company's Annual Report 2020.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's risk management and internal control framework is set in place to identify, evaluate, mitigate and monitor key risks with significant adverse impact on the achievement of the Group's objectives and strategies.</p> <p>The Board assumes overall responsibility in maintaining a sound system of risk management and internal control that provides reasonable assurance of effective operations and legal compliance including both the Group's internal policies and standard operating procedures.</p> <p>The Group's internal control system includes clear, formalised and documented internal policies, standards and procedures to ensure compliance with internal controls and relevant laws and regulations. It enables all divisions and operating subsidiaries to effectively and efficiently, operate and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives. These documents are regularly reviewed to ensure relevance and applicability and are published in the Group's portals for employees' reference.</p> <p>The Group's risk management framework is benchmarked against the ISO31000:2018 Risk Management – Guidelines and is designed to embed Enterprise Risk Management into key activities, initiatives and processes of the Group. This enables the Group to identify, evaluate, mitigate and monitor risks that may prevent the Group from achieving its objectives. In doing so, the stakeholders are assured that their interests are protected. During the financial year, the Group constantly reinforces its risk management framework to remain relevant and effective given the present business environment.</p> <p>The framework is enterprise-wide and outlines policies and practices for effective risk mitigation. It allows the Group to:</p> <ol style="list-style-type: none"><li>1. establish clear functional responsibilities and accountabilities within committee structures for management of risks;</li><li>2. enhance and improve corporate governance with a clear, concise and robust structure for the Group;</li></ol>

	<ol style="list-style-type: none"> <li>3. determine risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of the Group;</li> <li>4. set risk policies and limits consistent with the risk appetite and tolerance of the Group; and</li> <li>5. ensure appropriate skills and resources are applied to risk management.</li> </ol> <p>The Board is assisted by the Risk Management Committee (“<b>RMC</b>”) in identifying, mitigating and monitoring the critical risks highlighted by the Business Divisions. The RMC comprises three (3) Independent Non-Executive Directors, the composition of which is disclosed in Practice 9.3.</p> <p>During the financial year, RMC had held five (5) meetings. In its quarterly meetings held on 25 February 2020, 7 April 2020, 27 May 2020, 25 August 2020 and 27 November 2020, RMC deliberated on the identified top risks of the Group and action plans to manage or mitigate the said risks. The key business units which had been invited to present their key business risks and action plans to address the said risks in 2020 were Hospitality Division, Building Materials Division, Sunway Money Sdn Bhd and Sunway Pharma Sdn Bhd.</p> <p>The Board has established an internal audit function by setting up a Group Internal Audit Department (“<b>GIAD</b>”) within the Group. GIAD reports functionally to the Audit Committee and administratively to the Executive Chairman or his designate. GIAD has full, free and unrestricted access to all the Company’s and Group’s activities, policies, records, properties and personnel at all levels and agents, in pursuance of its objectives. It assists the Audit Committee in reviewing, evaluating and monitoring the effectiveness of the Group’s governance, risk management and internal control processes.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

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

## Practice 9.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's Internal Control system includes clear, formalised and documented internal policies, standards and procedures to ensure compliance with internal controls and relevant laws and regulations. It enables all divisions and operating subsidiaries to effectively and efficiently, operate and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives. These documents are regularly reviewed to ensure relevance and applicability and are published in the Group's portals for employees' reference.</p> <p>The policies in place include:</p> <ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption;</li> <li>• Group Sustainable Development Policy;</li> <li>• Anti-Money Laundering Policy;</li> <li>• Whistle Blowing Policy &amp; Procedure;</li> <li>• Diversity &amp; Inclusion Policy;</li> <li>• Group Occupational Health, Safety &amp; Environment Policy;</li> <li>• Human Rights Policy;</li> <li>• Sustainable Procurement Policy;</li> <li>• Fraud Response;</li> <li>• Compliance Function;</li> <li>• Integrity Pact;</li> <li>• Code of Conduct and Business Ethics;</li> <li>• Staff Handbook;</li> <li>• Industrial Relations;</li> <li>• Personal Data Protection Act; and</li> <li>• Learning &amp; Development.</li> </ul> <p>The Group Internal Audit Department ("<b>GIAD</b>") carries out internal audits on divisions and operating units of the Group based on a risk-based audit plan approved annually by the Audit Committee ("<b>AC</b>"). Based on these audits, GIAD provides the AC with periodic reports highlighting observations, recommendations and action plans to improve the Group's internal control system. The AC reviews and deliberates on any matters relating to internal control highlighted by the external auditors in the course of their statutory audit of the financial statements of the Group. Additionally, subsidiaries accredited</p>

with certifications are audited as scheduled by the auditors of relevant certification bodies. Results of these audits are reported to management.

GIAD's functions and summary of its activities are set out in the Audit Committee Report in the Annual Report 2020.

The Group's risk management framework is benchmarked against the ISO31000:2018 Risk Management – Guidelines and is designed to embed Enterprise Risk Management (“ERM”) into key activities, initiatives and processes of the Group. This enables the Group to identify, evaluate, mitigate and monitor risks that may prevent the Group from achieving its objectives. In doing so, the stakeholders are assured that their interests are protected. During the financial year, the Group constantly reinforces its risk management framework to remain relevant and effective given the present business environment.

The framework is enterprise-wide and outlines policies and practices for effective risk mitigation. It allows the Group to:

- establish clear functional responsibilities and accountabilities within committee structures for management of risks;
- enhance and improve corporate governance with a clear, concise and robust structure for the Group;
- determine risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of the Group;
- set risk policies and limits consistent with the risk appetite and tolerance of the Group; and
- ensure appropriate skills and resources are applied to risk management.

The Statement on Risk Management and Internal Control as set out in the Company's Annual Report 2020 provides an overview of the state of risk management and internal controls within the Group.

The Risk Management Committee (“RMC”) comprising all Independent Directors, oversees the Group's risk management and internal control. Accountable to the Board of Directors, the RMC meets quarterly to:

- Identify, assess and monitor key business risks and review risk mitigation strategies;
- Review and recommend risk management strategies, policies and levels of risk tolerance; and
- Ensure infrastructure, resources and systems are in place to manage risks.

In 2020, the RMC had duly reviewed, appraised and assessed the efficacy of the controls and progress of action plans taken to mitigate, monitor and manage the Group's risk exposure. RMC had subsequently provided assurance to the Board that the Group's risk management

	framework and internal controls are operating adequately and effectively in all material aspects.	
<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>	:	<p>In the efforts of embracing good corporate governance, the Board had established a Risk Management Committee to oversee the Company's risk management framework and policies.</p> <p>The Risk Management Committee comprises all Independent Non-Executive Directors. The members of the Committee are:</p> <table border="1"><thead><tr><th>No.</th><th>Director/Designation</th><th>Membership</th></tr></thead><tbody><tr><td>1</td><td>Tan Sri Dato' Dr Lin See Yan <i>(Independent Non-Executive Director)</i></td><td>Chairman</td></tr><tr><td>2</td><td>Tan Sri Datuk Dr Rebecca Fatima Sta Maria <i>(Independent Non-Executive Director)</i></td><td>Member</td></tr><tr><td>3</td><td>Datuk Tong Poh Keow <i>(Independent Non-Executive Director)</i> <i>(Appointed w.e.f. 21 September 2020)</i></td><td>Member</td></tr><tr><td>4</td><td>Wong Chin Mun <i>(Senior Independent Non-Executive Director)</i> <i>(Resigned w.e.f 21 September 2020)</i></td><td>Member</td></tr><tr><td>5</td><td>Lim Swe Guan <i>(Independent Non-Executive Director)</i> <i>(Resigned with effect from 9 April 2020)</i></td><td>Member</td></tr></tbody></table>	No.	Director/Designation	Membership	1	Tan Sri Dato' Dr Lin See Yan <i>(Independent Non-Executive Director)</i>	Chairman	2	Tan Sri Datuk Dr Rebecca Fatima Sta Maria <i>(Independent Non-Executive Director)</i>	Member	3	Datuk Tong Poh Keow <i>(Independent Non-Executive Director)</i> <i>(Appointed w.e.f. 21 September 2020)</i>	Member	4	Wong Chin Mun <i>(Senior Independent Non-Executive Director)</i> <i>(Resigned w.e.f 21 September 2020)</i>	Member	5	Lim Swe Guan <i>(Independent Non-Executive Director)</i> <i>(Resigned with effect from 9 April 2020)</i>	Member
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## 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 Group's Internal Audit ("<b>IA</b>") function is an integral part of the assurance framework and it is performed in-house and undertaken by Group Internal Audit Department ("<b>GIAD</b>"). The mission of GIAD is to enhance and protect Sunway Berhad Group's organizational value by providing risk-based and objective assurance, advice and insight. GIAD helps the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. GIAD reports functionally to the Audit Committee ("<b>AC</b>") and administratively to the Executive Chairman. The Head of GIAD has unrestricted access to the AC and reports directly to the AC Chairman.</p> <p>GIAD is a member of the Malaysian Chapter of the Institute of Internal Auditors ("<b>IIA</b>") and adopts the International Standards for the Professional Practice of Internal Auditing ("<b>IIA Standards</b>") laid down in the International Professional Practices Framework issued by the IIA. GIAD successfully completed its external Quality Assessment Review ("<b>QAR</b>") in 2015 and planned to conduct another QAR in 2021. It continues to meet or exceed the IIA Standards in all key aspects. GIAD carried out its activities based on a risk-based annual audit plan approved by the AC. The AC reviews annually the adequacy of the scope, function and resources of the IA to ensure that the responsibilities of GIAD are fully discharged.</p> <p>The internal audit reports arising from the audit assignments carried out, were issued to the respective business unit management for their responses and management were made responsible to ensure that the agreed corrective actions to be taken to address the reported risks and weaknesses were taken promptly within the required timeframes. Follow-up audit engagements were carried out by GIAD to ensure that the key corrective actions were implemented appropriately. The internal audit reports were subsequently tabled to the AC for its review. In its current structure, the GIAD has been able to provide the Directors and senior management with pertinent information about the weaknesses in the system of internal control allowing the management to take prompt remedial actions.</p> <p>A summary of the GIAD's activities during the financial year ended 31 December 2020 is set out in the Audit Committee Report 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

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>In accordance with the Internal Audit Charter, the Group Internal Audit Department (“<b>GIAD</b>”) acts as an independent, objective assurance and advisory function which has been established for purposes of examining and evaluating its system of internal controls, risk management and governance processes in order to assist the members of the management team and the Board of Directors (including members of the Audit Committee) in the effective discharge of their responsibilities.</p> <p>GIAD had confirmed its organisational independence where the Head of GIAD and all the internal auditors had signed a declaration that they were and had been independent, objective and in compliance with the Code of Conduct and Business of the Company and the professional standards laid down by the Institute of Internal Auditors (“<b>IIA</b>”) in carrying out their duties as internal auditors. The Head of GIAD and the audit executives have confirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independence in their audit assignments.</p> <p>The GIAD is headed by Mr Yee Meng Haw who is a member of the Malaysian Institute of Certified Public Accountant (MICPA), a member of the Malaysian Institute of Accountants (MIA) and a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). GIAD has 21 auditors and most of them have professional qualifications. Some are members of Certified Information System Auditors (CISA), Certified Fraud Examiners (CFE) and Certified Internal Auditor (CIA).</p> <p>The GIAD is a member of the Malaysian Chapter of the Institute of Internal Auditors and adopts the IIA Standards laid down in the International Professional Practices Framework issued by the IIA. The GIAD had successfully completed its external Quality Assessment Review (“<b>QAR</b>”) by Protiviti Pte Ltd of Singapore in 2015 and it was concluded that GIAD continues to meet or exceed the IIA Standards in all key aspects. GIAD will be undertaking another QAR in 2021.</p>

	<p>In accordance with the Terms of Reference of the Audit Committee, the Audit Committee had in the first quarter of 2020, conducted an annual assessment of the performance of the Internal Audit function for the financial year 2019. The results were compiled and tabled to the Audit Committee at its meeting held on 7 April 2020. The Audit Committee was satisfied with the performance of the internal audit function for the financial year 2019. It had concluded that GIAD was able to provide the Directors and senior management with pertinent information on potential weaknesses in the system of internal control and providing the management with constructive inputs and ideas for remedial actions.</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 11.1

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>As part of the effort in strengthening its relationship with the shareholders, the Company is committed to continuously disclose and disseminate comprehensive and timely information to its shareholders as well as to the general investing public. The Board believes that by maintaining consistent and extensive communication with its shareholders, its mutual relationship with its shareholders would be strengthened. This would also enhance the shareholders' understanding of the Group as well as their ability in making informed investment decisions.</p> <p>One of the platforms used is announcements released through Bursa LINK which can also be accessed via the Company's website.</p> <p>The Company has also incorporated a section for "Investor Relations" in its website at <a href="http://www.sunway.com.my">www.sunway.com.my</a>, which provides all relevant information on the Group such as quarterly results, audited financial statements, Board Charter, minutes of general meetings, general announcements, policies, investor presentations, share price and financial information. The information is easily accessible by the public. Annual reports and circulars to shareholders are also made available at this website for review. The annual report of the Company is another main channel of communication between the Group and its shareholders as well as stakeholders. The annual report communicates comprehensive information on the financial results and activities undertaken by the Group.</p> <p>The Board also recognizes the importance of shareholders' participation in general meetings and encourages such participation. The Annual General Meeting ("AGM") of the Company provides the principal forum for dialogue and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutions at general meetings on clarifications of pertinent and relevant information is encouraged.</p> <p>In 2020, despite the COVID-19 pandemic which has disrupted the ordinary AGM timeline, the Company served the notice of its Tenth AGM 33 days before the meeting, well in advance of the 21-day requirement under the Companies Act 2016 and the Main Market</p>

Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The additional time given to the shareholders had allowed them to have sufficient time to scrutinise the Annual Report 2019 and to make necessary arrangements to participate in the virtual AGM and to vote remotely using the online platform. The Company had also served a 21-day notice for its Extraordinary General Meeting (“**EGM**”) held on 2 September 2020.

The Chairman provided ample time for the questions and answers (Q&A) sessions at the AGM and EGM. All suggestions and comments given by the shareholders were attended by the Board and management for consideration. The Company also distributed together with the notice of the AGM and circular to shareholders for the EGM, information on administrative details such as details of the virtual meeting, shareholders’ entitlement to participate in the virtual meeting, their right to appoint proxy and information as to who may act as a proxy, steps to participate and vote in the virtual meeting, etc.

At the commencement of the virtual AGM, the President gave a detailed briefing in the form of a video presentation on the Group’s overall financial performance and the performances of each core businesses for the financial year 2019 as well as the prospect of the Group. As for the EGM, a representative from RHB Investment Bank Berhad, the Principal Adviser, presented an overview of the corporate proposals tabled at the EGM.

In addition, the written queries raised by the Minority Shareholders Watch Group prior to the AGM were addressed at the AGM by the management and Board members. The management and Board members had also answered the questions raised by the shareholders before and during the AGM and EGM.

The Board values constant dialogue and is committed to clear communication with its shareholders and investors. In this respect, as part of the Group’s active investor relations programme, discussions and dialogues are held with fund managers, financial analysts, shareholders and the media to convey information about the Group’s performance, corporate strategies and other matters affecting shareholders’ interests. The Group has established an internal corporate disclosure policy and an investor relations team to address all communications with its shareholders, the media and the investing public.

During the financial year, prior to the travel restriction imposed in March 2020 by the Government to curb the COVID-19 pandemic, the Group had participated in a physical roadshow in Singapore. Since then, the Company had participated in various virtual investor conferences organised by investment banks.

In addition to published annual reports and quarterly results announced to Bursa Securities, the Group has established a website at

	<p><b>www.sunway.com.my</b> from which investors and shareholders can access for information.</p> <p>The Company also provides a separate executive summary together with its annual report, highlighting key financial information to facilitate shareholders' easy access to such key information. Besides announcing through Bursa Securities' website, all significant corporate developments involving the Group are made known through press releases to the media.</p> <p>While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Group has in place an insider trading policy to safeguard confidentiality of its material and price-sensitive information.</p> <p>The Group's website has a section dedicated to shareholders and investor relations which provides detailed information on the Group's businesses and latest developments. Any enquiries on investor related matters may be directed to this email address, <b>irsunwayberhad@sunway.com.my</b> or may also be conveyed to the following persons:-</p> <p>iii) Mr Chong Chang Choong Group Chief Financial Officer Tel No: (603) 5639 8187 Fax No: (603) 5639 9566 Email: chongcc@sunway.com.my</p> <p>2. Ms Janet Lim Senior Manager – Corporate Finance Tel No: (603) 5639 9257 Fax No: (603) 5639 9566 Email: janetlls@sunway.com.my</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>	:	Applied
<b>Explanation on application of the practice</b>	:	As part of the Group's efforts to improve the quality of communication between the Group and its stakeholders, Sunway continues to embark on its integrated reporting journey in its 2020 Annual Report. With this Report, Sunway aims to enhance its disclosures on strengths, strategies, business models and the impacts of the Sunway Group of companies, going beyond financial and performance disclosures to provide its readers line of sight into how Sunway will continue creating value over the short, medium and long term. The Group hopes to progressively achieve a level of reporting that reflects the best practices of the guiding principles and content elements as set out by the International Integrated Reporting Council.
<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 12.1

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 notice period given for the Company's Tenth Annual General Meeting ("<b>AGM</b>") in 2020 was more than 28 days. The notice was sent on 30 July 2020 and the date of the Tenth Annual General Meeting was 2 September 2020.</p> <p>The notice period given was well in advance of the 21-day requirements under the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The additional time given to the shareholders would allow them to have sufficient time to scrutinise the Annual Report and to make necessary arrangement to attend the meeting.</p> <p>An Administrative Guide which furnished useful information regarding the conduct of the virtual AGM by way of live streaming and online remote voting using the Remote Participation and Voting Facility ("<b>RPV</b>"), procedures for RPV, shareholders' entitlement to participate in the virtual meeting, their right to appoint proxy, etc, was given to the shareholders and proxies.</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>All the Directors of the Company had attended the 10<sup>th</sup> Annual General Meeting (“AGM”) and Extraordinary General Meeting (“EGM”) held on 2 September 2020. The Chair of the Audit, Risk Management, Nomination and Remuneration Committees were present to response to any questions addressed to them.</p> <p>At the AGM, the President’s video presentation provided the shareholders, an overview of the performance of the Group and its core businesses for the financial year 2019 as well as the prospect of the Group. At the EGM, a representative from RHB Investment Bank Berhad, the Principal Adviser, presented a detailed explanation of the corporate proposals.</p> <p>During the questions and answers (Q&amp;A) session of the general meetings, the Chairman and the Board responded to all the questions raised by the shareholders pertaining to the agenda and resolutions tabled before putting them for voting. The Directors, including the President, Group Chief Financial Officer, management and External Auditors were in attendance at the broadcast venue to respond to the shareholders’ online queries. The Board and the management also presented the Group’s response to written questions received from the Minority Shareholders Watch Group at the general meeting. As for the EGM, the Principal Adviser and solicitor were also present to answer any queries raised by the shareholders.</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–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In support of greater transparency and to allow for a more efficient and accurate voting system, the Company has conducted electronic poll voting at its Annual General Meeting (“<b>AGM</b>”) since 2017. With electronic poll voting, shareholders or proxies present at the meeting were entitled to vote on a ‘one-share, one vote’ basis.</p> <p>In 2020, the Company had further embraced the digital technology by conducting its 10<sup>th</sup> AGM and Extraordinary General Meeting (“<b>EGM</b>”) fully virtual through live streaming and online remote voting using the Remote Participation and Voting (“<b>RPV</b>”) facility. The virtual meetings had enabled shareholders, proxies and corporate representatives to participate in the AGM and EGM of the Company remotely from wherever they are. If a shareholder is not able to participate in the AGM and/or EGM due to any reason, he or she could appoint a proxy to participate remotely and vote online on his or her behalf.</p> <p>The voting at the 10<sup>th</sup> AGM and EGM was conducted on a poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company had appointed its Share Registrar, Sunway Management Sdn Bhd as Poll Administrator to conduct the polling process, and BDO Consulting Sdn Bhd as independent Scrutineers to verify the poll results.</p> <p>The shareholders, proxies and corporate representatives who wish to participate in the virtual AGM and/or EGM through the RPV, are required to register themselves at the Share Registrar’s online portal at <a href="http://www.sunwaymanagement.com.my">www.sunwaymanagement.com.my</a>. Detailed registration procedures have been provided to the shareholders in the Company’s Administrative Details for Shareholders attending the 10<sup>th</sup> AGM and EGM. After verification that he/she was a shareholder based on the Record of Depositors as at 26 August 2020, the shareholder or proxy were notified via email that his/her registration for the remote participation at the 10<sup>th</sup> AGM and/or EGM had been approved.</p> <p>A tutorial video on how to access and vote using the online voting platform was uploaded at the Company’s website prior to the AGM and EGM. On the meeting day itself, prior to and at the start of the virtual AGM and EGM, the tutorial video was played again as a reminder.</p>

	<p>Shareholders and proxies were allowed to start voting online at the beginning of the AGM and EGM upon declaration by the Chairman. The online polling results were tabulated upon completion of the deliberation of all resolutions tabled at the 10<sup>th</sup> AGM and EGM. Prior to the closure of the voting window, shareholders and proxies were given another 10 minutes to vote.</p> <p>The voting results for all the resolutions tabled were displayed on the screen. The Chairman then declared the resolutions carried based on the results shown on the screen.</p> <p>The independent Scrutineers had previously tested and verified the online poll voting system. Upon verification by the independent Scrutineers, the poll results detailing the number of votes cast for and against each resolution and the respective percentages were announced via Bursa LINK after 5.00 pm on the same day.</p> <p>Minutes of the 10th AGM and EGM were also made available on the Company's website.</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>		

**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.*

Not applicable
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