

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7471
COMPANY NAME : EDEN INC. BERHAD
FINANCIAL YEAR : December 31, 2017

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>In discharging its fiduciary and leadership functions, the Board has established clear roles and responsibilities to be effective stewards and guardians of the Company. The delegation of authority by the Board to the Management is expressly authorised by the Board. The Board provides specific guidance on the various business activities of the Group and the composition of the Board is regularly reviewed to reflect changes within the Group.</p> <p>The Board is responsible for overseeing the Management and business affairs and makes all major policy decisions of the Company within the powers accorded to it by the Company's Articles of Association.</p> <p>The Board assumes the primary responsibilities which include (but are not limited) to the following:-</p> <ul style="list-style-type: none">• Establishment of the overall strategic direction;• Approval of annual and interim results, acquisitions and disposals, major capital expenditures and budgets;• Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;• Maintaining an effective investor and shareholders communication policy;• Periodic review and adoption of the Company's business policies and strategies;• Management and staff succession planning; and• Review of the adequacy and integrity of the Company's internal controls and management information systems. |
| Explanation for departure | : | |

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Tan Sri Abd Rahim Mohamad is the Executive Chairman of the Company. The Executive Chairman ensures the smooth and effective functioning of the Board, ensuring Board effectiveness and conduct as well as assuming the formal role as the leader in chairing all Board meetings and shareholders' meetings.</p> <p>The key roles and responsibilities of the Chairman as set out in the Board Charter of the Company include:-</p> <ul style="list-style-type: none">• Establish the agenda for Board meetings in consultation with the Executive Directors and the company secretaries;• Ensure that all Directors are enabled and encouraged to participate in Board meetings. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;• Ensure that Executive Directors look beyond their executive functions and accept their full share of responsibilities of governance;• Guide and mediate the Board's action with respect to organisational priorities and governance concerns;• Undertake the primary responsibility for organising the information necessary for the Board to deal with items on agenda and for providing this information to Directors on a timely basis with the assistance of company secretaries;• Chair Board meetings;• Be clear what the Board has to achieve, both in the long and short term;• Provide guidance to other Board members about what is expected |

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| | <p>of them;</p> <ul style="list-style-type: none"> • Ensure that Board meetings are effective; • Undertake appropriate public relations activities in conjunction with the Executive Directors and senior management; • Be the major point of contact between the Board and the Executive Directors and senior management; • Regularly review progress on important initiatives and significant issues facing the Company and/or the Group in conjunction with the Executive Directors and senior management progress on important initiatives and significant issues facing the Company and/or Group; • Provide mentoring for the Executive Directors and senior management; and • Initiate and oversee the annual Executive Directors and senior management evaluation process. <p>The leadership of the Chairman was acknowledged by the good ratings received via the self and board performance evaluation for the financial year 2017.</p> | | |
| <p>Explanation for departure :</p> | | | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | | |
| <p>Measure :</p> | | | |
| <p>Timeframe :</p> | <table border="1" style="width: 100%; height: 100%;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> </table> | | |
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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 1.3

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

| Application | : | Applied | | | | | | | | | | |
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| Explanation on application of the practice | : | Tan Sri Abd Rahim Mohamad is the Executive Chairman of the Company while the following persons are the Executive Directors of the Company:- | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>Puan Sri Fadzilah Binti Md Ariff</td> <td>Executive Director</td> </tr> <tr> <td>Dato' Abdullah Bin A. Rasol</td> <td>Executive Director, Corporate Affairs</td> </tr> <tr> <td>Dato' Nik Mohd Fuad Bin Wan Abdullah</td> <td>Executive Director, Energy Sector</td> </tr> </tbody> </table> | Name | Position | Puan Sri Fadzilah Binti Md Ariff | Executive Director | Dato' Abdullah Bin A. Rasol | Executive Director, Corporate Affairs | Dato' Nik Mohd Fuad Bin Wan Abdullah | Executive Director, Energy Sector | | |
| | Name | Position | | | | | | | | | | |
| | Puan Sri Fadzilah Binti Md Ariff | Executive Director | | | | | | | | | | |
| | Dato' Abdullah Bin A. Rasol | Executive Director, Corporate Affairs | | | | | | | | | | |
| Dato' Nik Mohd Fuad Bin Wan Abdullah | Executive Director, Energy Sector | | | | | | | | | | | |
| | | The roles of the Chairman and the respective Executive Directors are segregated and clearly defined by their individual position descriptions. | | | | | | | | | | |
| | | The Executive Director's role is to assist the Executive Chairman in carrying out his responsibilities. The Executive Directors are responsible for providing strategic leadership and managing relationships with all stakeholders. Meanwhile, the Executive Director, Corporate Affairs advises the Executive Chairman on the strategic vision of the Group in general as well as having overall responsibility in respect of the Group's day to day operations, management and the implementation of Board decisions. As for the Executive Director, Energy Sector, his role is primarily to ensure the coordinated management and operations of the Group's Energy Sector. | | | | | | | | | | |
| Explanation for departure | : | | | | | | | | | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | | | | | | | | | |
| Measure | : | | | | | | | | | | | |
| Timeframe | : | | | | | | | | | | | |

Intended Outcome

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

Practice 1.4

The 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Ms. Chua Siew Chuan and Ms. Yeow Sze Min are the Company Secretaries of the Company.</p> <p>The Board members have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and apprised by the Company Secretaries who are experienced, competent and knowledgeable, on the laws and regulations (or any amendments thereto), as well as directives issued by the regulatory authorities. The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory books kept at the registered office of the Company. The Company Secretaries also facilitate timely communication of decisions made by the Board at Board meetings, to the Management for action. The Company Secretaries work closely with Management to ensure that there are timely and appropriate information flows within and to the Board</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 1.5

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory books kept at the registered office of the Company. The Company Secretaries also facilitate timely communication of decisions made by the Board at Board meetings, to the Management for action. The Company Secretaries work closely with Management to ensure that there are timely and appropriate information flows within and to the Board.</p> <p>All members of the Board are supplied with information in a timely manner. Board reports and papers are circulated in advance prior to Board meetings to enable Directors to obtain further information and explanations, where required, before the meetings. Minutes of meetings, which accurately reflect the deliberation and decisions of the Board are also circulated within a reasonable period of time upon conclusion of each meeting. Matters that require further action by the Management would stay as matters arising in the Minutes of meetings until it is resolved.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 2.1

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

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

| Application : | Applied | | | | | | | | | | | | |
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| Explanation on application of the practice : | <p>The Board Charter of the Company which document the roles of the Board and policies that the Board has decided upon to meet, among others, its responsibilities, governance and leadership.</p> <p>This is to ensure that all Board members are aware of their fiduciary duties and responsibilities to safeguard the interest of all stakeholders and upholding the highest standards of corporate governance.</p> <p>The Board Charter is subject to review from time to time. A copy of the Board Charter is available on the Company's website at www.edenzil.com.</p> <p>In relation to the requirement for Continuous Education Programme (CEP), the Board assumes the onus of determining or overseeing the training needs of the Directors of the Company. During the year, the Directors had attended various seminars, courses, and training to keep abreast with the development on variety of areas relevant to the Group's business.</p> <p>The followings are some of the conferences, seminars, workshops and training programmes attended by the Directors:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Names of Directors</th> <th style="text-align: left;">Title</th> <th style="text-align: left;">Organised By</th> </tr> </thead> <tbody> <tr> <td>a. Tan Sri Abd Rahim Bin Mohamad</td> <td>Companies Act 2016 and Malaysia Code on Corporate Governance</td> <td>Securities Services (Holdings) Sdn Bhd</td> </tr> <tr> <td>b. Puan Sri Fadzilah Binti Md Ariff</td> <td>Companies Act 2016 and Malaysia Code on Corporate Governance</td> <td>Securities Services (Holdings) Sdn Bhd</td> </tr> <tr> <td>c. Dato' Mohamed Salleh Bin Bajuri</td> <td>Sustainability Engagement Series for Directors/Chief Executive Officer</td> <td>Bursa Malaysia</td> </tr> </tbody> </table> | Names of Directors | Title | Organised By | a. Tan Sri Abd Rahim Bin Mohamad | Companies Act 2016 and Malaysia Code on Corporate Governance | Securities Services (Holdings) Sdn Bhd | b. Puan Sri Fadzilah Binti Md Ariff | Companies Act 2016 and Malaysia Code on Corporate Governance | Securities Services (Holdings) Sdn Bhd | c. Dato' Mohamed Salleh Bin Bajuri | Sustainability Engagement Series for Directors/Chief Executive Officer | Bursa Malaysia |
| Names of Directors | Title | Organised By | | | | | | | | | | | |
| a. Tan Sri Abd Rahim Bin Mohamad | Companies Act 2016 and Malaysia Code on Corporate Governance | Securities Services (Holdings) Sdn Bhd | | | | | | | | | | | |
| b. Puan Sri Fadzilah Binti Md Ariff | Companies Act 2016 and Malaysia Code on Corporate Governance | Securities Services (Holdings) Sdn Bhd | | | | | | | | | | | |
| c. Dato' Mohamed Salleh Bin Bajuri | Sustainability Engagement Series for Directors/Chief Executive Officer | Bursa Malaysia | | | | | | | | | | | |

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| | Key Changes in the Companies Act 2016. | Asian Pac Holdings Berhad |
| | Part I - What Directors Need to Know On Reporting & Disclosure Obligations | Terus Mesra Sdn Bhd |
| | Part 2 - New MCCG 2016 Understand The Principles & Desired Outcomes | Terus Mesra Sdn Bhd |
| | Companies Act 2016 and Malaysia Code on Corporate Governance | Securities Services (Holdings) Sdn Bhd |
| d. | Datuk Fakhri Yassin Bin Mahiaddin | Companies Act 2016 and Malaysia Code on Corporate Governance Securities Services (Holdings) Sdn Bhd |
| e. | Dato' Anuarudin Bin Mohd Noor | Companies Act 2016 and Malaysia Code on Corporate Governance Securities Services (Holdings) Sdn Bhd |
| f. | Datuk Seri Ahmad Bin Hj Kabit | Companies Act 2016 and Malaysia Code on Corporate Governance Securities Services (Holdings) Sdn Bhd |
| g. | Dato' Abdullah Bin A. Rasol | Companies Act 2016 and Malaysia Code on Corporate Governance Securities Services (Holdings) Sdn Bhd |
| | Integrity : The Game Changer | Malaysian Institute of Accountants |
| h. | Dato' Nik Mohd Fuad Bin Wan Abdullah | Companies Act 2016 and Malaysia Code on Corporate Governance Securities Services (Holdings) Sdn Bhd |
| Explanation for departure : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

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

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

Practice 3.1

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

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The adopted Directors' Code of Ethics and Conduct and Director's Code of Business Practice Documents described the standards of business conduct and ethical behaviour for Directors in the performance and exercise of their responsibilities as Directors of the Company or when representing the Company, including declaration of interests, conduct in meetings and guidelines in accepting gifts.</p> <p>A copy of the Director's Code of Ethics is available on the Company's website at www.edenzil.com.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 3.2

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>In order to uphold the integrity of the Company in conducting its business, the Company implemented the Whistle-Blowing Policy.</p> <p>The policy is designed to enable employee of the Company to raise concern internally and at a high level and to disclose information which the individual believes shows malpractice or impropriety.</p> <p>Examples of those concerns include:</p> <ul style="list-style-type: none"> • Malpractice, impropriety, fraud and embezzlements; • Misappropriation of assets and funds; • Criminal breach of trust; • Illicit and corrupt practices; • Questionable and improper accounting; • Misuse of confidential information; • Acts or omissions, which are deemed to be against the interest of the Group, laws, regulations or public policies; • Breaches of any Group policies or code of ethics; and • Attempts to deliberately conceal any of the above or other acts of wrongdoing. <p>A copy of the Whistle Blowing Policy is available in the Company's website at www.edenzil.com.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The Board is currently composed of seven (7) Board members. The four (4) Executive Directors comprise of the Executive Chairman, the Executive Director, the Executive Director, Corporate Affairs and the Executive Director, Energy Sector who provide full and effective control of the Group's business affairs, whilst the check and balance are provided by the three (3) Independent Non-Executive Directors.</p> <p>The three (3) Independent Directors represent compliance with the requirement for one-third (1/3) Independent Directors in the Board, pursuant to Paragraph 15.02 (1) of the Main Market Listing Requirements of Bursa Malaysia.</p> <p>The presence of Independent Non-Executive Directors is essential as they are independent from the Management and are free from any business or other relationships that could materially interfere with the exercise of the independent judgment or the ability to act in the best interest of the Group. Accordingly, Dato' Mohamed Salleh Bajuri was appointed as the Senior Independent Non-Executive Director, to whom concerns may be conveyed to.</p> <p>To ensure the effectiveness of the Independent Non-Executive Directors on the Board, the independence assessment are conducted annually via the following:-</p> <ul style="list-style-type: none">• self/board performance evaluation; and• forms of declaration of independence to facilitate the process of determining the Directors' independence. <p>Through the recommendation of the Nomination and Remuneration Committee, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company.</p> <p>The Board is of the view that with the current Board composition is optimal and would take into consideration the potential appointment</p> |

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| | of additional Independent Non-Executive Director in the near future. | |
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| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 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.

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| Application | : | Applied - Annual shareholders' approval for independent directors serving beyond 9 years |
| Explanation on application of the practice | : | <p>Dato' Mohamed Salleh Bin Bajuri ("Dato' Mohamed Salleh") was appointed as an Independent Non-Executive Director of the Company on 11 April 2002 and has since served in this capacity for a cumulative term exceeding nine (9) years. Pursuant to Practice 4.2 of the Code, Dato' Mohamed Salleh's tenure as an independent director should not exceed a cumulative term of nine (9) years and the Board must justify and seek shareholders' approval in the event it retains him as an independent director.</p> <p>Pursuant to the commentary in respect of Practice 4.2 of the Code, notwithstanding Dato' Mohamed Salleh's tenure in office as independent director of more than nine (9) years, the Board is recommending the retention of Dato' Mohamed Salleh as an independent director of the Company for shareholders' approval through two-tier voting process based on the assessment of the Nomination and Remuneration Committee that Dato' Mohamed Salleh's independence has not been compromised or impaired in any way after assessing the following considerations or criteria:-</p> <ul style="list-style-type: none">- Dato' Mohamed Salleh continues to fulfil the definition of an independent director as set out under Paragraph 1.01 of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements;- During Dato' Mohamed Salleh's tenure in office, Dato' Mohamed Salleh has not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman and Executive Director, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an Independent Non- |

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| | <p>Executive Director and Chairman of the Audit and Risk Committee and Nomination and Remuneration Committee;</p> <ul style="list-style-type: none"> - During Dato' Mohamed Salleh's tenure in office, he has never transacted or entered into any transactions with, or provided any services to, the Company and its subsidiaries or the Executive Chairman, the Executive Director, major shareholders or management of the Company (including their family members) within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of Bursa Securities' Main Market Listing Requirements; and - During Dato' Mohamed Salleh's tenure in office, he has not been offered or granted any options by the Company. Apart from Directors' fees and allowances paid which had been the norm and had been duly disclosed in the annual reports, no other incentives or benefits of whatsoever nature had been paid to him by the Company. - During Dato' Mohamed Salleh's tenure in office, he has not been engaged as an adviser by the Company under such circumstances as prescribed by the Bursa Securities or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by Bursa Securities; or has not engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities. <p>Accordingly, based on the abovementioned strong justifications, the Board strongly recommends to retain Dato' Mohamed Salleh as an independent director of the Company and will be tabling an Ordinary Resolution to shareholders to seek their approval on the said retention at the forthcoming Annual General Meeting of the Company.</p> <p>The Board will, from time to time, review its composition and size while at the same time having due regard for diversity in skills, experience, age, cultural background and gender.</p> |
| <p>Explanation for departure :</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |

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| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.3 - Step Up

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

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| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

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

Practice 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The current Board consists of Directors from diverse background and qualifications, collectively bring with them a wide range of experience and expertise in areas such as economics, accounting and auditing, taxation and finance.</p> <p>On boardroom diversity, the Board is supportive of the boardroom gender diversity. The Board currently consists of one (1) female director.</p> <p>The Company is committed to provide fair and equal opportunity in employment and nurturing with the Group regardless of race, nationality, ethnic origin, age, religion or belief, gender, marital status, disability, or any other characteristic unrelated to the performance of the job. Recruitment and appointment of Senior Management and staff are based on a candidate's background, qualifications, experience and competency per the requirements of the job function.</p> <p>As at 31 December 2017, there are six (6) employees holding senior management positions of the Group, of which three (3) are female.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board currently consists of one (1) female director. The Board targets to improve further on gender diversity ratio.</p> <p>The Nomination and Remuneration Committee is tasked to consider candidates for directorship taking into consideration the following:-</p> <ul style="list-style-type: none"> • skill, knowledge, expertise, experience; • professionalism; • integrity; and • the ability to discharge such responsibilities and functions as expected from a director. <p>The Board will, from time to time, review its composition and size to ensure it fairly reflects the investments of the shareholders of the Company while at the same time having due regard for diversity in skills, experience, age, cultural background and gender.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>In considering candidates for directorship, the Nomination and Remuneration Committee does not solely rely on recommendations from existing board members, management or major shareholders. The Nomination Committee would take into account the following:-</p> <ul style="list-style-type: none"> • skill, knowledge, expertise, experience; • professionalism; • integrity; and • the ability to discharge such responsibilities and functions as expected from a director. <p>During the financial year, the Company did not appoint any new Director. The Company would take into consideration of other variety of approaches and independent sources to identify suitable candidate for appointment of Directors.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | Dato' Anuarudin Mohd Noor, an Independent Non-Executive Director of the Company, is presently the Chairman of the Nomination and Remuneration Committee. His responsibilities and duties as a member of the Nomination and Remuneration Committee are disclosed in the Terms of Reference of the Nomination and Remuneration Committee. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 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.

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|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | The annual assessments for the performance of Board, individual director and Committees were conducted for the financial year ended 31 December 2017. Directors and Committees provided anonymous feedback on their peers' performance and individual performance contribution to the Board and respective Committees. The results were then collated by the Company Secretaries and tabled to the Nomination Committee for deliberation. Each Director was provided feedback on their contribution to the Board and its Committees. The review supported the Board's decision to endorse all retiring Directors standing for election. The assessment report together with the report on the Board balance (the required mix of skills, experience and other qualities) are discussed and circulated to the Board in April 2018. The results affirmed that the Board and each of its Committees continue to operate effectively. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 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.

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|--|---|
| Application : | Applied |
| Explanation on application of the practice : | <p>The Company has in place a remuneration policy for the Directors and key senior management personnel which takes into account the demands, complexities, and performance of the Group as well as skills and experience required.</p> <p>A copy of the remuneration policy which discloses high level principles and a detailed process for setting remuneration is available in the Company's website at www.edenzil.com.</p> <p>The remuneration of senior management is determined at Board level and does not require shareholders' approval.</p> <p>Fees of the Non-Executive Directors and benefits payable to Directors are tabled to the shareholders for approval on an annual basis via the annual general meeting of the Company.</p> |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

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.

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| Application : | Applied |
| Explanation on application of the practice : | <p>The Nomination and Remuneration Committee is made up of two (2) Directors whom all are independent and is presently chaired by Dato' Anuarudin Mohd Noor.</p> <p>A copy of the Terms of Reference of the Nomination and Remuneration Committee is available in the Company's website at www.edenzil.com.</p> <p>The summary of activities of the Nomination and Remuneration Committee during the financial year under review is as follows:-</p> <ul style="list-style-type: none">• Recommended the re-election of Directors.• Reviewed the independence of the independent directors.• Reviewed and recommended training programmes for the Board for the financial year ending 31 December 2017.• Reviewed the effectiveness of the Board of Directors as a whole, and the Committees of the Board and the contribution and performance of each individual director.• Reviewed the Directors' fees and Directors' benefits.• Reviewed the remuneration packages of the Executive Directors• Reviewed and recommended the pool for employee bonus. <p>The Board, as a whole, determines the remuneration of Non-Executive Directors, with each Director concerned abstaining from any decision with regards to his/her remuneration. The Company pays its Directors the fees will be voted for approval by the shareholders annually during the Annual General Meeting. It was agreed that the following resolutions shall be tabled at the forthcoming Annual General Meeting for the shareholders' approval:-</p> <ul style="list-style-type: none">• Directors' fees for the financial year ended 31 December 2017; and• Directors' benefits. |

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

Intended Outcome

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

Practice 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.

| Application : | Applied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|----------------------|---|-------------------------------------|---|-------------------------------------|---|-----------------|----------------------------|--|--|--|--|--|--|-------------------------------|-------|-----|----|-----|-----|-------|----------------------------------|-----|-----|----|----|----|-----|-----------------------------|-----|---|----|----|----|-----|--------------------------------------|-----|---|----|----|----|-----|--|--------------|------------|------------|------------|------------|--------------|--------------------------------|--|--|--|--|--|--|---------------------------------|---|---|----|---|---|----|-------------------------------|---|---|----|---|---|----|--------------------------------|---|---|----|---|---|----|-----------------------------------|-----|----|----|----|---|-----|--|------------|-----------|------------|-----------|----------|------------|--------------------------------------|--------------|------------|------------|------------|------------|--------------|----------------|--|--|--|--|--|--|----------------------------|--|--|--|--|--|--|-------------------------------|-------|-----|----|-----|-----|-------|----------------------------------|-----|-----|----|----|----|-----|-----------------------------|-----|---|----|----|----|-----|--------------------------------------|---|---|----|---|---|----|--|--------------|------------|------------|------------|------------|--------------|--------------------------------|--|--|--|--|--|--|---------------------------------|---|---|----|---|---|----|-------------------------------|---|---|----|---|---|----|--------------------------------|---|---|----|---|---|----|-----------------------------------|---|---|----|---|---|----|--|----------|----------|------------|----------|----------|------------|--------------------------------------|--------------|------------|------------|------------|------------|--------------|
| Explanation on application of the practice : | <p>The details of remuneration of Directors who served during the financial year ended 31 December 2017 are as follows:-</p> <table border="1"> <thead> <tr> <th>Group</th> <th>Salaries and other emoluments RM'000</th> <th>Allowances RM'000</th> <th>Fees RM'000</th> <th>Defined contribution plan RM'000</th> <th>Estimated money value of benefits-in-kind RM'000</th> <th>Total RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="7">Executive directors</td> </tr> <tr> <td>Tan Sri Abd Rahim Bin Mohamad</td> <td>1,160</td> <td>180</td> <td>60</td> <td>282</td> <td>184</td> <td>1,866</td> </tr> <tr> <td>Puan Sri Fadzilah Binti Md Ariff</td> <td>386</td> <td>120</td> <td>30</td> <td>97</td> <td>94</td> <td>727</td> </tr> <tr> <td>Dato' Abdullah Bin A. Rasol</td> <td>298</td> <td>-</td> <td>40</td> <td>18</td> <td>53</td> <td>409</td> </tr> <tr> <td>Dato' Nik Mohd Fuad Bin Wan Abdullah</td> <td>262</td> <td>-</td> <td>30</td> <td>40</td> <td>46</td> <td>378</td> </tr> <tr> <td></td> <td><u>2,106</u></td> <td><u>300</u></td> <td><u>160</u></td> <td><u>437</u></td> <td><u>377</u></td> <td><u>3,380</u></td> </tr> <tr> <td colspan="7">Non-executive directors</td> </tr> <tr> <td>Dato' Mohamed Salleh Bin Bajuri</td> <td>-</td> <td>-</td> <td>40</td> <td>-</td> <td>-</td> <td>40</td> </tr> <tr> <td>Dato' Anuarudin Bin Mohd Noor</td> <td>-</td> <td>-</td> <td>30</td> <td>-</td> <td>-</td> <td>30</td> </tr> <tr> <td>Datuk Seri Ahmad Bin Hj. Kabit</td> <td>-</td> <td>-</td> <td>30</td> <td>-</td> <td>-</td> <td>30</td> </tr> <tr> <td>Datuk Fakhri Yassin Bin Mahiaddin</td> <td>120</td> <td>22</td> <td>40</td> <td>15</td> <td>-</td> <td>197</td> </tr> <tr> <td></td> <td><u>120</u></td> <td><u>22</u></td> <td><u>140</u></td> <td><u>15</u></td> <td><u>-</u></td> <td><u>297</u></td> </tr> <tr> <td>Total directors' remuneration</td> <td><u>2,226</u></td> <td><u>322</u></td> <td><u>300</u></td> <td><u>452</u></td> <td><u>377</u></td> <td><u>3,677</u></td> </tr> <tr> <td colspan="7">Company</td> </tr> <tr> <td colspan="7">Executive directors</td> </tr> <tr> <td>Tan Sri Abd Rahim Bin Mohamad</td> <td>1,160</td> <td>180</td> <td>60</td> <td>282</td> <td>182</td> <td>1,864</td> </tr> <tr> <td>Puan Sri Fadzilah Binti Md Ariff</td> <td>386</td> <td>120</td> <td>30</td> <td>97</td> <td>78</td> <td>711</td> </tr> <tr> <td>Dato' Abdullah Bin A. Rasol</td> <td>298</td> <td>-</td> <td>30</td> <td>18</td> <td>31</td> <td>377</td> </tr> <tr> <td>Dato' Nik Mohd Fuad Bin Wan Abdullah</td> <td>-</td> <td>-</td> <td>30</td> <td>-</td> <td>-</td> <td>30</td> </tr> <tr> <td></td> <td><u>1,844</u></td> <td><u>300</u></td> <td><u>150</u></td> <td><u>397</u></td> <td><u>291</u></td> <td><u>2,982</u></td> </tr> <tr> <td colspan="7">Non-executive directors</td> </tr> <tr> <td>Dato' Mohamed Salleh Bin Bajuri</td> <td>-</td> <td>-</td> <td>40</td> <td>-</td> <td>-</td> <td>40</td> </tr> <tr> <td>Dato' Anuarudin Bin Mohd Noor</td> <td>-</td> <td>-</td> <td>30</td> <td>-</td> <td>-</td> <td>30</td> </tr> <tr> <td>Datuk Seri Ahmad Bin Hj. Kabit</td> <td>-</td> <td>-</td> <td>30</td> <td>-</td> <td>-</td> <td>30</td> </tr> <tr> <td>Datuk Fakhri Yassin Bin Mahiaddin</td> <td>-</td> <td>-</td> <td>30</td> <td>-</td> <td>-</td> <td>30</td> </tr> <tr> <td></td> <td><u>-</u></td> <td><u>-</u></td> <td><u>130</u></td> <td><u>-</u></td> <td><u>-</u></td> <td><u>130</u></td> </tr> <tr> <td>Total directors' remuneration</td> <td><u>1,844</u></td> <td><u>300</u></td> <td><u>280</u></td> <td><u>397</u></td> <td><u>291</u></td> <td><u>3,112</u></td> </tr> </tbody> </table> | Group | Salaries and other emoluments RM'000 | Allowances RM'000 | Fees RM'000 | Defined contribution plan RM'000 | Estimated money value of benefits-in-kind RM'000 | Total RM'000 | Executive directors | | | | | | | Tan Sri Abd Rahim Bin Mohamad | 1,160 | 180 | 60 | 282 | 184 | 1,866 | Puan Sri Fadzilah Binti Md Ariff | 386 | 120 | 30 | 97 | 94 | 727 | Dato' Abdullah Bin A. Rasol | 298 | - | 40 | 18 | 53 | 409 | Dato' Nik Mohd Fuad Bin Wan Abdullah | 262 | - | 30 | 40 | 46 | 378 | | <u>2,106</u> | <u>300</u> | <u>160</u> | <u>437</u> | <u>377</u> | <u>3,380</u> | Non-executive directors | | | | | | | Dato' Mohamed Salleh Bin Bajuri | - | - | 40 | - | - | 40 | Dato' Anuarudin Bin Mohd Noor | - | - | 30 | - | - | 30 | Datuk Seri Ahmad Bin Hj. Kabit | - | - | 30 | - | - | 30 | Datuk Fakhri Yassin Bin Mahiaddin | 120 | 22 | 40 | 15 | - | 197 | | <u>120</u> | <u>22</u> | <u>140</u> | <u>15</u> | <u>-</u> | <u>297</u> | Total directors' remuneration | <u>2,226</u> | <u>322</u> | <u>300</u> | <u>452</u> | <u>377</u> | <u>3,677</u> | Company | | | | | | | Executive directors | | | | | | | Tan Sri Abd Rahim Bin Mohamad | 1,160 | 180 | 60 | 282 | 182 | 1,864 | Puan Sri Fadzilah Binti Md Ariff | 386 | 120 | 30 | 97 | 78 | 711 | Dato' Abdullah Bin A. Rasol | 298 | - | 30 | 18 | 31 | 377 | Dato' Nik Mohd Fuad Bin Wan Abdullah | - | - | 30 | - | - | 30 | | <u>1,844</u> | <u>300</u> | <u>150</u> | <u>397</u> | <u>291</u> | <u>2,982</u> | Non-executive directors | | | | | | | Dato' Mohamed Salleh Bin Bajuri | - | - | 40 | - | - | 40 | Dato' Anuarudin Bin Mohd Noor | - | - | 30 | - | - | 30 | Datuk Seri Ahmad Bin Hj. Kabit | - | - | 30 | - | - | 30 | Datuk Fakhri Yassin Bin Mahiaddin | - | - | 30 | - | - | 30 | | <u>-</u> | <u>-</u> | <u>130</u> | <u>-</u> | <u>-</u> | <u>130</u> | Total directors' remuneration | <u>1,844</u> | <u>300</u> | <u>280</u> | <u>397</u> | <u>291</u> | <u>3,112</u> |
| Group | Salaries and other emoluments RM'000 | Allowances RM'000 | Fees RM'000 | Defined contribution plan RM'000 | Estimated money value of benefits-in-kind RM'000 | Total RM'000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Executive directors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tan Sri Abd Rahim Bin Mohamad | 1,160 | 180 | 60 | 282 | 184 | 1,866 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Puan Sri Fadzilah Binti Md Ariff | 386 | 120 | 30 | 97 | 94 | 727 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Abdullah Bin A. Rasol | 298 | - | 40 | 18 | 53 | 409 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Nik Mohd Fuad Bin Wan Abdullah | 262 | - | 30 | 40 | 46 | 378 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <u>2,106</u> | <u>300</u> | <u>160</u> | <u>437</u> | <u>377</u> | <u>3,380</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-executive directors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Mohamed Salleh Bin Bajuri | - | - | 40 | - | - | 40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Anuarudin Bin Mohd Noor | - | - | 30 | - | - | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Datuk Seri Ahmad Bin Hj. Kabit | - | - | 30 | - | - | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Datuk Fakhri Yassin Bin Mahiaddin | 120 | 22 | 40 | 15 | - | 197 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <u>120</u> | <u>22</u> | <u>140</u> | <u>15</u> | <u>-</u> | <u>297</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total directors' remuneration | <u>2,226</u> | <u>322</u> | <u>300</u> | <u>452</u> | <u>377</u> | <u>3,677</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Executive directors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tan Sri Abd Rahim Bin Mohamad | 1,160 | 180 | 60 | 282 | 182 | 1,864 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Puan Sri Fadzilah Binti Md Ariff | 386 | 120 | 30 | 97 | 78 | 711 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Abdullah Bin A. Rasol | 298 | - | 30 | 18 | 31 | 377 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Nik Mohd Fuad Bin Wan Abdullah | - | - | 30 | - | - | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <u>1,844</u> | <u>300</u> | <u>150</u> | <u>397</u> | <u>291</u> | <u>2,982</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-executive directors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Mohamed Salleh Bin Bajuri | - | - | 40 | - | - | 40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Anuarudin Bin Mohd Noor | - | - | 30 | - | - | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Datuk Seri Ahmad Bin Hj. Kabit | - | - | 30 | - | - | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Datuk Fakhri Yassin Bin Mahiaddin | - | - | 30 | - | - | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <u>-</u> | <u>-</u> | <u>130</u> | <u>-</u> | <u>-</u> | <u>130</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total directors' remuneration | <u>1,844</u> | <u>300</u> | <u>280</u> | <u>397</u> | <u>291</u> | <u>3,112</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Explanation for | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

Intended Outcome

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

Practice 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.

| | | |
|--|---|--|
| Application : | Departure | |
| Explanation on application of the practice : | <p>The Board is of the view that the disclosure of Senior Management's remuneration on a named basis with various remuneration components will not be in the best interest of the Group, as it will give rise to recruitment and talent retention issues and may lead to the performing Senior Management staff being lured away by the competitors and hence, the Group may lose high calibre personnel who have been contributing to the Group's performance.</p> <p>The Company has disclosed the aggregate total remuneration of all the key senior management personnel for the financial year ended 31 December 2017, under Note 33 (b) to the Financial Statements on page 132 of this Annual Report.</p> <p>The Board of the view that this disclosure provides an alternatives means for stakeholders to assess whether the key senior management personnel of the Group is remunerated fairly and appropriately in line with the Intended Outcome of Practice 7.2.</p> <p>The Board will ensure that the remuneration for the senior management personnel is commensurate with their performance in order to attract, retain and motivate them to contribute positively to the Group's performance.</p> | |
| Explanation for departure : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

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

Practice 7.3 - Step Up

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

| | |
|--|-------------|
| Application : | Not Adopted |
| Explanation on adoption of the practice : | |

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.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | Tan Sri Abd Rahim Mohamad is the Executive Chairman of the Company while Dato' Mohamed Salleh Bajuri, the Senior Independent Non-Executive Director of the Company is presently Chairman of the Audit and Risk Committee. He is also a member of the Malaysian Institute of Accountant. His responsibilities and duties as a member of the Audit and Risk Committee are disclosed in the Terms of Reference of the Audit and Risk Committee. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | Terms of Reference of the Audit and Risk Committee indicates that the appointment of a former key audit partner as a member of the Audit and Risk Committee shall observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit and Risk Committee. None of the members of the Board were former key audit partners and notwithstanding the above provision, the Board has no intention to appoint any former key audit partner as a member of Board. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Audit and Risk Committee has adopted performance evaluation of External Auditors.</p> <p>The Audit Committee and Management conduct annual assessment of the suitability and independence of the external auditors, Messrs. Ernst & Young, at the end of each financial year under review. The Audit and Risk Committee would assess performance and independence of the External Auditors as well as the fulfillment of criteria based on several factors, including independence of the external auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.</p> <p>Messrs. Ernst & Young had also indicated to the Audit and Risk Committee that they had been independent throughout the audit engagement in respect of the financial under review.</p> <p>Messrs. Ernst & Young had expressed their willingness to continue in office. Notwithstanding Messrs. Ernst & Young's willingness to continue in office, the Audit Committee had recommended the appointment of Messrs. Afrizan Tarmili Khairul Azhar for the consideration of the Board of Directors which in turn had recommended the same for the approval of the shareholders at the forthcoming AGM after evaluating the rationale and reviewing the background and experience of Messrs. Afrizan Tarmili Khairul Azhar with regards to the change of auditors for the Company.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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.

| Application | : | Adopted | | | | | | | | |
|--|--|---|------|-------------|---------------------------------|--|-------------------------------|---|-------------------------------|---|
| Explanation on adoption of the practice | : | <p>The Terms of Reference of the Audit and Risk Committee states that the Audit Committee shall comprise majority Independent Directors.</p> <p>Notwithstanding the above provision, the current Audit and Risk Committee comprise solely of Independent Non-Executive Directors consisting the following members:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Dato' Mohamed Salleh Bin Bajuri</td><td>Chairman <i>(Senior Independent Non-Executive Director)</i></td></tr><tr><td>Dato' Anuarudin Bin Mohd Noor</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Datuk Seri Ahmad Bin Hj Kabit</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr></tbody></table> | Name | Designation | Dato' Mohamed Salleh Bin Bajuri | Chairman <i>(Senior Independent Non-Executive Director)</i> | Dato' Anuarudin Bin Mohd Noor | Member <i>(Independent Non-Executive Director)</i> | Datuk Seri Ahmad Bin Hj Kabit | Member <i>(Independent Non-Executive Director)</i> |
| Name | Designation | | | | | | | | | |
| Dato' Mohamed Salleh Bin Bajuri | Chairman <i>(Senior Independent Non-Executive Director)</i> | | | | | | | | | |
| Dato' Anuarudin Bin Mohd Noor | Member <i>(Independent Non-Executive Director)</i> | | | | | | | | | |
| Datuk Seri Ahmad Bin Hj Kabit | Member <i>(Independent Non-Executive Director)</i> | | | | | | | | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The members of the Audit and Risk Committee collectively have the necessary skills and a wide range of experience and expertise in areas such as accounting and auditing, taxation, finance and economics.</p> <p>Based on the outcome of the performance assessment on the Audit and Risk Committee by the Nomination and Remuneration Committee, The Nomination and Remuneration Committee and Board is satisfied with the performance of the Audit and Risk Committee.</p> <p>All the members of the Audit and Risk Committee received ongoing training and development as detailed in Practice 2.1.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 9.1

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has overall responsibility for maintaining a sound system of risk management and internal control including reviewing its adequacy and integrity.</p> <p>The Statement on Risk Management and Internal Control furnished on pages 48 to 51 of this Annual Report provides an overview of the internal control within the Group during the financial year under review.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 9.2

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board via the Audit and Risk Committee oversees the risk management of the Group.</p> <p>The Audit and Risk Committee, with the assistance of the Management, reviews assesses the risk tolerance of the Group in order to safeguard the interest of its stakeholders.</p> <p>The Statement on Risk Management and Internal Control furnished in the Annual Report provides an overview of the internal control within the Group during the financial year under review.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 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.

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

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.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group's internal audit and risk assurance function is independent of the Management. The audit is performed with impartiality, proficiency and due professional care. The internal audit and risk assurance review of the operating units is an independent and objective assessment of a unit's compliance with internal controls.</p> <p>An internal audit and risk assurance review highlights major weaknesses in control procedures and makes recommendations for improvements.</p> <p>During the financial year under review, the internal audit activity was outsourced to Messrs. JKO & Associates to provide internal audit services for greater independence in internal audit function.</p> <p>A summary of the activities of the Audit and Risk Committee and the Internal Auditors during the financial year under review is set out in the Audit Committee Report on pages 52 to 54 of this Annual Report.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Companies 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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | During the financial year under review, the internal audit activity was outsourced to Messrs. JKO & Associates to provide the internal audit services for greater independence in internal audit function. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 11.1

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

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognises the importance of effective communication with the investors of the Company that enables the Board and the Management to convey information about the Group’s performance, corporate strategy and other matters affecting the shareholders’ interest.</p> <p>Forums such as the Annual General Meeting and Extraordinary General Meeting (“General Meetings”) provide an opportunity for dialogue with the shareholders, whereby the shareholders have direct access to the Board and are given the opportunity to raise questions pertaining to the resolutions being proposed or about the Group’s performance in general.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

| | | | |
|--|---|--|--|
| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | The Company is not classified as “Large Company”. However, the Company would consider adopting the integrated reporting based on a globally recognised framework in the near future. | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 12.1

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

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Annual Report, which contains the Notice of AGM, was sent to shareholders at least 28 days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.</p> <p>The notes to the Notice of AGM also provide detailed explanation for each resolutions proposed to enable shareholders to make informed decisions in exercising their voting rights.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 12.2

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | All directors will attend General Meetings and will take any relevant questions addressed to them unless unforeseen circumstances preclude them from attending General Meetings. During the AGM held in 2017, all Directors attended the AGM. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 12.3

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

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

| | | |
|---|---|--|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>Poll voting was adopted at the AGM held in 2017 for all resolutions proposed, where votes were cast by way of electronic polling. Share Registrar of the Company, Securities Services (Holdings) Sdn. Bhd. was appointed to act as the Poll Administrator and Commercial Quest Sdn. Bhd. was appointed to act as the Independent Scrutineers to verify the results of the poll voting.</p> <p>The Chairman announced the poll voting results after the same has been verified by the appointed Independent Scrutineer. Poll results are announced on the same day through Bursa Link services.</p> <p>The AGM 2017 was held on 8 June 2017, with the notice being issued on 29 April 2017, few days after the Malaysian Code on Corporate Governance has come into effect. In this regard, the facility for voting in absentia was not available at the AGM 2017.</p> <p>The AGM 2017 was held at Persatuan Alumni Universiti Malaya, which was easily accessible to most shareholders.</p> <p>The Company would consider all avenues available, including all the necessary requirements for implementation in the future.</p> |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | The Company is keen to leverage on technology to facilitate voting in absentia and remote shareholders' participation at general meetings. Measures will be taken to explore the same. |

| | | | |
|------------------|---|----------------|--|
| Timeframe | : | Within 3 years | |
|------------------|---|----------------|--|

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

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

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| N/A |
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