CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	1503
COMPANY NAME	**:**	GuocoLand (Malaysia) Berhad (“Company”)
FINANCIAL YEAR	**:**	June 30, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board of Directors ("Board") assumes responsibility for effective stewardship and control of the Company and has established terms of reference ("TOR") to assist in the discharge of this responsibility. In discharging its responsibilities, the Board has established functions which are reserved for the Board and those which are delegated to management. The key roles and responsibilities of the Board are set out in the Board Charter, which is reviewed annually by the Board and published on the Company's website, www.guocoland.com.my. The key roles and responsibilities of the Board broadly cover reviewing and approving corporate policies and strategies, overseeing and evaluating the conduct of the Group's businesses, identifying principal risks and ensuring the implementation of appropriate systems to manage those risks, and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman is a Non-Executive Director. He leads the Board and ensures its smooth and effective functioning and has specific responsibilities as set out in the Board Charter as published on the Company's website, www.guocoland.com.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	There is a clear division of responsibilities between the Chairman of the Board and the Group Managing Director ("GMD"). This division of responsibilities between the Chairman and the GMD ensures an appropriate balance of roles, responsibilities and accountability.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	The Board is supported by Company Secretaries who are qualified to act under Section 235 of the Companies Act 2016. They are Associate Members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and hold practicing certificates issued by Companies Commission of Malaysia ("CCM"). The Company Secretaries attend programmes and seminars to keep abreast with inter alia, regulatory requirements, company law and corporate governance.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	Prior to Board and Board Committee meetings, Directors are provided with minutes of previous meeting(s). The agenda together with meeting reports and reference materials are disseminated electronically via 'Board PAC', an iPad-based solution which stores meeting documents digitally in a secured manner.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The key roles and responsibilities of the Board are set out in the Board Charter and published on the Company's website, www.guocoland.com.my. The last review of the Board Charter by the Board was carried out on 1 October 2021.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 3.1
The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

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

Application	:	Applied
Explanation on application of the practice	:	The Board observes and adopts the Code of Ethics for Company Directors established by CCM ("Director Code"). The Group is committed to good business ethics and integrity as set out in the Group Code of Conduct and Ethics ("Code"). To this, the Group commits to a high standard of professionalism and ethics in the conduct of business and professional activities. The Code serves as guiding principles in the day to day activities of the Group and reminds employees to maintain at all times the highest standards of conduct and to always demonstrate professional and personal integrity in the conduct of business activities and in dealings with stakeholders, customers, colleagues and regulators. The Code is applicable to: • all employees who work in the Group across the jurisdictions in which the Group operates – including but not limited to permanent, part-time and temporary employees; and • any other persons permitted to perform duties or functions within the Group – including but not limited to vendors, service providers, contractors, secondees, interns, industrial attachment and agency staff. As the Code forms part of the terms and conditions of employment, employees are required to adhere to a high standard of professionalism and ethics in the conduct of their business and professional activities. The Director Code and the Code are available on the Company's website, www.guocoland.com.my.
Explanation for departure	:	

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

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

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

Practice 3.2
The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied	
Explanation on application of the practice	:	The Company has a Whistleblowing Policy and it provides a structured channel for all employees of the Group and any other persons providing services to, or having a business relationship with, the Group, to report any concern on any improper conduct or wrongful act committed within the Group. The Whistleblowing Policy is published on the Company's website, www.guocoland.com.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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.

Application	:	Applied	
Explanation on application of the practice	:	As at 30 June 2021, the Board comprised five (5) Directors, three (3) of whom are independent.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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.

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

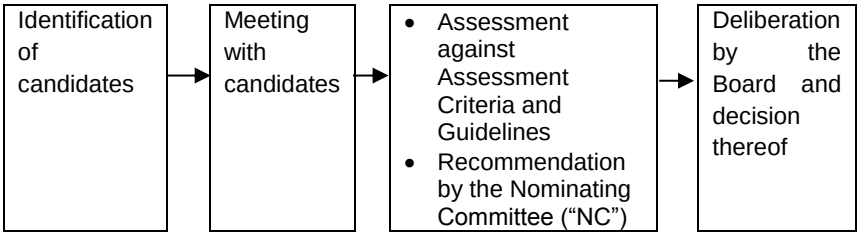
Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.3 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	The Company has in place an Independence of Directors Policy ("ID Policy") which sets out, among others, the tenure of Independent Directors ("IDs") of the Company. The tenure of IDs shall not exceed a cumulative term of nine (9) years from the date of his or her first appointment in the Company.

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.

Application	:	Applied
Explanation on application of the practice	:	The nomination, assessment and approval process for new Board appointment is as follows:  All candidates to the Board are assessed by the NC prior to their appointments, taking into account, inter alia, the strategic and effective fit of the candidates for the Board, the overall desired Board composition including Board diversity and the required mix of skills, expertise, knowledge and experience in the industry, market and segment to enhance the Board's overall effectiveness and having regard to the candidates' attributes, qualifications, management, leadership, independence and time commitment, before they are recommended to the Board for approval. The Company maintains a pool of potential Board candidates from internal and external introductions, recommendations and independent sources with director databases in its search for suitable Board candidates. In evaluating any new appointment of senior management ("SM"), the Company is guided by the Group Recruitment Policy where all potential candidates are given equal opportunity regardless of gender, race, and religion and/or whether or not one has disability. SM positions are awarded based on qualifications, experience and potential. Generally, in the assessment and selection of SM, the following factors will be considered in determining the role-profile fit: (a) skills, knowledge, expertise and industry experience; (b) past contribution and performance; and (c) character, professionalism and integrity. Each and every candidate for SM role has to go through a screening process where his/her competency and potential are assessed through a mix of interviews, aptitude test, competency and/or psychometric assessments in order to ensure the candidate has the right personal profile to be successful in the role.

	Pre-employment and Post-employment screenings are also performed to determine past performance track records, conduct, and behaviour of the selected candidate. For SM positions, final approval for hiring would be obtained from the Group President & Chief Executive Officer of GuocoLand Limited ("GLL"), the holding company of GLM, in addition to the review and approval of the GLL Group HR and GMD to ensure hiring decisions are made objectively in the best interests of the Company taking into account multiple perspectives and insights. Where required, Board's approval is also obtained for certain roles.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
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.

Application	:	Applied	
Explanation on application of the practice	:	The Company has in place a Board Diversity Policy. Currently, there is one (1) woman director on the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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.

Application	:	Applied	
Explanation on application of the practice	:	In search for suitable Board candidates, the Company maintains a pool of potential Board candidates from internal and external introductions, recommendations and independent sources with director databases, including databases for women directors.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the NC is an Independent Non-Executive Director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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.

Application	:	Applied
Explanation on application of the practice	:	A formal evaluation process has been put in place to assess the effectiveness of the Board as a whole, Board Committees as a whole and the contribution and performance of each individual Director, Board Committee member, chief executive and chief financial officer on an annual basis ("Annual Board Assessment"). For newly appointed chairman, directors, chief executive and chief financial officer, the Annual Board Assessment will be conducted at the next annual assessment exercise following the completion of one (1) year of service. Assessment criteria for Board as a whole include, inter alia, the effectiveness of the Board composition in terms of size and structure vis-à-vis the complexity, size, scope and operations of the Company, the core skills, competencies and experience of the Directors, and the Board's integrity, competency, responsibilities and performance. The assessment criteria for Board Committees include the effectiveness of the respective Board Committees' composition in terms of mix of skills, knowledge and experience to carry out their respective roles and responsibilities per the Board Committees' TOR and the contribution of Board Committee members. Each individual Director is assessed on, inter alia, the effectiveness of his/her competency, expertise and contributions. The skills, experience, soundness of judgment as well as contributions towards the development of business strategies and direction of the Company and analytical skills to the decision-making process are also taken into consideration. The NC will deliberate and present the results of the Annual Board Assessment to the Board. The results of the assessment form one of the criteria of the NC's recommendation to the Board for the re-election/retention of Directors at the Annual General Meeting.
Explanation for departure	:	

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

Intended Outcome
The 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.

Application	:	Applied
Explanation on application of the practice	:	The level of remuneration of Non-Executive Directors reflects the scope of responsibilities and commitment undertaken by them, industry benchmark as well as complexity of the Group's businesses. GLM adopts Hong Leong Group's total compensation philosophy which promotes high performing culture, alignment of corporate values and vertical and horizontal equity. The rewards strategy is consistent with the Hong Leong Group Rewards Programmes that provides competitive remuneration and benefits package, as well as ample career progression opportunities for employees. The Company rewards employees by establishing a remuneration framework comprising of both short-term and long-term incentives that are performance linked. The incentives framework includes performance linked variable bonus while long-term incentives in the form of Executive Share Scheme are incorporated in the remuneration framework for the key management team. The remuneration framework ensures that employees are paid competitively against the industry and talent market the company is operating in; delivered via a combination of cash and non-cash elements such as shares or share-linked instruments. Key performance indicators and specific Key Results Areas (KRA) including both financial and non-financial measures are set each financial year to assess the performance of the Group Managing Director ("GMD") and key management team.

	Remuneration Process Another critical part of remuneration delivery process is the review and approving structure. Each year, variable remuneration pool is reviewed and approved by the management of GuocoLand Limited. The pool will be allocated to the business units and functions corresponding to their respective performance. Remuneration of each individual is then formulated based on the business performance and contribution of the individual. The GMD remunerations will also be tabled to the Board for consideration and approval. Remuneration Structure GMD and senior management ("SM") The remuneration structure for the GMD and SM varies in accordance with the job grades and the operational/functional responsibilities, and is weighted towards performance related elements that take into account individual, functional and corporate performance. The components of the remuneration include the following:- (a) *Fixed remuneration* The fixed remuneration includes the following:- (i) basic salary (including the statutory contribution to the Employees Provident Fund) which is based on duties, responsibilities and job grade; and (ii) others. (b) *Variable remuneration* The variable remuneration of the GMD and SM depend on the performance of the Group for the relevant financial year, which is determined based on the individual key performance areas and aligned to the Hong Leong Vision, guided by the Group Reward Handbook. It includes one or a combination of the following:- (i) cash based; (ii) share and share linked instruments; and (iii) others.
Explanation for departure :	

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

Intended Outcome
The 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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not have a Remuneration Committee ("RC"). The Board is of the view that it is not necessary for the Company to establish a RC for the time being given the current size of the Board. The Board as a whole functions as the RC.	
		The Board has undertaken an annual review on the need for a RC and continues to hold the view that the Board has effectively functioned as the RC.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board will continue to undertake an annual review on the need for a RC to be established.	
Timeframe	:	Others	Yearly Assessment in 2022

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.

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The remuneration to be received by each of the Director for FY 2021 is set out in the tables below:

A) Company

<table>
<tr><td>2021</td><td>Salaries and bonuses and defined contribution retirement plan RM</td><td>Director fees RM</td><td>Estimated money value for benefits-in-kind RM</td><td>Total RM</td></tr>
<tr><td><u>Executive Director</u>

Mr Tan Wee Bee</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>YBhg Datuk Edmund Kong Woon Jun</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td><u>Non-Executive Directors</u>

Mr Raymond Choong Yee How</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Mr Peter Ho Kok Wai</td><td>-</td><td>126,000</td><td>-</td><td>126,000</td></tr>
<tr><td>Encik Zulkiflee bin Hashim</td><td>-</td><td>116,000</td><td>-</td><td>116,000</td></tr>
<tr><td>Ms Patricia Chua Put Moy</td><td>-</td><td>116,000</td><td>-</td><td>116,000</td></tr>
<tr><td>Total Directors' remuneration</td><td>-</td><td>358,000</td><td>-</td><td>358,000</td></tr>
</table>
</td></tr>
</table>

B) Group

2021	**Salaries and bonuses and defined contribution retirement plan RM**	**Director fees RM**	**Estimated money value for benefits-in-kind RM**	**Total RM**
Executive Director Mr Tan Wee Bee	664,400	-	11,766	676,166
YBhg Datuk Edmund Kong Woon Jun	1,161,600	-	22,904	1,184,504
Non-Executive Directors Mr Raymond Choong Yee How	-	-	-	-
Mr Peter Ho Kok Wai	-	126,000	-	126,000
Encik Zulkiflee bin Hashim	-	116,000	-	116,000
Ms Patricia Chua Put Moy	-	116,000	-	116,000
Total Directors' remuneration	1,826,000	358,000	34,670	2,218,670

Note:
During FY 2021, Directors and Officers of Guoco Group Limited, together with its subsidiaries (the "GGL Group", which includes GLM and its subsidiaries) are covered under the Directors' and Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the GGL Group subject to the terms of the policy. The total amount of Directors and Officers Liability Insurance effected for the Directors and Officers of the GGL Group was USD15 million. The total amount of premium paid for the Directors' and Officers' Liability Insurance by the Group was RM125,000 and the apportioned amount of the said premium paid by the Company was RM4,028.

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

Intended Outcome

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.

<table>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td>Explanation for departure :</td><td colspan="2">It is not in the interest of the Group to disclose detailed remuneration components of the top five (5) SM in bands of RM50,000 on a named basis in view of confidentiality and security reasons. In addition, the Group is operating in a very competitive environment where talent retention is a challenge.

The Company has disclosed the remuneration of the top five (5) SM of the Group (who are not Directors or the GMD of the Company) from an alternative perspective which is intended to achieve a similar outcome by segregating into categories as disclosed below for FY 2021:

<table>
<tr><th>Categories</th><th>Remuneration (RM)</th></tr>
<tr><td>Salaries and bonuses and defined contribution retirement plan</td><td>3,158,400.00</td></tr>
<tr><td>Estimated money value for benefits-in-kind</td><td>72,215.72</td></tr>
<tr><td>Total</td><td>3,230,615.72</td></tr>
</table>
</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2">The Board will continuously assess the implications in respect of such disclosure for future consideration.</td></tr>
<tr><td>Timeframe :</td><td>Others</td><td>Yearly Assessment in 2022</td></tr>
</table>

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	:	The Board Audit & Risk Management Committee ("BARMC") comprises three (3) members who are IDs. The Chairman of the BARMC is not the Chairman of the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 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	:	The BARMC has observed Practice 8.2 and incorporated such policy into the Company's Board Audit & Risk Management Committee Charter. None of the present BARMC members are former audit partners in the last three (3) years before their appointment as BARMC members.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 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	:	The BARMC has adopted a process and procedure for assessment of new appointment or re-appointment of external auditors and the criteria used in such assessment. The BARMC has obtained written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All members of the BARMC are IDs.

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 :	The members of the BARMC collectively possess the necessary skills and knowledge to discharge their duties and are financially literate. The profiles of the members are provided in the Annual Report. The Chairman of the BARMC is a Chartered Accountant. The BARMC members had during FY 2021 attended various training programmes and seminars organised by relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant developments in finance/accounting, anti-bribery and corruption management, laws and regulations, risk management, corporate governance, environment, social and governance (ESG), cyber security and business environment, including the impact on COVID-19.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies 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	:	The Board recognises its overall responsibility for the adequacy and effectiveness of the Group's system of internal controls and risk management framework to safeguard shareholders' investment and the Group's assets. The Board exercises its oversight of risk management and internal control through the BARMC which meets on a quarterly basis and supported by an adequately resourced Internal Audit ("IA") Department. Management is accountable to the Board for the risk management and internal control system and for the implementation of processes to identify, evaluate, monitor and report risks and controls. The Board adopts MS ISO 31000:2010 as its risk management framework. The Group's system of risk management and internal control are designed to meet the Group's particular needs, to efficiently and effectively manage risks that may impede the achievement of the Group's business objectives, and to provide information for accurate reporting and ensure compliances with regulatory and statutory requirements. Key business risks and risks exceeding tolerance levels would be escalated to the BARMC and if necessary, to the Board for deliberation. Further details can be obtained from the Statement on Risk Management and Internal Control in the 2021 Annual Report of the Company.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome
Companies 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	:	The Board has entrusted the BARMC to provide oversight of the Group's system of risk management and internal control. The BARMC is assisted by the IA Department in this role. The Board adopts MS ISO 31000:2010 as its risk management framework. The Group's system of risk management and internal control is designed to manage and mitigate, rather than eliminate the risk of failure to achieve the Group's business and corporate objectives within the risk appetite established by the Board and management. In addition, for bribery and corruption risks, the Group adopt MS ISO 37001:2016 (Anti-Bribery Management System) and the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 to prevent, detect and respond to bribery and corruption risks. These systems can therefore provide only reasonable and not absolute assurance against material misstatement, loss or fraud. On an on-going basis, each operating company's chief executive and authorised risk owners have clear accountabilities to monitor its existing risks, identify emerging risks and update the enterprise-wide risk registers, maintain the adequacy, effectiveness and relevance of action plans and control systems to manage risks, and prepare risk management report on a quarterly basis for reporting to the BARMC. Key business risks and risks exceeding tolerance levels would be escalated to the BARMC and if necessary, to the Board for deliberation. Further details on the risk management and internal control systems are provided in the Statement on Risk Management & Internal Control in the 2021 Annual Report of the Company.
Explanation for departure	:	

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

Intended Outcome
Companies 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	:	The IA function is carried out in-house by the IA Department of GLM. The provision of the IA services is part of the shared services of companies within the GLM Group. The IA Department, led by the Head of IA, reports directly to the BARMC which has the authority to decide among others the appointment and removal; scope of work; and performance evaluation of the internal audit function. During the financial year, BARMC had approved the IA Department's FY 2021 Audit Plan, reviewed the audit scope planned based on the risk assessment conducted, as well as the audit resource requirements. The IA Department has performed its approved audits as guided by the Audit Charter. The IA function is performed with impartiality, proficiency and due professional care. IA reports, incorporating the audit findings, audit recommendations and management's responses were presented to the Committee. Follow-up audit was conducted and the status of implementation on the agreed recommendations was reported to the Committee. Further information can be obtained from the BARMC Report in the 2021 Annual Report of the Company.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 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	:	**a) Independence and Objectivity** It is a requirement stated in the IA Charter that all IA personnel have no operational responsibility and authority over the activities of its audits in order to maintain its independence and objectivity. The IA Department is guided by its audit charter which defines the organisational status, accountability, independence and objectivity, responsibilities, the professional proficiency and ethics. The BARMC is responsible for deciding on the appointment, remuneration, appraisal, transfer and dismissal of the GLM's Head of IA, and to provide oversight on the adequacy of resources. **b) Internal Audit Resources** There was a total of 3 staff in the IA Department during FY 2021. As for continuous professional development, the IA personnel had kept abreast with developments in the profession, industry and regulations by attending internal and external training courses. **c) Head of Internal Audit** The Head of IA is Mr Tan Ying Jau. He was an articled student of the Malaysian Institute of Certified Public Accountants and started his career with KPMG. He has extensive working experience of six (6) years of external audit, three (3) years of Finance operations and twenty (20) years of internal audit with public listed companies. He is currently pursuing his Masters of Business Administration certification with Anglia Ruskin University, United Kingdom via FTMS Global College.

	d) Internal Audit Framework The IA Department is guided by the International Professional Practicing Framework of the Institute of Internal Auditors and applies appropriate auditing standards in assessing the integrity and effectiveness of internal controls and compliance with the established policies and procedures; and is committed to continuously monitoring and improving the internal audit function. Further information can be obtained from the Board Audit & Risk Management Committee Report in the 2021 Annual Report of the Company.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

There is 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	:	The Board acknowledges the importance of regular communication with shareholders and investors via the annual reports, circulars to shareholders, quarterly financial reports and the various announcements made during FY 2021, through which shareholders and investors can have an overview of the Group's performance and operation.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is 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 a large company.	
		-	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	-	
Timeframe	:	Others	-

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

Practice 12.1
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The Company despatches its notice of Annual General Meeting ("AGM") to shareholders at least 28 days before the AGM to enable them to consider the resolutions and make an informed decision in exercising their voting rights at the AGM.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	All Directors are committed to attend General Meetings of the Company, which are scheduled in advance, save for unforeseeable circumstances. The Chair of Board Committees are aware of their respective scope of responsibilities and will respond to questions addressed to them at General Meetings.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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	:	Applied
Explanation on application of the practice	:	The 96th AGM of the Company held on 6 November 2020 was conducted in full virtual manner through live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities. All Directors, the GMD and CFO attended the AGM either physically or virtually to engage with shareholders and address issues of concern raised by the shareholders. With the RPEV facilities, shareholders were able to exercise their right as members of the Company to participate (including posing questions to the Board and/or Management of the Company before or during the AGM) and vote at the 96th AGM. For members who were unable to attend the 96th AGM, they were able to appoint their respective proxies or the Chairman of the meeting to vote on their behalf via RPEV facilities.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

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