

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 9261  
**COMPANY NAME** : GADANG HOLDINGS BERHAD  
**FINANCIAL YEAR** : May 31, 2018

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is collectively the primary decision-making body for all material matters affecting the Group. It also provides leadership, guidance and sets strategic direction.</p> <p>The Board assumes the following principal roles and responsibilities in discharging its fiduciary and leadership functions:-</p> <p><i>a. Reviewing and adopting the strategic plans for the Group.</i> The Board deliberates all matters relating to the strategic plan with Management. At least one board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the Group's activities. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.</p> <p><i>b. Overseeing the conduct of business and performance of the Company and subsidiaries to ensure they are being properly and appropriately managed.</i> To discharge this duty, the Board will give specific and regular attention to:</p> <ul style="list-style-type: none"> <li>• monitoring performance against the strategic and business plans;</li> <li>• monitoring performance against industry's competing companies; and</li> <li>• enquiring into and following up on areas of poor performance and their root cause.</li> </ul> <p><i>c. Identifying principal risks and ensuring the implementation of appropriate internal control systems to manage the identified risks.</i> With the assistance of the Risk Management Committee (RMC), the overall risk profile of the Group and risk mitigation strategies are reviewed on a quarterly basis.</p>

	<p>In April 2018, the Board established a separate Board Risk Committee comprising wholly Independent Non-Executive Directors to oversee the Company’s risk management framework and policies.</p> <p><i>d. Succession planning, including ensuring that processes are in place to recruit senior management with the highest standards of integrity and competence, and to train, develop and retain them.</i></p> <p>The Board through the Nomination &amp; Remuneration Committee (“NRC”), is responsible in ensuring that there is an orderly succession planning within the Group. The NRC is responsible for reviewing candidates for senior management positions based on their profiles, professional qualification, experience and other core competencies.</p> <p>During the financial year 2018, the NRC, having conducted all relevant review and assessment, recommended the proposed appointment of a Director for the major subsidiary, which the Board subsequently approved the recommendation.</p> <p><i>e. Reviewing the adequacy and integrity of internal control system of the Group, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.</i></p> <p>Internal control systems throughout the Group are managed and monitored by the Internal Audit (“IA”) Department, which reports directly to the Audit Committee (“AC”). IA has the authority to audit any division or subsidiary of the Company and to review projects and systems at any time and report its findings directly to the Audit Committee. Significant findings from the audit reports are highlighted and deliberated at the Audit Committee meetings. AC reviews the adequacy, effectiveness and integrity of the internal control systems to ensure the implementation of appropriate internal control systems, supported by reports from the IA and the annual review by the external auditor.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Independent Non-Executive Chairman, Tan Sri Dato' Seri Dr Mohamed Ismail Bin Merican is responsible for the leadership, effectiveness, conduct and governance of the Board.</p> <p>As provided under the Company's Board Charter, the Chairman will:</p> <ul style="list-style-type: none"> <li>• monitor the workings of the Board, especially the conduct of Board meetings;</li> <li>• ensure that all relevant issues for the effective running of the Company's business are on the agenda;</li> <li>• ensure that quality information to facilitate decision-making is delivered to board members on a timely basis;</li> <li>• encourage all directors to play an active role in board activities; and</li> <li>• managing the interface between the board and management.</li> </ul> <p>During Board Meetings, the Chairman leads the discussion, allowing sufficient time for deliberations on key issues and complex matters. He also encourages active participation and allows views including dissent to be freely expressed.</p> <p>The Chairman also plays a key role in the conduct of the general meetings. Besides ensuring the proper flow of resolutions tabled at the meeting, he manages the communication on the floor. He further encourages active participation from shareholders and allows sufficient amount of time during the questions and answers session.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The roles of the Chairman and Managing Director (“MD”)/CEO which are separate and clearly defined are provided in the Board Charter and is available on the Company’s website.</p> <p>The positions of the Chairman and MD/CEO are held by two different individuals. The Chairman, Tan Sri Dato’ Seri Dr Mohamed Ismail Bin Merican leads the Board and is responsible for ensuring its effectiveness. The MD/CEO, Tan Sri Dato’ Kok Onn is responsible for the day-to-day running of the business, satisfactory execution of the policies and decision-making on operational matters.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 1.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by a suitably qualified, experienced and competent Company Secretary who is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators and is also qualified under the Companies Act, 2016.</p> <p>She is responsible for advising the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Group, as well as the principles of best corporate governance practices. The Directors always have access to the advice and services of the Company Secretary especially on the procedural and regulatory requirements.</p> <p>The Company Secretary undertakes continuous professional development to keep herself abreast with the current regulatory changes in laws and relevant regulatory requirements and corporate governance and to be able to provide the relevant advisory role to the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The dates of Board and board committee meetings as well as annual general meeting are scheduled before the beginning of each year. To assist Directors in planning their attendance, the Company Secretary consults every Director before fixing the dates of these meetings.</p> <p>The Board members are supplied with required and timely information which allows them to discharge their responsibilities effectively and efficiently. Prior to the Board meeting, all Directors are provided with an agenda and a set of Board papers. The Board papers are dispatched to the Directors 5 market days in advance of the Board meetings to enable the Directors to have sufficient time to understand issues to be deliberated at the Board meeting and expedite the decision making process. The minutes of the meetings of the Committees are also circulated to all the Board members.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter adopted by the Board provides a clear statement of the roles, responsibilities, processes and operations of the Board for the benefit of both the Board and management, and to ensure the practices of the Board are consistent with and reflect the Board’s commitment to best practices in corporate governance.</p> <p>The Board Charter and the Terms of Reference of its Committees are reviewed regularly to ensure they remain consistent with the Board’s objectives, current law and best practices. The Board Charter addresses, amongst others, the following areas:-</p> <ul style="list-style-type: none"> <li>• Responsibilities of the Board</li> <li>• Roles of Chairman, CEO and Non-Executive Director</li> <li>• Composition</li> <li>• Performance</li> <li>• Board Committees</li> <li>• Meetings</li> <li>• Code of Conduct</li> <li>• Schedule of matters reserved for collective decision by the Board</li> </ul> <p>The Board Charter is available on the Company’s website at <a href="http://www.gadang.com.my">www.gadang.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised a Code of Conduct (“Code”) for its Directors which is incorporated in the Board Charter, to enhance the standard of corporate governance and promote ethical conduct of the Directors and the same is adhered to at all times.</p> <p>For all its employees, the Group has in place a Group Code of Conduct to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities. The Code of Conduct is disseminated to the Company’s employees and as part of its enforcement, employees are required to submit their declarations to adhere and observe to its provisions.</p> <p>Both of the aforesaid Codes can be viewed from the Company’s website at <a href="http://www.gadang.com.my">www.gadang.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has established a Whistleblowing Policy &amp; Procedures (“WPP”) in line with the Company’s commitment in achieving and maintaining the highest standards of ethics, honesty, openness and accountability.</p> <p>The WPP is aimed to provide an avenue for employees and external parties to raise concerns related to possible malpractices at the earliest opportunity, in an appropriate manner and without fear of reprisal or victimization.</p> <p>The Board has the responsibility to oversee the implementation of the WPP. The MD/CEO, Chief Financial Officer and the Senior Independent Non-Executive Director are responsible for receiving report(s) made by the employees or external parties for the purpose of whistle-blowing in the form as prescribed under the WPP. The concern will then be deliberated with the Board to decide on the appropriate course of action.</p> <p>The WPP can be found on the Company’s website at <a href="http://www.gadang.com.my">www.gadang.com.my</a>.</p>
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board currently comprises three (3) Independent Non-Executive Directors (“INEDs”) and two (2) Executive Directors.  All the three (3) INEDs satisfy the independence test under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).  The composition of the Board complies with the Main Market Listing Requirements of Bursa Securities which requires a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent directors and the Malaysian Code on Corporate Governance 2017 where the Board has the majority presence of independent directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.2

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

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

<b>Application</b>	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years
<b>Explanation on application of the practice</b>	:	<p>At the annual assessment carried out on 1 Director, namely Mr Boey Tak Kong (who has served as independent non-executive director for a cumulative terms of more than 9 years), the Nomination &amp; Remuneration Committee ("NRC") and the Board have determined that he continued to demonstrate strong independence in judgement in the discharge of his responsibilities as a director of the Company. The length of his service on the Board does not interfere with his exercise of independent judgement as he has always expressed his individual viewpoints, debated issues and objectivity scrutinised and challenged management and carried out his professional duty in the interest of the Group and shareholders.</p> <p>Based on the declaration of independence received from Mr Boey Tak Kong, he has no association with management that could compromise his independence. After taking into all these factors, the Board has recommended that the approval of the shareholders be sought to retain him as independent director of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.3 - Step Up**

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

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

## Intended Outcome

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

## Practice 4.4

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

<b>Application</b>	:	Applied																																																														
<b>Explanation on application of the practice</b>	:	<p>The Board recognises diversity in the boardroom as an essential component of a good corporate governance. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit, and against objective criteria, with due regard given to the benefits of diversity on the Board, including gender, age and ethnicity.</p> <p>The current diversity in the race/ethnicity, age and gender of the existing Board who are all Malaysian is as follows:-</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Race/Ethnicity</th> <th colspan="4">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>30-40</th> <th>41-50</th> <th>51-60</th> <th>61-70</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Number of Directors</td> <td>1</td> <td>4</td> <td>0</td> <td>1</td> <td>0</td> <td>1</td> <td>3</td> <td>4</td> <td>1</td> </tr> </tbody> </table> <p>The appointment of senior management was also made with due regard for diversity in skills, experience, age, cultural background and gender. They are all Malaysian with diversity in the following perspectives as set out in the table:-</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Race/Ethnicity</th> <th colspan="3">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>41-50</th> <th>51-60</th> <th>61-65</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Number of Senior Management</td> <td>1</td> <td>23</td> <td>1</td> <td>10</td> <td>11</td> <td>4</td> <td>18</td> <td>6</td> </tr> </tbody> </table>									Race/Ethnicity			Age Group				Gender		Malay	Chinese	Indian	30-40	41-50	51-60	61-70	Male	Female	Number of Directors	1	4	0	1	0	1	3	4	1		Race/Ethnicity			Age Group			Gender		Malay	Chinese	Indian	41-50	51-60	61-65	Male	Female	Number of Senior Management	1	23	1	10	11	4	18	6
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### Intended Outcome

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

### Practice 4.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board currently has one (1) female director out of five (5) directors following the appointment of Ms Kok Pei Ling as an Executive Director on 2 January 2013. Female representation as a percentage of the full Board is 20%.</p> <p>The Board has its Policy for Board Diversity as set out below (in accordance with Paragraph 15.08A(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad):-</p> <p style="text-align: center;"><b>POLICY FOR BOARD DIVERSITY</b></p> <p>The Board recognizes the benefits of diversity. Diversity of skills, backgrounds, knowledge, international and industry experience, gender, age and ethnicity, amongst many other factors, will be taken into consideration when seeking to appoint a new director to the Board. Notwithstanding the foregoing, all Board appointments will always be made on merit against objective criteria.</p> <p>The Company will increase female representation on the Board if suitable candidate who can add value to the Board is identified.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The appointment of a new Director is a matter for consideration and decision by the full Board, upon the recommendation from the Nomination &amp; Remuneration Committee (“NRC”). It is the policy of the Board that in determining candidates for the Board, the following process shall occur:</p> <ul style="list-style-type: none"><li>(i) The NRC evaluates the required mix of skills, experience, expertise and diversity of the existing Board. In particular, the NRC is to identify the particular skills and experience that will best increase the Board’s effectiveness.</li><li>(ii) The NRC will identify potential candidates by seeking applications from suitably qualified individuals; and/or recommendations from the Directors, management or external parties including the Company’s contacts in related industries, finance, legal and accounting professions.</li><li>(iii) The NRC interviews selected candidates.</li><li>(iv) The NRC will evaluate the nominees’ ability to discharge their duties and responsibilities before recommending their appointment as directors to the Board for approval.</li></ul> <p>In considering candidates for director, the NRC will take into account all factors it considers appropriate, including, among other things, breadth of experience, understanding of the Group’s business and financial issues, ability to exercise sound business judgement, diversity, past achievements, demonstrate strong performance focus, display leadership quality, a willingness to devote the required time commitment to the Board’s affairs, and with good reputation and integrity.</p> <p>In line with the recommendation of the Malaysian Code on Corporate Governance, apart from referrals from Directors, major shareholders and management, the Board is open to utilising independent sources to identify suitably qualified candidates, where necessary.</p>
<b>Explanation for departure</b>	:	



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

**Intended Outcome**

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

**Practice 4.7**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The current Chairman of the Nomination &amp; Remuneration Committee is the Senior Independent Director (“SID”), who is nominated amongst the Independent Non-Executive Directors.</p> <p>Mr Boey Tak Kong assumes the role of SID and he acts as a designated contact to whom stakeholders’ concerns or queries may be raised, as an alternative to the formal channel of communication with stakeholders.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The process of assessing the Directors is an ongoing responsibility of the Nomination &amp; Remuneration Committee (“NRC”). The NRC has a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the performance of each individual Director, including the independence of the Independent Non-Executive Directors.</p> <p>The annual assessment criteria of the Board, Board Committees and individual Directors have been updated and are aligned with the practices of the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”). The criteria used for the annual assessment of Board include the assessment of board mix and composition, quality of information and decision making, boardroom activities and board’s relationship with management whereas for Board Committees, the criteria used include composition, effectiveness, support, contribution and communication. The annual assessment of individual Directors include competency, contribution and performance and calibre and personality.</p> <p>The evaluation involves individual directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. They also undertook a self-review and peer review in which they assessed their fellow Directors’ performance. The results were compiled and analysed by the Company Secretary and presented at board meeting.</p> <p>The Board viewed the current evaluation process is adequate to provide an objective assessment on the effectiveness of the Board, the Committees and each individual Director.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 6.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board ensures that the Group's remuneration policy remains competitive to attract, retain and motivate directors and senior management of such caliber who are able to provide the necessary skills and experience, commensurate with the responsibilities for the effective management of the Group.</p> <p>The Nomination &amp; Remuneration Committee ("NRC") is responsible for the recommendation of the remuneration and other benefit packages of Non-Executive Directors, Executive Directors and Senior Management of the Group, for approval by the Board.</p> <p>The Board has established a remuneration policy to outline the principles for the Company to determine and propose an appropriate level of remuneration for the Director and Senior Management.</p> <p>The Remuneration Policy is periodically reviewed and is available on the Company's website at <a href="http://www.gadang.com.my">www.gadang.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 6.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee and Remuneration Committee were established on 30 July 2001 and were merged into a single committee on 28 October 2010 for the purpose of convenience and practicality. The Nomination &amp; Remuneration Committee ("NRC") comprises three (3) members, all of whom are independent non-executive directors.</p> <p>The duties and responsibilities of the NRC are to assist the Board in reviewing and recommending the appropriate remuneration policies applicable to directors and senior management and the appointment and evaluation of the performance of the directors (including Board Committees).</p> <p>The Terms of Reference of the NRC are available for reference at <a href="http://www.gadang.com.my">www.gadang.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the best corporate governance practice, the disclosure of the Directors' remuneration on a named basis has been made in the Annual Report under the Statement of Corporate Governance since year 2011.</p> <p>The details of the remuneration received by each Board member for the financial year ended 31 May 2018 are disclosed in the Corporate Governance Overview Statement on page 34 of the Annual Report 2018.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure										
<b>Explanation on application of the practice</b>	:	<p>Details of the remuneration of the top five Senior Management (including salary, bonus, benefit in kind and other emoluments) for the financial year 2018 are provided in bands of RM50,000 based on the number of senior management in those bands instead of on a named basis due to confidentiality and sensitivity of each remuneration package.</p> <p>The remuneration of the top 5 Senior Management of the Company paid for the financial year 2018 on an aggregated basis in RM50,000 bands is as follows:-</p> <table border="1"> <thead> <tr> <th>Remuneration bands</th> <th>No. of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM550,001 to RM600,000</td> <td>2</td> </tr> <tr> <td>RM750,001 to RM800,000</td> <td>1</td> </tr> <tr> <td>RM800,001 to RM850,000</td> <td>1</td> </tr> <tr> <td>RM1,100,001 to RM1,150,000</td> <td>1</td> </tr> </tbody> </table>	Remuneration bands	No. of Senior Management	RM550,001 to RM600,000	2	RM750,001 to RM800,000	1	RM800,001 to RM850,000	1	RM1,100,001 to RM1,150,000	1
Remuneration bands	No. of Senior Management											
RM550,001 to RM600,000	2											
RM750,001 to RM800,000	1											
RM800,001 to RM850,000	1											
RM1,100,001 to RM1,150,000	1											
<b>Explanation for departure</b>	:											
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>												
<b>Measure</b>	:											
<b>Timeframe</b>	:											



**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee (“AC”) comprises three (3) members, all of whom are independent non-executive directors.</p> <p>The AC Chairman, Mr Boey Tak Kong (who is a member of the Malaysian Institute of Accountants), is not the Chairman of the Board. Tan Sri Dato’ Seri Dr Mohamed Ismail Bin Merican is the Chairman of the Board of the Company.</p> <p>The Terms of Reference of the AC have been amended to reflect the requirements in Practice 8.1 of the Malaysian Code on Corporate Governance that <i>“The Audit Committee Chairman is not the Chairman of the Board”</i>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>None of the members of the Board were former key audit partners. Hence, there is no such person being appointed as a member of the Audit Committee.</p> <p>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.</p> <p>The Terms of Reference of the Audit Committee have been amended to reflect the above Practice.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has approved and adopted an External Auditors Policy to outline the guidelines and procedures for the Audit Committee ("AC") to review, assess and monitor the performance, suitability and independence of the Company's external auditor.</p> <p>Each year, the AC will evaluate the external auditors in fulfilling their duty to make an informed recommendation to the Board whether to retain the auditors. The annual review and assessment of the quality of audit is carried out through an assessment checklist based on four (4) key areas covering quality of service provided; sufficiency of audit firm resources; quality of the communication and interactions with the external auditors and the independence, objectivity and professional scepticism as set out in the Company's External Auditors Policy.</p> <p>In addition to performing their own assessment, the AC may also request the Chief Financial Officer and the finance personnel (who have substantial contact with the external audit team) to perform the annual assessment of the external auditors. The AC also takes into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at private meetings, which demonstrated their independence, objectivity and professionalism.</p> <p>In July 2018, the external auditors in its presentation of External Auditors' report to the AC provided a written assurance that they had been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statements of the Group for the financial year 2018.</p> <p>The AC was satisfied with the suitability of Messrs Crowe Malaysia (formerly known as Crowe Horwath) based on the quality of audit, performance, competency and sufficiency of resources the external audit team had provided to the Group.</p> <p>Having satisfied with the performance of the external auditors, the Board had in August 2018 approved the AC's recommendation for shareholders' approval to be sought at the Annual General Meeting.</p>

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Audit Committee ("AC") comprises wholly of independent non-executive directors.</p> <p>To determine their independence, all non-executive directors are reviewed annually against any circumstances relevant to their current or ongoing independence as set out in the Listing Requirements of Bursa Malaysia Securities Berhad.</p>

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 8.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The current Audit Committee ("AC") comprises of 3 members and two of whom are members of the Malaysian Institute of Accountants. The other member is financially literate and is able to analyse and interpret financial statements to effectively discharge his duty and responsibility as member of the AC.</p> <p>Annually, the Board assesses the performance of the AC and its members through a Board Committee effectiveness evaluation. Based on the outcome of the AC effectiveness assessment of the Board Effectiveness Evaluation 2018, the Board is satisfied with the AC's performance as its Chairman and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC.</p> <p>The AC members are mindful that they should receive appropriate continuous training by attending seminars and courses to update their knowledge and enhance their skills, so as to enable them to sustain their active participation during deliberations.</p> <p>All the AC members constantly received ongoing training and development to keep themselves abreast with the latest development and changes to regulatory requirements, and to ensure they are equipped with relevant knowledge and skills to discharge their duties more effectively. For the financial year 2018, the members of the AC have attended various trainings and the details of the trainings attended are reported under the Corporate Governance Overview Statement on pages 32 and 33 of the Annual Report 2018.</p>
<b>Explanation for departure</b>	:	

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

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



### Intended Outcome

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

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

### Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its responsibility to maintain a sound system of internal controls to safeguard shareholders' investment and the Company's assets. Accordingly, the Directors are required to ensure that an effective system of internal control is in place within the Group.</p> <p>The Board confirms that there is an ongoing process of identifying, analysing, evaluating, treating and monitoring the significant risk faced by the Group. The process is reviewed regularly by the Board and is in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.</p> <p>Further information on risk management framework and internal control are disclosed in the Statement of Risk Management and Internal Control on pages 43 to 50 of the Company's Annual Report 2018.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 9.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The key features of the Company's risk management and internal control framework, which cover their adequacy and effectiveness are disclosed in the Statement on Risk Management and Internal Control on pages 43 to 50 of the Company's Annual Report 2018.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### **Intended Outcome**

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

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

### **Practice 9.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board Risk Committee ("BRC") was established in July 2018 and comprises all independent non-executive directors, namely Mr Huang Shi Chin (Chairman), Tan Sri Dato' Seri Dr Mohamed Ismail Bin Merican and Mr Boey Tak Kong.</p> <p>The role of the BRC is to assist the Board in ensuring that the enterprise risk management framework is consistently adopted throughout the group and is within the parameters established by the Board.</p>

### Intended Outcome

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in September 2017, established an in-house internal audit (“IA”) function for the Group. Previously, the Group’s internal audit function was outsourced to KPMG Management &amp; Risk Consulting Sdn Bhd. The new IA Department is led by the Head, Group IA who reports functionally to the Audit Committee (“AC”) and administratively to Executive Director/Chief Financial Officer.</p> <p>The IA Department is responsible to undertake independent, regular and systematic reviews of the systems of financial and operational controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively.</p> <p>The IA Department will report quarterly to the AC on the internal audit’s objective, operation, authority and responsibility, relative to the approved audit plan together with a rating score on the internal control environment implemented to safeguard the Group’s assets and investments.</p> <p>To ensure the responsibilities of IA Department are fully discharged, the AC reviews:</p> <ul style="list-style-type: none"><li>i) the appointment and removal of the Head of IA;</li><li>ii) the adequacy of scope, function, competency and resources of the IA department; and</li><li>iii) the appraisal or assessment of the performance of the staff of the internal audit function.</li></ul> <p>IA reports were issued to the management of the operating units audited, highlighting the findings on any systems and control weaknesses together with recommendations for improvement. Management implements the corrective and preventive actions based on agreed deadlines. These reports together with follow-up audit reports were tabled to the AC for deliberations and process improvement. The detailed activities carried out by the IA Department are provided in the AC Report on pages 41 and 42 of the Company’s Annual Report 2018.</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

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

## Practice 10.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In accordance with the Audit Charter of the Internal Audit (“IA”) Department, IA will not be involved in day-to-day control procedures in order to maintain independence and objectivity. Instead, each business unit is responsible for its own internal control and procedures. IA shall not be involved in the implementation of internal control systems but may be consulted on the adequacy of controls when the systems and processes are to be implemented.</p> <p>The IA Department has 3 personnel comprising the Head of IA and 2 staff. The Head of IA, Mr Alan Tham Wing Hoong holds a degree in Bachelor of Commerce (Accounting) and Certified Information System Auditor and has over 19 years of internal audit and financial management experience, covering insurance industry, hospitality sector and FMCG business.</p> <p>The IA adopts the proprietary risk-based internal audit methodology, which is aligned to the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors and Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has adopted the Investor Relation Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to the shareholders and the investing public.</p> <p>Various announcements and disclosures to the Bursa Malaysia Securities Berhad made during the year, including the timely release of financial results on a quarterly basis and the distribution of annual reports and circulars, provide shareholders and the investing public with an overview of the Group's performance and operations.</p> <p>The MD/CEO and/or Chief Financial Officer will meet with institutional shareholders and analysts on ad-hoc basis to promote better understanding of the Group's financial performance and operations.</p> <p>The Company's website, <a href="http://www.gadang.com.my">www.gadang.com.my</a> provides an avenue for providing information about the Company and the Group and receiving feedback from the stakeholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 11.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	Not applicable as the Company is not a Large Company as defined by the Malaysian Code on Corporate Governance.	
<b>Explanation for departure</b>	:		
	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>At the 24<sup>th</sup> Annual General Meeting (“AGM”) held on 8 November 2017, the Company despatched the notice of AGM to the shareholders on 29 September 2017, which is in advance of the 28-day requirement.</p> <p>The notice of the forthcoming AGM which will be held on 7 November 2018 will be given to shareholders on 28 September 2018, effectively serving 39 days of notice.</p> <p>Details of the resolutions proposed together with the explanatory notes and statement are set out in the notice of AGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 12.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors attend Annual General Meeting (“AGM”) which are scheduled and approved in advance by the Board at the beginning of the year.</p> <p>All Directors attended the Company’s 24<sup>th</sup> AGM held on 8 November 2017 as well as the past AGMs.</p> <p>The Chairman and Chair of all Board Committees are involved in the preparations of the AGM and are regularly updated by Management on potential issues which may arise during the AGM. They are also fully aware of their respective scope of responsibilities and come prepared to address any issues that the shareholders may raise within the scope of responsibilities of the Board Committees that they lead.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 12.3**

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

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company's Annual General Meeting has been held at Sime Darby Convention Centre in Kuala Lumpur since 2009. The venue of the meeting is centrally located and easily accessible.	
		Shareholders can exercise their votes either in person, or appoint a proxy to attend and vote on their behalf.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:	Others	Please specify number of 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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