

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5100  
**COMPANY NAME** : BP Plastics Holding Bhd  
**FINANCIAL YEAR** : December 31, 2017

### **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("Board") is responsible for the leadership and corporate governance practices of the Group and Company, and is guided by the Board Charter, which clearly sets out the roles and responsibilities of the Board.</p> <p>The Board has overall responsibility for promoting the sustainable growth and financial soundness of the Company and its subsidiaries.</p> <p>Based on the Board Charter of the Company, the Board is responsible to observe the following guiding principles in establishing clear roles and responsibilities in order to achieve the BPPLAS Group's Vision:-</p> <ul style="list-style-type: none"><li>• Establish a formal schedule of matters reserved for the Board and those delegated to Management.</li><li>• Establish clear roles and responsibilities in discharging its fiduciary and leadership functions.</li><li>• Formalise ethical standards through a code of conduct and ensure its compliance.</li><li>• Ensure that the Company's strategies promote sustainability.</li><li>• Have procedures to allow its members access to information and advice.</li><li>• Ensure that it is supported by a suitably qualified and competent company secretary.</li><li>• Formalise, periodically review and make public its Board Charter.</li></ul> <p>In discharging its functions, the Board has delegated certain responsibilities to the Committees of the Board which operate within clearly defined terms of reference ("TORs"). The Committees of the Board comprise of:</p> <ul style="list-style-type: none"><li>(a) Audit Committee ("AC"); and</li><li>(b) Nominating and Remuneration Committee ("NRC").</li></ul> <p>The TORs of the Board AC and NRC are available on the Company's website on <a href="http://www.bpplas.com">www.bpplas.com</a>.</p>

	<p>In addition to the above, amongst the other committees set up to manage specific areas of the Group's operations includes:</p> <ul style="list-style-type: none"> <li>(a) Management-level RMC,</li> <li>(b) Executive Committee and;</li> <li>(c) Management Committee.</li> </ul> <p>Mr. Lim Chun Yow, who is the Managing Director, leads the Management and is assisted by the two (2) Executive Directors, namely Mr. Tan See Khim and Mr. Hey Shiow Hoe. Collectively, they are founders of the Company with over twenty-eight (28) years of expertise and experience in the plastic packaging business, specialising in bags, film and sheet section. The three (3) founders' extensive experience and in-depth knowledge of the plastic packaging industry have enhanced the competitiveness of the Company, and instrumental in transforming the Group into one of the leading flexible plastic packaging specialists in Malaysia.</p> <p>The other four (4) Independent Non-Executive Directors are professionals in their own right with wide-ranging experiences, skills and expertise in audit, accounting, taxation, corporate finance and law, and plastic industry.</p> <p>The four (4) Independent Non-Executive Directors are not engaged in the daily operations and management of the Company. This ensures that the Independent Non-Executive Directors remain free of conflict of interest situations and enable them to carry out their roles and responsibilities effectively. The Independent Non-Executive Directors, through their vast and wide corporate experiences, and qualifications provide effective contributions and support to the Board. The members of the Board are persons of high calibre and integrity with the necessary qualifications, experience and qualities that enable them to discharge their duties effectively.</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 BPPLAS Board is led by Mr. Lim Kim Hock, an Independent Non-Executive Director, who joined the Board since 22 February 2008 and was appointed the Chairman of the Board on 29 May 2013. The profiles of the Chairman and each Board member of BPPLAS can be viewed from the Company's Annual Report 2017.</p> <p>The Chairman is primarily responsible for the leadership, orderly conduct and effectiveness of the Board. The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board as set out in the Board Charter which is available on the Company's website at <a href="http://www.bpplas.com">www.bpplas.com</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**

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 and the Chairman and Managing Director are held by two different individuals. The Chairman, Mr. Lim Kim Hock leads the Board in its collective oversight of Management while Mr. Lim Chun Yow, the Managing Director focuses on the business and day-to-day management of the Company.</p> <p>The roles of the Chairman and Managing Director are separated with clearly defined responsibilities to ensure the balance of power and authority. The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director, together with the Executive Directors, oversees the operations of the Group and implementation of the Board's policies, decisions and business strategies.</p> <p>The respective duties and responsibilities of the Chairman and the Managing Director are clearly stated in the Board Charter.</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 qualified and competent Company Secretary on matters relating to the Company's constitution, Board's policies and procedures, and any requirement of compliance with the relevant regulatory requirements, codes, guidance or legislations.</p> <p>The Company Secretary attends and ensures that all Board meetings are properly convened, and that an accurate and proper record of the proceedings and resolutions passed are taken and maintained in the statutory registers at the registered office 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**

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>All Board members are provided with relevant information of the Group and the Company to enable them to discharge their duties effectively. A set of Board papers for each item of agenda, including financial reports and notices are promptly sent to Directors at least seven (7) days prior to any Board meeting. This is to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or to consult independent advisers, if they deem necessary. The Board also notes the decisions and salient issues deliberated by the Board Committees through the Minutes of these Committees' meetings.</p> <p>The Directors have a duty to declare immediately to the Board should they have any interest in transactions to be entered into, directly or indirectly, with the Group or the Company. The interested Directors would abstain from deliberations and decisions of the Board on the said transaction. In the event a corporate proposal is required to be approved by shareholders, the interested Directors would also abstain from voting in respect of their shareholdings relating to the corporate proposal, and would further undertake to ensure that persons connected to them similarly abstain from voting on the resolution(s).</p> <p>Minutes of each Board meeting are circulated to all Directors on a timely basis before the next succeeding Board meeting for their perusal prior to confirmation of the minutes during the Board 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 demarcation of responsibilities between the board, board committees and management.

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>A list of matters reserved for the Board's attention with regards to its roles, as well as the board procedures and processes, is clearly stated in the Board Charter. The Board Charter of the Company is in place and a copy is available on the Company's website at <a href="http://www.bpplas.com">www.bpplas.com</a>.</p> <p>The Board acknowledges the importance to spell out the key values, principles and ethos of the Company in view that all the policies and strategy development are derived from these considerations.</p> <p>The Board will perform periodic review on the Board Charter to ensure they remain consistent with the Board's objectives, current laws/regulations and good governance practices in compliance with the Malaysian Code on Corporate Governance ("MCCG").</p> <p>Bursa Malaysia recently undertook an exercise to review and amend the provisions of the Main Market Listing Requirements ("MMLR") on 29 November 2017, to ensure alignment with the changes in Companies Act 2016 ("CA2016") and MCCG.</p> <p>In view of the above, the Group is currently in the process of undertaking a review of the Company's Board Charter (and to be completed by May 2018), to update for the changes arising from CA2016, the amended MMLR and the new MCCG.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	



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

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 Group has in place a Group Code of Conduct that is applicable to all Directors and employees. The Group's Code of Conduct sets out the standards of good conduct and ethical practices, and aims to maintain confidence in the integrity of the Group's business practices.</p> <p>The Group's Code of Conduct is premised on the following 4 main principles:-</p> <ol style="list-style-type: none"> <li>a. Show respect in the workplace;</li> <li>b. Act with integrity in the marketplace;</li> <li>c. Ensure ethics in our business relationships; and</li> <li>d. Ensure effective communication, which also covers the areas on corporate disclosure and whistle blowing.</li> </ol> <p>All Directors and employees of the Group must endeavour to observe the Group's Code of Conduct which provides guidance as to the ethical conduct to be complied to uphold the principles of honesty and integrity, to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities.</p> <p>The Group's Code of Conduct is accessible on the Company's website at <a href="http://www.bpplac.com">www.bpplac.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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 policies and procedures on whistleblowing are incorporated under the Part D of the Group’s Code of Conduct (“Code”).</p> <p>Whistle blowing is a specific means by which an employee/officer (or stakeholder) can report or disclose through established channels, concerns about any violations of the Code, unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place / has taken place / may take place in the future.</p> <p>The whistle blowing channels are established to help all stakeholders raise concerns, without fear of retaliation, on any wrongdoing that they may observe in the BPPLAS Group.</p> <p>Only genuine concerns should be reported. Such report should be made in good faith with a reasonable belief that the information and any allegation in it are substantially true, and the report is not made for personal gain. If allegations are proven to be malicious, parties responsible may be subject to appropriate action, including legal action, where applicable.</p> <p>In the event of any violation of the Code, the Board shall determine appropriate action to be taken after considering all relevant information, including but not limited to, the nature of the violation and its severity, and whether the violation appears to have been committed intentionally or inadvertently. Such action to be taken shall reasonably be designed to deter wrongdoings and to promote accountability for adherence to the Code.</p> <p>We are committed to:</p> <ul style="list-style-type: none"><li>• encourage employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation;</li><li>• encourage employees to report violations of laws, rules, regulations, the Company's policies or the Code to appropriate personnel;</li></ul>

	<ul style="list-style-type: none"> <li>• investigate into cases reported and take appropriate actions after conclusion of investigations;</li> <li>• keep identity of the whistle blower in strictest confidentiality; and;</li> <li>• indemnify the whistle blower.</li> </ul> <p>Mr. Lim Kim Hock is the Chairman of the Board and an Independent Non-Executive Director to facilitate communications with stakeholders which could not be dealt with by the Managing Director or the Executive Directors.</p> <p>Ms. Tan Ming-Li, a Senior Independent Non-Executive Director, shall serve as a fall-back point of contact for direct communication for purpose of whistle blowing, on areas that cannot be resolved through normal channels of contact with the Chairman or Managing Director, and the concern may be reported in writing directly to <a href="mailto:seniorined@bpplas.com">seniorined@bpplas.com</a>.</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 4.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board consists of seven (7) Directors, four (4) of whom are Independent Non-Executive Directors and three (3) are Executive Directors.</p> <p>Such composition is able to provide independent and objective judgement to facilitate a balanced leadership in the Group as well as providing effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensuring high standards of conduct and integrity are maintained. Whilst Mr. Lim Chun Yow, Mr. Tan See Khim and Mr. Hey Shiow Hoe represent the interests of the major shareholders of the Company, the interest of remaining shareholders are fairly reflected in the Board's representation.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.2

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

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

<b>Application</b>	: Applied - Annual shareholders' approval for independent directors serving beyond 9 years
<b>Explanation on application of the practice</b>	<p>The Company will be seeking shareholders' approval at the forthcoming Fourteenth Annual General Meeting ("14th AGM") for Mr. Lim Kim Hock who has served the Board for a cumulative term of more than nine (&gt;9) years, to continue to act as Independent Non-Executive Director.</p> <p>The NRC and the Board have assessed the independence of Mr. Lim Kim Hock, and is satisfied with the skills, contribution and independent judgement that he brings to the Board. In view thereof, the Board recommends and supports the retention of his status as Independent Director, subject to the approval of the shareholders at the forthcoming 14th AGM to be held on 30 May 2018.</p> <p>In accordance with the MCGG, the Board through the NRC has undertaken relevant assessment and recommended for Mr. Lim Kim Hock to continue to serve as Independent Non-Executive Director based on the following justifications:</p> <ul style="list-style-type: none"><li>• he fulfils the criteria under the definition of Independent Director pursuant to the MMLR of Bursa Malaysia Securities Berhad;</li><li>• he has consistently demonstrated his independence and professionalism and effectively contributed and added value to the Company through Board Committee he serves as well as the Board;</li><li>• he has a thorough understanding of the business of the Group and the financial, accounting and commercial implications arising from its business and operations; and</li><li>• there are significant advantages to be gained from a long-serving Independent Director who has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, he is able to provide invaluable contributions with independence in his role as Independent Non-Executive Director.</li></ul>

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



**Intended Outcome**

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 criteria for the appointment process and annual assessment of Directors are contained in the TOR of the NRC.</p> <p>The NRC will review and assess the proposed appointment of Directors, and thereupon recommends to the Board for approval. The NRC would also ensure that the Board has an appropriate balance of expertise and ability. Another objective of this Committee is to assess the effectiveness of the Board as a whole and the contribution of each individual Director on an on-going basis. The NRC will review annually the required mix of skills, experience and other qualities including core competencies that the Directors should bring to the Board, identify areas for improvement, and review the succession planning of 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

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 is cognisant of the call by the Government and MCCG to have more women representation on boards of companies, and although the Board has not set specific targets, the Board and NRC endeavour to ensure sufficient number of women candidates are included in the pool of candidates evaluated for new appointments to the Board.</p> <p>At present, the Company has five (5) male Directors and two (2) female Directors. Currently, the female representation on the Board and Senior Management are as follows:</p> <ol style="list-style-type: none"><li>1. Ms. Tan Ming-Li (Senior Independent Non-Executive Director)</li><li>2. Ms. Chuah Sue Yin (Independent Non-Executive Director)</li><li>3. Ms. Chua Yi Fon (Finance Controller)</li></ol>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.6**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In identifying new Board members, the Board seeks recommendations for candidates from existing Board members, management, major shareholders or independent sources.</p> <p>Although the selection / identification of candidates for appointment as directors were solely based on recommendations from existing Board members, management or major shareholders, the Board decisions are still made objectively in the best interests of the Company taking into account the diverse skills, expertise, experience and perspectives of the current Board members.</p> <p>The recent appointment of Ms Chuah Sue Yin as Independent Non-Executive Director was recommended by the existing Board members.</p> <p>Before recommending the appointment of Ms Chuah Sue Yin to the Board, the NRC had considered the criteria as prescribed in Para 2.20A of the MMLR of Bursa Malaysia, whether Ms Chuah Sue Yin has the character, experience, integrity, competence and time to effectively discharge her role as Independent Non-Executive Director of the Company.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.7**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NRC is chaired by a Senior Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC conducted an annual assessment of the Board’s effectiveness as a whole and the contribution of each individual Director in respect of the financial year ended 31 December 2017 using a set of customised self-assessment questionnaires to be completed by the Directors. The results of the self-assessment by Directors and the Board’s effectiveness as a whole as compiled by the Company Secretary were tabled to the Board for review and deliberation.</p> <p>In annual assessment of individual Directors by the NRC, the skills and experience of individual Directors are reviewed to ensure the composition of the Board is appropriate with a good mix of skills and core competencies in order to discharge its duties and responsibilities and to meet the business needs of the Group.</p> <p>The Board is satisfied with the results of the annual assessment. The Board views that the current size and the existing composition of the Board are sufficient and well balanced, cater effectively to the scope of the Group’s operations and there is appropriate mix of knowledge, skills, attributes and core competencies in the Board. As presently constituted, the Board has the stability, continuity and commitment as well as capacity to discharge its responsibilities effectively.</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 6.1**

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>Under the purview of the NRC, the Group has recently established a new formal written Remuneration Policy for Directors and Senior Management. The Remuneration Policy for Directors and Senior Management is reviewed by the NRC prior to making its recommendations to the Board for approval.</p> <p>For Executive Directors and Senior Management, the component parts of remuneration are structured so as to link rewards to corporate and individual performance. The remuneration strategy and practices for Senior Management ensure business complexities and individual responsibilities are aligned with business strategy and long term objectives.</p> <p>In the case of Non-Executive Directors, the levels of remuneration are reflected by the experience, level of responsibilities and the remuneration package for similar positions in the market and time commitment required from these Directors.</p> <p>No NRC member or any Director is involved in the deliberations of his/her own remuneration.</p> <p>Further details on the activities of the NRC in the discharge of its duties for the financial year, are set out in the NRC Statement in the Company’s Annual Report 2017.</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

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>With effect from 1 October 2017, the Board has merged the Nominating Committee and Remuneration Committee into a single Board Committee known as the NRC, which comprises solely Independent Non-Executive Directors.</p> <p>The remuneration policy for Directors is reviewed by the NRC prior to making its recommendations to the Board for approval. Factors such as the Directors' duties and responsibilities as directors and members of Committees, time commitment and other matters are considered. The level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the Non-Executive Director concerned.</p> <p>The authority, duties and responsibilities of NRC are clearly defined in its TOR which is available on the Company's website at <a href="http://www.bpplas.com">www.bpplas.com</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																																																																																																																																												
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	*Ms. Chuah Sue Yin's director fees and benefits is subject to shareholders' approval in the upcoming 14th AGM.	
<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>	:																			
<b>Explanation for departure</b>	:	<p>The details of the remuneration paid to the Senior Management for the financial year ended 31 December 2017 is set out as below.</p> <table border="1"> <thead> <tr> <th>Remuneration Bands</th> <th>No of Persons</th> <th>Salary and Bonus</th> <th>EPF</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Between RM100,000 to RM150,000</td> <td>1</td> <td>89%</td> <td>11%</td> <td>100%</td> </tr> <tr> <td>Between RM400,000 to RM450,000</td> <td>1</td> <td>89%</td> <td>11%</td> <td>100%</td> </tr> </tbody> </table> <p>Only two (2) individuals were identified as Senior Management, and their remuneration is as disclosed above on an aggregated basis. At this juncture, the Board is of the opinion that the disclosure of the Senior Management personnel' names and the various remuneration components (salary, bonus and other emoluments) would not be in the best interest of the Group due to privacy and confidentiality concerns. Furthermore, the Group is operating in highly competitive environment whereby talent retention challenges still prevail.</p>				Remuneration Bands	No of Persons	Salary and Bonus	EPF	Total	Between RM100,000 to RM150,000	1	89%	11%	100%	Between RM400,000 to RM450,000	1	89%	11%	100%
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<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>	:	The Chairperson of the AC, Ms. Chuah Sue Yin, is not the Chairperson of the Board.	
<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>No former key audit partners of the present and former external auditors have been appointed to the Board or employed by the Company.</p> <p>The Board has approved the revised TOR of the AC for the purpose of clarity and consistency with the MCCG and to include the provision of “No former key audit partner shall be appointed as a member of the Audit Committee before observing a cooling-off period of at least two (2) years.”</p> <p>The TOR of the AC is available for reference on the Company’s website at <a href="http://www.bpplas.com">www.bpplas.com</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**

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 External Audit function under the purview of the AC is essential for all shareholders in ensuring the reliability of the Group's financial statements. The Board maintains a formal and transparent professional relationship with the Group's independent External Auditors via the AC. The External Auditors will bring to the AC's attention on any significant deficiency in the Group's internal control system identified during the course of the audit, and remedial action to be taken by the Management to rectify the deficiencies.</p> <p>The AC is tasked with the annual assessment process on the performance and quality of external auditors and their independence, objective and professionalism.</p> <p>Following this year's evaluation using a questionnaire-based internal review, as well as input from officers who have had direct interaction with the team of the external auditors, Messrs. Crowe Horwath ("CH"), throughout the audit engagement, the AC is satisfied with the suitability and independence of the External Auditors and the Board have accepted the recommendation for the re-appointment of CH as External Auditors of the Group for the ensuing financial year in the upcoming Fourteenth (14th) AGM of the Company.</p> <p>CH has provided a confirmation of their independence to AC, that they were and had been independent throughout the conduct of the audit engagement in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, for the audit of the Company's audited financial statements for the financial year ended 31 December 2017.</p> <p>The AC had three (3) private sessions with CH without the presence of the Executive Directors and Management of the Company on 17 April 2017, 28 November 2017 and 13 April 2018. There were no areas of concern that needed to be brought to the attention of AC.</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>	:	Applied
<b>Explanation on adoption of the practice</b>	:	The AC comprises solely of Independent Directors and as such, there is a strong and independent element to provide effective oversight for it to function effectively and exercise objective judgements independently.

**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 Board regards the members of AC collectively possess the accounting and related financial management expertise and experience required for AC to discharge its responsibilities and assist the Board in its oversight over management in the design, implementation and monitoring of risk management and internal control systems.</p> <p>Members of the AC attend trainings and talks to keep them updated on developments on financial reporting and accounting standards. Updates and developments in Companies Act, new Accounting Standards and Interpretations are presented by the External Auditors at AC meetings.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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 responsibilities for maintaining a sound and reliable system of internal controls within the Group, covering the financial controls, the operational and compliance controls, and risk management. The internal control system involves each business unit and its key management, including the Board, and is designed to meet the Group's needs and to manage risks. This is a continuing process which includes risk assessments, internal controls reviews, and internal audit checks on all companies in the Group. The purpose of this continuous process is to ensure that the Group's assets are safeguarded in the interest of preserving the investment of shareholders.</p> <p>The AC is tasked with the duty to assess the Group's internal control environment to determine the adequacy and effectiveness of the system of internal controls put in place by Management. The review covers the financial, operational, and compliance controls. The Board RMC on the other hand, assists the Board in its review of the adequacy and effectiveness of risk management process of the Group and the Company. The Minutes of the AC and Board RMC meetings were circulated to the Directors for notation and for action by the Board, where appropriate.</p> <p>The Board has through the AC and RMC reviewed the adequacy and integrity of the Group's system of risk management and internal controls. For further details, to refer the Board's AC Report, and Statement on Risk Management and Internal Control, as disclosed in the Company's Annual Report 2017.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

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

**Practice 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that having an effective risk management and system of internal controls is an essential part of good business management practice. The Board also acknowledges that all areas of the Group's activities do involve some degree of risk and is committed to ensure that the Group has an effective risk management framework which allows the Group to identify, evaluate, manage and monitor risks within defined risk parameters that affect the achievement of the Group's business objectives.</p> <p>The Group currently has a structured risk management framework in place, whereby a systematic and logical methodology risk management model has been adopted to ensure key risks are identified, evaluated, properly prioritised, owners identified with proper response time set and allowed for continuous improvement. The Management-level RMC through their meetings ensures that the accountability for managing the significant risks identified is clearly assigned and that the identified risks affecting the Group and the Company are being satisfactorily addressed on an ongoing basis. Moving forward, under the stewardship of the Board-level RMC, the Group will be looking to engage the necessary external consultants to assist the Management level-RMC in establishing a formal risk management framework that is based on internationally recognised risk management framework, which is either The Committee of Sponsoring Organizations of the Treadway Commission (COSO) or ISO 31000's ERM Framework or combination of both.</p> <p>The Group's system of internal controls, by its nature is designed to provide reasonable but not absolute assurance against risk of material errors, misstatement, fraud, or losses occurring. The Group's outsourced internal audit function is tasked to independently carry out a review of the existing systems, controls and procedures, and thereafter provide such recommendations that would further enhance the existing internal controls. Based on the audits, the outsourced Internal Auditors provide the AC with independent and objective reports on the state of internal control of the various operating units within the Group, and the extent of compliance by the units with the Group's established policies and procedures.</p>

	Further details of the Group's risk management and internal control framework are disclosed in the Statement of Risk Management and Internal Control in the Company's Annual Report 2017.	
<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>	:	Applied
<b>Explanation on adoption of the practice</b>	:	<p>The Board established the RMC on 1 October 2017 which comprises wholly of Independent Non-Executive Directors.</p> <p>The RMC supports the Board by setting and overseeing the risk management framework and activities of the Group, and regularly assessing such risk management processes to ascertain their adequacy and effectiveness. The principal objective of the RMC is to assist the Board in their responsibilities to identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets.</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 Group has outsourced its internal audit (“IA”) function to an independent professional service provider to assist the AC as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that seek to add value and improve the Group’s operations by considering :-</p> <ul style="list-style-type: none"> <li>• The existence of processes to monitor the effectiveness and efficiency of operations and the achievement of business objectives;</li> <li>• The adequacy and effectiveness of internal control systems for safeguarding of assets and providing consistent, accurate financial and operational data;</li> <li>• Risk awareness and the value and nature of an effective internal control system;</li> <li>• Compliance with applicable laws, regulations, corporate policies and procedures; and</li> <li>• The effectiveness of risk management, control and governance processes within the Group’s operations.</li> </ul> <p>The IA function has adopted a risk-based approach and prepared its audit strategy and plan based on the risk profiles of the major business functions of the Group, and in accordance with the internal audit plan approved by the AC. The IA independently reviews the system of risk management and internal controls implemented by Management within the Group and reports to the AC on the outcome of the internal audit thereof.</p> <p>The details and summary of work of the IA function are further disclosed in the AC Report in the Company’s Annual Report 2017.</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>	:		
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### Intended Outcome

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

### Practice 10.2

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>The AC had on 28 November 2017, conducted a review of the performance of the outsourced IA function, using an Internal Audit Evaluation Checklist (which is premised on the Appendix VII of the Bursa Malaysia Corporate Governance Guide (3rd Edition), Pull-out II), for the financial years ended 31 December 2016 and 31 December 2017.</p> <p>The head of the outsourced IA, Mr Derek Lee of Axcelasia, is a Chartered Member of Institute of Internal Auditors Malaysia (“IIAM”), and is supported by his engagement team of internal auditors who have the relevant professional qualifications such as Certified Internal Auditor (“CIA”) or equivalent.</p> <p>The AC had evaluated and reviewed the IA function and were satisfied that the IA activities/audit plan were carried out in accordance with recognised framework, which include the Standards in the International Professional Practices Framework (2017) (“IPPF”) issued by Institute of Internal Auditors (“IIA”).</p> <p>The AC also received assurance from the outsourced IA that all assigned IA engagement team personnel remain independent, objective and free from any relationships or conflicts of interest in carrying out their IA duties throughout the engagement.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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>Communication and engagement with stakeholders are made through various platforms i.e. media other than general meeting(s), press announcements, analyst briefings and via electronic means such as website.</p> <p><u>Investor Relations</u></p> <p>The investor relations ("IR") function of the Company form an important channel of communication with shareholders, investors and the investment community broadly. As part of fulfilling its corporate governance obligations, the Company maintains extensive communication with its stakeholders with the provision of clear, comprehensive and timely information through the readily accessible channels such as the Annual Report, quarterly reports and announcements on Bursa Malaysia, press releases, as well as through the Company's website. This is particularly important to shareholders and investors for informed investment decision making, more so during periods of extreme volatility or uncertainties in the market place.</p> <p>The senior management personnel in-charge of IR activity is Mr. Lim Chun Yow, the Managing Director of the Company. This reflects the high level of commitment and due importance placed by the Group to maintain investor relations as well as provides views and information on the Group that are appropriate and substantive to the investing public.</p> <p><u>Corporate Disclosure Policy</u></p> <p>The Group has in place a Group Corporate Disclosure Policy that is applicable to all its Directors and employees, to provide guidance and policies, in dealing with and disseminating corporate information (including material information) to all stakeholders which may include shareholders, analysts, media, regulators and the investing public. The Group Corporate Disclosure Policy which is subject to review from time to time, is made available to the shareholders and public at the Company's website at <a href="http://www.bpplas.com">www.bpplas.com</a>.</p> <p>The Company recognises the value of transparent, timely and coherent communications with the investment community consistent with</p>

	commercial confidentiality and regulatory considerations. The Company aims to build long-term relationships with shareholders and potential investors through appropriate channels of communication and disclosure of information.	
<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>	:		
<b>Explanation for departure</b>	:	The Company is not required to comply with this requirement as it is not a Large Company.	
		<p>Corporate information is disseminated via the Company's website and announcements are published on the website of Bursa Malaysia Securities Berhad. At present, the Board is of the view that the Company's Annual Report is comprehensive enough for stakeholders to make informed decisions.</p> <p>The current Annual Report provides stakeholders with a fairly comprehensive overview on the Company's financial and non-financial information including future prospects. Components such as the Management and Discussion Analysis, Corporate Governance Overview Statement, Statement of Risk Management and Internal Control, as well as the Sustainability Statement, form an integral part of the non-financial information.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Thirteenth AGM was held on 26 May 2017 and the notice for the AGM was issued on 28 April 2017, at least 21 days prior to the date of the AGM as per the requirement of the Companies Act 2016 and the Listing Requirements.</p> <p>The Company has complied with statutory requirement with regards to timeline in sending out notice of AGM to shareholders all these years.</p> <p>The Board takes cognisance of the MCCG which recommends that notice for an annual general meeting should be given to the shareholders at least 28 days prior to the meeting.</p> <p>The Notice for the Company's upcoming Fourteenth AGM to be held on 30 May 2018 is given to the shareholders at least 28 days before the date of holding the Fourteenth AGM.</p> <p>The same practice will apply to future annual general meetings of the Company. The Notice of Fourteenth AGM is published in the press and made available to public at the website of Bursa Malaysia Securities Berhad. The Board with the assistance of the Company Secretaries has ensured the Notice of AGM contained sufficient information related to the resolutions set out in the notice. Shareholders will have sufficient preparation time to attend the Fourteenth AGM and information to make informed decision.</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**

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>	:	All Directors, Senior Management and the External Auditors attend the General Meetings. During the AGM, shareholders who attend the AGM are encouraged to raise questions pertaining to the items of the agenda of the AGM. All Directors and the Chair of the Audit, Nominating & Remuneration and Risk Management committees, as well as Senior Management, where appropriate, will provide feedbacks, answers and clarifications to the questions raised from the shareholders during the AGM.	
<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>	:	In order to implement voting in absentia and remote shareholders’ participation, the relevant provisions in the Company’s Constitution convening of the general meetings would need to be updated to allow for shareholders to attend general meetings remotely in line with the expectations of the MCGG.	
		Shareholders are encouraged to attend general meetings. Shareholders who have questions and queries are welcome to submit questions or engage with Management separately. Management will endeavour to respond within reasonable time. Shareholders are allowed to appoint any person as their proxies to attend, participate, speak and vote in his stead at a general meeting.	
		General meetings are held in the city centre and are accessible by public transport and not in remote location.	
<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>	:		

**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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