

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5041
COMPANY NAME : PBA HOLDINGS BHD
FINANCIAL YEAR : December 31, 2019

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is led by Board members who have a wide range of competencies and experience ranging from the accounting, business, legal and public service sectors.</p> <p>The Board of the Company strives to ensure that all the Company's strategic objectives set are well-conveyed throughout the Company in order to achieve both short and long term goals of the Company as a fundamental part of discharging its responsibilities to protect and enhance value for all stakeholders and raise the performance of the Company. The Board is guided by the prevailing legal and regulatory requirements such as the Companies Act 2016 (the "Act") and the MMLR, the MCCG, as well as the Company's Constitution and the Board Charter in discharging its fiduciary duties and responsibilities. The Board had ensured that it had set the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Company.</p> <p>All the Directors of the Company had objectively discharged their duties and responsibilities at all times as fiduciaries in the best interests of the Company.</p> <p>Presently, the Board comprises only Non-Executive Directors who are independent of the Management. Their role is to constructively challenge the Management and monitor its success in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with the Management at all levels, and they engage with the external and internal auditors to address matters concerning the management and oversight of the Company's business and operations.</p> <p>To enable the Board to discharge its responsibilities in meeting the Company's goals and objectives of the Company, the Board had, among others carried out the following as guided by the Board Charter:</p>

	<ul style="list-style-type: none"> a) To develop, monitor and review the Group's strategic plan to ensure that sufficient resources are available or have been allocated to meet its objectives; b) To ensure the Group's core values, vision and mission and shareholders' interests are met; c) To supervise the operations of the Group and evaluate whether established targets are achieved; d) To identify principal risks and ensure the implementation of appropriate systems to manage these risks; e) To promote better investor relations and shareholder communications; f) To review the adequacy and the integrity of the Group's internal control systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; g) To establish such committees, policies and procedures to effectively discharge the Board's roles and responsibilities; h) To initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for Directors to attend courses, seminars and participate in development programs as the Board judges appropriate; i) To ensure that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility; and j) To monitor the compliance with all relevant statutory and legal obligations. <p>The Board delegates the ordinary management of the Group's business to the Chief Executive Officer ("CEO") and management committee of Division Heads and Heads of Department. Management's performance is assessed by the Board through quarterly reports which are tabled to the Board. The reports include a comprehensive summary of the Company's risks and financial performance during each reporting period. The Board is also kept informed of the key strategic initiatives, significant operational issues and the Company's performance based on the approved Key Performance Indicators ("KPIs").</p> <p>In order to ensure the effective discharge of its functions and responsibilities, specific powers of the Board are delegated to the relevant Board Committees and the CEO. The Board Committees consists of the Audit and Risk Management Committee ("ARMC") and the Nomination and Remuneration Committee ("NRC").</p> <p>However, significant matters such as approval of financial results, declaration of dividends, risk appetite setting, short term and medium term business plans/policies, annual budget and appointment of key responsible persons are reserved for the Board's considerations and approval.</p> <p>The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs with authority to act on behalf of the</p>
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	<p>Board in accordance with their respective terms of reference. Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and decisions made by each Board Committee through the reports by the Chairpersons of the Board Committees.</p> <p>The Board is committed to maintain a good risk management framework and sound system of internal control within the Group.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman is responsible for leading the Board to ensure its effectiveness and integrity and the entrenchment of good corporate governance practices within the Group.</p> <p>The Chairman is responsible for: -</p> <ul style="list-style-type: none">i) Providing leadership to the Board so that the Board can perform its responsibilities effectively;ii) Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;iii) Conducting the Board's function and meetings by leading board meetings and discussions;iv) Overseeing the effective discharge of the Board's supervisory role;v) Facilitating the effective contribution of all Directors and encouraging active participation and allowing dissenting views to be freely expressed;vi) Briefing all the Directors in relation to issues arising at meetings;vii) Promoting constructive and respectful relations between Board members and between the Board and the Management;viii) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; andix) Leading the board in establishing and monitoring good corporate governance practices in the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the Code, there is a clear division of responsibilities between the Chairman and CEO. The positions of the Chairman and CEO are held by two (2) different individuals to promote accountability and facilitate division of responsibilities between them. In this regard, no one individual can influence the Board's discussions and decision-making.</p> <p>Generally, the Chairman is responsible for leading the Board to ensure its effectiveness and integrity and the entrenchment of good corporate governance practices within the Group, while the CEO focuses on the business and day-to-day management of the Company, to ensure implementation of policies and strategies approved by the Board and to communicate to the Board on matters pertaining to the business results and performance of the Group. The distinct and separate roles of the Chairman and CEO, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making, and are clearly defined in the Board Charter.</p> <p>Besides, the CEO is also responsible for the operations of the Company with respect to both its regulatory and commercial functions. PBAPP is also subject to the Suruhanjaya Perkhidmatan Air Negara ("SPAN") rules and regulations on water matters.</p> <p>The CEO holds an executive post and not being a member of the Board, has significant responsibilities to run the business based on the strategic plans and ensure the conduct of the business and procedures are properly executed. The CEO presents to the Board, the recommended strategies, proposed business plans and budgets at a dedicated session which includes KPIs. The Board would give its feedback on focus areas, key initiatives and service/product roadmaps in the planning of Key Action Plans.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretary supports the Board and the relevant Board Committees to ensure their effective functioning in accordance with their terms of reference and best practices, and in managing the corporate governance framework of the Company. The Company Secretary also advises the Directors on their fiduciary and statutory duties, as well as compliance with company law, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), the Company's Constitution, the Malaysian Code on Corporate Governance, and other pertinent regulations governing the Company, including guiding the Board towards the necessary compliance.</p> <p>The Company Secretary, or their representatives, had during the year:</p> <ul style="list-style-type: none">• together with management, managed all Board and Board Committee meeting logistics;• attended and recorded minutes of all Board and Board Committee meetings and facilitates Board communications;• advised the board on its roles and responsibilities;• briefed the Board the latest letters and circulars issues by Bursa Malaysia Berhad;• facilitated the conduct of the assessments to be undertaken by the Board and Board Committees as well as compile the results of the assessment;• advised the Board on corporate disclosures and compliance with company and securities regulations and MMLR; and• managed processes pertaining to the Nineteenth Annual General Meeting ("AGM"). <p>The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its function and duties.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance with a structured agenda. The agenda together with comprehensive management reports and proposal papers are furnished to the Directors at least seven (7) days before convening the Board meeting. This is to allow time for the Directors to review the Board papers and to facilitate full discussion at the Board meeting. There is a process in place for Non-Executive Directors to seek clarification or obtain details concerning the Board agenda papers from the Management or the Company Secretary or seek for independent professional advice. Confidential papers or urgent proposals are presented and tabled at the Board meetings under a supplementary agenda.</p> <p>The Board meeting papers are prepared and presented in a concise and comprehensive manner so that the Directors have a proper and relevant depiction of the issues at hand, in order that the Board deliberations and decision-making are performed systematically and in a well-informed manner.</p> <p>The Minutes of Board/Board Committee meetings are circulated to the respective Chairman or Chairperson in a timely manner for review before they are confirmed. All Board members reviewed and confirmed the minutes of meetings to ensure they accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberation on a particular matter.</p> <p>The Board has access to reports, papers on specific issues, information on major financial and operational matters. Management supplies sufficient information to the Board in a timely manner to enable the Board to discharge its duties effectively. The Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them.</p> <p>In this way, the Board has full access to all information on the Company's affairs to enable the proper discharge of duties.</p> <p>In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties</p>

	in relation to matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Chairman or the Board with the duly approved fees.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a Board Charter that is in line with the MCCG. The Board Charter clearly identifies the respective roles and responsibilities of the Board, Board Committees, individual directors and management, as well as issues and decisions reserved for the Board, the Board's governance structure and authority, and terms of reference of the Board, Board Committees and management.</p> <p>The updated Board Charter is available on the Company's website at www.pbahb.com.my.</p> <p>As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and authorities to two (2) of its Board Committees, namely, Audit and Risk Management Committee ("ARMC") and Nomination and Remuneration Committee ("NRC"). These Committees are entrusted with specific responsibilities to assist the Board in overseeing the Company's affairs, in accordance with their limits of authority and respective Terms of Reference, which are published on the Company's website at www.pbahb.com.my. These Terms of Reference are reviewed as and when the need arises, and were recently amended to reflect the latest compliance requirements as a result of changes in the regulatory framework. The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports by the respective Board Committee Chairman/Chairperson, at Board meetings.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Code of Conduct for the Directors, Management and employees of the Company and its subsidiaries. The Code of Conduct provides the guidance to all employees of the Company in the aspect of conflicts of interest, gifts and hospitality, integrity and professionalism, public statements and confidentiality, protection and use of the Group's assets or property, reporting illegal or non-compliant conduct, compliance with laws and regulations, violation of the Code of Conduct and consequences of non-compliance with the Code of Conduct. The Code of Conduct and Ethics is available on the Company's website at www.pbahb.com.my.</p> <p>Employees are made aware that relevant disciplinary actions will be taken for unethical behaviour and misconduct.</p> <p>The Board is aware of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act") had taken effect on 1 June 2020. The amended MACC Act incorporates corporate liability on corruption. It applies to both a commercial organisation and its employees. If an offence is committed, the Group is liable, unless it proves sufficient measures are in place to prevent employees from committing acts of corruption. A policy pertaining to integrity and the Group's anti-bribery practice is published on the Company's website.</p> <p>We are committed to a zero-tolerance approach to bribery and corruption. We will work towards compliance with the Adequate Procedure guidelines issued by the Prime Minister's Office dated 10 December 2018.</p> <p>We are in the midst of updating our policies and procedures. This includes a robust training program for our employees and other stakeholders, to communicate our updated policies and procedures. With this integrity framework in place, it will further strengthen PBAHB's culture of integrity. PBAHB's ability to detect, deter and prevent bribery and corruption practices will also be strengthened.</p>

	We expect our employees at all levels to act ethically and lawfully in their day-to-day business activities. All of our employees have signed MACC's Corporate Integrity Pledge.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a formalised Whistle-blowing Policy. The Whistle-blowing Policy serves as an essential part of the Group's internal control system setting out a framework for all employees and stakeholders of the Group to report any concern about any malpractice within the Group. It also helps to nurture a good organizational culture within the Group and develops a culture of openness, transparency, accountability and integrity, which ultimately formulates standards of corporate behavior creating an ethical corporate climate.</p> <p>In addition to the above and in order to improve the overall organisational effectiveness and to uphold the integrity of the Company in the eyes of the public, whilst at the same time being an entity that serves the interest of the nation, the Company has instituted the whistleblowing program which acts as a formal communication channel and the staff can communicate concerns in cases where the Company's business conduct is deemed to be contrary to the Company's common values. Details of the said Whistle-blowing Policy are set out in the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board currently consists of twelve (12) Board members, all holding non-executive positions, of which five (5) are Independent and Non-Executive Directors. This complies with the Company's Constitution, where the number of directors shall not be less than two (2) nor (unless otherwise determined by the Company at the General Meeting) more than seventeen (17). The Board also complies with paragraph 15.02 of the MMLR which requires at least two (2) Directors or 1/3 of the Board, whichever is higher, must be independent directors.</p> <p>The Board is of the view that the number of Independent Non-Executive Directors with wide Boardroom experience and expertise is sufficient, to provide independent objectivity and additional perspectives to its decision-making process.</p> <p>The Board took note of the MCCG's Practice 4.1 whereby at least half of the Board comprises Independent Directors. However, the Board has no plans to add more Independent Directors to the Board, in view of the fact that all the Directors are holding Non-Executive positions.</p> <p>The Board is supportive of boardroom diversity as it can offer greater depth and breadth compared to non-diverse board. The Board practices no discrimination in term of appointment of Directors as well as hiring employees wherein they are appointed based on their merit, skills and experiences.</p>
		N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	Others
		N/A

Intended Outcome

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

Practice 4.2

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

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

Application	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years	
Explanation on application of the practice	:	YBhg. Dato’ Agatha Foo Tet Sin has served as an Independent and Non-Executive Director in the Company for more than 9 years (but less than 12 years). Both Nomination and Remuneration Committee (“NRC”) and the Board had performed an annual assessment to review her independence. They are of the view that she remains objective and independent in expressing her views, participating in the deliberation and decision making of the Board and Board Committees. Her length of service does not in any way interfere with her ability to exercise independent judgement and to act in the best interests of the Company. The Company will seek its shareholders’ approval at the AGM to retain YBhg. Dato’ Agatha Foo Tet Sin as an Independent Non-Executive Director, in compliance with the Code.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	Generally, the Board through the NRC is to assess the candidate for proposed directorship in considering their skills, knowledge, education, qualities, expertise and experience, professionalism, integrity, time commitment, contribution, Boardroom diversity including gender, skills, experience, age, cultural background and other factors that will best qualify a nominee to serve on the Board, while for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities / functions as expected. This helps to ensure an appropriate balance between the experience perspectives of the long term Directors and new perspectives that bring fresh insights to the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, the women on the Board and Senior Management are as follows:</p> <ol style="list-style-type: none">1. YB Dato' Sarul Bahiyah Binti Abu (Non-Independent and Non-Executive Director)2. YBhg. Dato' Agatha Foo Tet Sin (Senior Independent and Non-Executive Director)3. Puan Mary Geraldine Phipps (Independent and Non-Executive Director)4. Dr. Mary Ann Harris (CFO)5. Puan Joyce Lee (Head of Corporate Affairs Division) <p>The Company achieved a 20% in women participation on the Board.</p> <p>The Board does not have any gender diversity policies and was of the opinion that gender is only one element of diversity, and that experience, background, knowledge, skills and insight are equally important and relevant criteria in selecting new Board members.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.6

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

Application	:	Applied	
Explanation on application of the practice	:	There is a process for selection and nomination of suitable candidates to the Board. Potential candidates can be identified by the NRC, existing Directors or any major shareholder. The NRC reviews the suitability of candidates identified and recommends to the Board, for appointment to the Board and it is responsible to ensure that appointments are made on merit.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.7

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, the Chairman of the NRC is YB Prof. Dr. P. Ramasamy A/L Palanisamy, who is a Non-Independent and Non-Executive Director. YB Prof. Dr. P. Ramasamy is also the chairman of the Establishment Committee of its wholly-owned subsidiary, Perbadanan Bekalan Air Pulau Pinang Sdn. Bhd. ("PBAPP"). Hence, he is familiar with the staffing issues in the Group.</p> <p>Therefore, the Board is satisfied with the composition of the NRC and confident that this Committee discharges its functions efficiently and effectively with respect to the nomination and remuneration matters.</p>
		N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	During the financial year 2019, the NRC had conducted an annual assessment of the effectiveness of the Board as a whole and the various Board Committees. Based on the assessment of Board effectiveness as a whole, it was concluded that the Board and Board Committees have discharged their duties and responsibilities adequately.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 6.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Company had via NRC reviewed the remuneration and benefits of senior management. As there is no Executive Director on the Board, thus the Company did not review the remuneration of Directors.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In April 2016, the Nomination Committee and Remuneration Committee were merged and reconstituted as a single committee known as Nomination and Remuneration Committee ("NRC").</p> <p>Currently, the NRC comprises seven (7) Non-Executive Directors, the majority of whom are Independent and Non-Executive Directors.</p> <p>The Terms of Reference of the NRC is available on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.1

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

Application	:	Applied																				
Explanation on application of the practice	:	<p>None of the Directors receive any basic salary or bonus, as all the Directors are Non-Executive Directors. The Company only paid fixed monthly and meeting allowances to the Directors.</p> <p>The Non-Executive Directors are remunerated based on the allowances and benefits approved by the shareholders of the Company during each AGM as required by Section 230 of the Act and Paragraph 7.24 of the MMLR.</p> <p>The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the Directors’ Remuneration on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company.</p> <p>The present remuneration structure for the Non-Executive Directors as approved by the Board is as follows:-</p> <table><tr><th>Description</th><th colspan="2">Chairman</th><th colspan="2">Non-Executive Directors</th></tr><tr><td>Monthly fixed allowances</td><td>Company RM 500</td><td>Subsidiaries RM 3,000</td><td>Company RM 500 – RM 1,500</td><td>Subsidiaries RM 1,000</td></tr><tr><td>Meeting allowance (per meeting) a)Board Member b)Board Committee Members</td><td>RM 300 RM 300</td><td>RM 300 RM 300</td><td>RM 300 RM 300</td><td>RM 300 RM 300</td></tr><tr><td>Other Claimable Benefits</td><td colspan="2">Business travel and accommodation, communication, medical coverage and other claimable benefits</td><td colspan="2">Business travel and accommodation, communication, medical coverage and other claimable benefits</td></tr></table> <p>As required by Section 320 of the Act, the payment of the Directors benefits up to an amount of RM600,000 for the period from 31 May 2019 until the conclusion of the upcoming 20th AGM have been presented to the shareholders and duly approved by them at the 19th AGM held on 30 May 2019.</p> <p>The breakdown of the Directors’ allowances paid in 2019 is as follows:-</p>	Description	Chairman		Non-Executive Directors		Monthly fixed allowances	Company RM 500	Subsidiaries RM 3,000	Company RM 500 – RM 1,500	Subsidiaries RM 1,000	Meeting allowance (per meeting) a)Board Member b)Board Committee Members	RM 300 RM 300	RM 300 RM 300	RM 300 RM 300	RM 300 RM 300	Other Claimable Benefits	Business travel and accommodation, communication, medical coverage and other claimable benefits		Business travel and accommodation, communication, medical coverage and other claimable benefits	
Description	Chairman		Non-Executive Directors																			
Monthly fixed allowances	Company RM 500	Subsidiaries RM 3,000	Company RM 500 – RM 1,500	Subsidiaries RM 1,000																		
Meeting allowance (per meeting) a)Board Member b)Board Committee Members	RM 300 RM 300	RM 300 RM 300	RM 300 RM 300	RM 300 RM 300																		
Other Claimable Benefits	Business travel and accommodation, communication, medical coverage and other claimable benefits		Business travel and accommodation, communication, medical coverage and other claimable benefits																			

	Name	Allowance	Emoluments and Benefits-In-Kind	Total
	RM, in Gross			
		(RM)	(RM)	(RM)
	YAB Tuan Chow Kon Yeow	46,800	7,741	54,541
	YB Dato' Ir. Hj. Ahmad Zaki Yuddin Bin Abd.Rahman	29,700	7,244	36,944
	YB Prof. Dr. P. Ramasamy A/L Palanisamy	24,600	4,259	28,859
	YB Dato' Abdul Razak Bin Jaafar (Appointed on 17.12.2019)	750	-	750
	YB Dato' Sarul Bahiyah Binti Abu	24,300	7,244	31,544
	YBhg. Dato' Agatha Foo Tet Sin	22,800	7,244	30,044
	YBhg. Dato' Seri Nazir Ariff Bin Mushir Ariff	22,200	4,236	26,436
	Puan Mary Geraldine Phipps	23,100	4,236	27,336
	YBhg. Dato' Brian Tan Guan Hooi	22,200	7,244	29,444
	YBhg. Dato' Syed Mohamad Bin Syed Murtaza	21,000	4,236	25,236
	YB Tuan Zairil Khir Johari	21,600	7,244	28,844
	YB Tuan Muhammad Faiz Bin Fadzil	7,200	7,149	14,349
	YBhg. Dato' Sr. Kuvenaraju A/L Pachappen (Resigned on 03.09.2019)	17,100	7,244	24,344
	YB Dato' Seri Farizan Bin Darus (Ceased office on 07.11.2019)	19,000	7,244	26,244
	YB Dr. Afif Bin Bahardin (Ceased office on 04.03.2020)	7,200	7,244	14,444
	YB Tuan Khaliq Mehtab Bin Mohd Ishaq (Ceased office on 01.06.2020)	7,800	7,149	14,949
	TOTAL	317,350	96,958	414,308
Explanation for departure	:			
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.				
Measure	:			
Timeframe	:			

Intended Outcome

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

Practice 7.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board has identified the Top Four (4) Senior Management of the Company as Pivotal Positions, of which their appointment falls under the purview of the NRC and the Board. They are the CEO, CFO, Head of Human Resource Division and Head of Corporate Affairs Division.</p> <p>The Board has opted not to disclose on a named basis the top four (4) senior management's remuneration in the bands of RM50,000 for the best interest of the Group by virtue that the information is subject to the Personal Data Protection Act 2010, that requires written consent from the respective Senior Management personnel for disclosure of their personal data to the public at large, and taking into consideration the sensitivity, security, and issue of staff morale.</p> <p>The Company also considered the information of the remuneration of the Senior Management personnel to be sensitive and proprietary in view of the competitive nature of the human resource market and to support the Company's efforts in retaining executive talents. Nevertheless, an aggregate amount of remuneration / compensation of the key Management personnel was disclosed under Note 25 of the Audited Financial Statements for the FY2019.</p> <p>In achieving the intended outcome, the Senior Management remuneration package is subject to review and approval by the Board on the recommendation of the NRC. The Senior Management's performance is evaluated based on the Key Performance Indicators as set by the Board of Directors on a yearly basis.</p>
		N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	The ARMC is chaired by an Independent and Non-Executive Director, Puan Mary Geraldine Phipps who is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Currently, none of the members of the ARMC were former key audit partners of any external audit firms. The Company will ensure that the cooling off period of two (2) years is observed if and when the Company is seriously considering such a person for appointment to the ARMC. The ARMC had also reviewed and revised its Terms of Reference to include the requirement for a former key audit partner to observe a cooling off period of at least two (2) years before being appointed as a member of the ARMC. At present, none of the members of the Board was former key audit partner of the Company.</p> <p>The Terms of Reference of the ARMC is available on the Company's website.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC adopts policies and procedures to assess the suitability, objectivity and independence of the external auditors annually. The performance of the external auditors will be assessed and its assessment results be tabled during the ARMC meeting for discussion and recommended to the Board for approval.</p> <p>The ARMC normally meets with the Group's external auditors to review the scope and adequacy of the audit process, the annual financial statements and their audit findings. The ARMC had also obtained an assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The ARMC had met with the external auditors without Management's presence twice during the FY2019.</p> <p>The ARMC also took into account the openness in communication and interaction with the audit engagement team through discussions at private meetings, which demonstrated their independence, objectivity and professionalism.</p> <p>A formal and transparent relationship is established with the Group's external and internal auditors through the ARMC. The key features outlining the relationship of the ARMC with both the external and internal auditors are included in the ARMC Report furnished in the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>As promulgated by the MCCG, the ARMC should collectively possess a wide range of necessary skills to discharge its duties, and that all members should be financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process. The Board regards the members of the ARMC collectively possess the accounting and related financial management expertise and experience required for the ARMC to discharge its responsibilities and assist the Board in its oversight over the financial reporting process.</p> <p>All members of the ARMC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has in place an enhanced Enterprise-wide Risk Management ("ERM") framework within the Group to ensure a continuous and iterative process towards the enhancement of risk management across the Group.</p> <p>The Board is committed to maintain a good risk management framework and sound system of internal control within the Group. The Group has an embedded risk management framework process for the identification, evaluation, reporting, treatment, monitoring and review of the major strategic, business and operation risks within the Group. The Board through the ARMC would obtain updates on the periodic check on the internal control system.</p> <p>Currently, the ARMC oversees and reviews the risk management and internal controls of the Company. The ARMC reviews and endorses the risk management frameworks, guidelines and other key components of risk management for implementation within the Company and throughout the Group. The ARMC also reviews and endorses the risk profiles for the Group. In addition, the ARMC reviews the progress of ongoing risk management activities to identify, evaluate, monitor and manage critical risks.</p> <p>Further details on the features of the risk management are set out in the Statement of Risk Management and Internal Control ("SORMIC") in the Annual Report. The SORMIC has been reviewed by the external auditors who have reported that nothing has come to their attention that had caused them to believe that the said SORMIC is inconsistent with their understanding of the process the Group has adopted in the review of the adequacy and effectiveness of the Group's risk management and internal control systems.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	Details of the Group's ERM framework are outlined in the Statement of Risk Management and Internal Control in the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Audit and Risk Management Committee ("ARMC") comprises six (6) members, all of whom are Non-Executive Directors; five (5) including the Chairman are Independent Directors. During the year 2019, YBhg. Dato' Sr. Kuvenaraju A/L Pachappen had resigned as an Independent and Non-Executive Director on 3 September 2019 and relinquished his position as a member of the ARMC on the same day.</p> <p>Currently, the ARMC oversees and reviews the risk management and internal controls of the Company. The ARMC reviews and endorses the risk management frameworks, guidelines and other key components of risk management for implementation within the Company and throughout the Group. The ARMC also reviews and endorses the risk profiles for the Group. In addition, the ARMC reviews the progress of ongoing risk management activities to identify, evaluate, monitor and manage critical risks.</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has an in-house internal audit function within the Group, where the Head of the Internal Audit, who reports directly to the ARMC, undertook an independent assessment on the internal control system on a quarterly basis and assured the ARMC that no material issue or major deficiency had been noted which would pose a high risk to the overall system of internal control under review. The role of Internal Auditor is to provide independent and objective reports on the organisation's management, records, accounting policies and internal control.</p> <p>The Head of Internal Audit will report his findings on the Internal Audit issues and update the ARMC on a quarterly basis for ARMC's decision and action taken before the ARMC Chairman report to the Board for approval.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 10.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit Department is headed by Mr. Shanmuga Sundaram A/L Murugason, who holds a Bachelor of Accounting Degree with Honours from University Utara Malaysia (1998) and a Masters Degree in Business Administration from University Sains Malaysia (2016). He is a Chartered Accountant registered with the Malaysian Institute of Accountants and also an Associate member of the Institute of Internal Auditors Malaysia (“AIIA”).</p> <p>The Internal Audit Department comprises nine (9) staff and carries out internal audit responsibilities in an unbiased manner without impairing their objectivity and independence. None of the internal audit personnel has any relationship or conflict of interest that could impair their objectivity and independence in conducting their audit.</p> <p>The audit framework of the organization is aimed to enhance and protect the organizational value of the Company by providing risk-based and objective assurance, advice and insight. The audits are performed to ascertain compliance with the established organization policies, directives, procedures and professional practice of Internal Auditing.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>In maintaining the commitment to effectively communicate with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.</p> <p>The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the annual report are also governed by the MMLR.</p> <p>The Board is ever conscious of the importance and need to communicate with its shareholders, stakeholders and potential investors to keep them well informed concerning the Group's operations and latest developments. Information disseminated to the investment community conforms to Bursa Securities' disclosure rules and regulations.</p> <p>The Company maintains a website at www.pbahb.com.my to facilitate access on pertinent information concerning the Group and its operations by the shareholders, consumers and the public. This information includes: -</p> <ul style="list-style-type: none">• Quarterly Announcements• Annual Reports• Statement to Shareholders• Press Statements• Other Important Announcements• Board Charter• Code of Conduct and Ethics• Whistleblowing Policy• Integrity Policy

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

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not categorised as “Large companies” and hence, have not adopted integrated reporting based on a globally recognised framework. However, stakeholders will still be able to make informed decisions based on the current communication framework.	
		N/A	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice of the 19th AGM of the Company held on 30 May 2019 was issued more than 28 days prior to the meeting. This is to ensure that shareholders are given sufficient time to read and consider the resolutions to be presented at the 2019 AGM.</p> <p>The Notice of the 19th AGM provides further explanation beyond the minimum content stipulated in the MMLR for the resolution proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company’s AGM represents the primary platform for communication with its shareholders, which provides a useful forum for shareholders to engage directly with the Board and the Management of the Company.</p> <p>At the 19th AGM, all the Directors were present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company.</p> <p>The Chairman provides time for the shareholders to ask questions for each agenda in the notice of the AGM, before putting a resolution to vote. The Directors, CEO/Management and external auditors were in attendance to respond to the shareholders’ queries. The Chairman also shared with the shareholders the Company’s responses to questions submitted in advance of the AGM by the Minority Shareholder Watch Group (“MSWG”).</p> <p>A press conference is held immediately after the Company’s AGM to disseminate information pertaining to the Group’s financial performance and operations and to clarify on any issues raised by the media.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had conducted its voting on all resolutions at the 19th AGM of the Company held on 30 May 2019 by electronic polling to provide a more efficient and accurate outcome of the poll results.</p> <p>The Company has appointed the Company's Share Registrar, Securities Services (Holdings) Sdn Bhd as Poll Administrator to conduct the polling process and another independent scrutineer to verify the poll results.</p> <p>Prior to implementing the voting in absentia and remote shareholders' participation at general meetings as encouraged by the MCCG, the Board noted several factors and conditions that needed to be fulfilled prior to making such considerations:</p> <ul style="list-style-type: none">• Availability of technology and infrastructure;• Affordability of the technology and infrastructure;• Sufficient number of shareholders residing or locating at particular remote locations; and• Age profile of the shareholders. <p>In addition, the general meetings of the Company are always held in Penang in an accessible location. While all practical efforts are taken to ensure that shareholders are able to participate at general meetings, considering the costs involved and the current electronic voting technology available, the Board is of the view that it is not economically justifiable to enable voting in absentia or remote shareholders' participation at the 19th AGM of the Company.</p> <p>Nonetheless, the Company will carefully consider all factors including all applicable requirements, necessary framework and processes, as well as communication to shareholders, for implementation at the appropriate time.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

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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