

CORPORATE GOVERNANCE REPORT

STOCK CODE : 9634
COMPANY NAME : POS MALAYSIA BERHAD
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 Board of Directors ("the Board") of Pos Malaysia Berhad ("the Company" or "Pos Malaysia") is responsible for the stewardship of the Company and its subsidiary companies ("Group"), in overseeing its strategy, conduct and affairs, to create sustainable value for the benefit of its shareholders.</p> <p>The Board is committed to uphold high standards of corporate governance and strives to ensure that it is practised throughout the Group as a fundamental part of discharging its responsibilities, to protect and enhance the shareholders' value and raise the performance of the Group.</p> <p>The duties, powers and functions of the Board are governed by the Constitution of the Company, the Companies Act 2016 ("the Act"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other regulatory guidelines and requirements that are in force.</p> <p>In discharging its duties and roles effectively, the Board is guided by the Board Charter, which sets out the principles and guidelines that are to be applied by the Board.</p> <p>The Board is also assisted by Board Committees to properly and effectively discharge its functions and responsibilities. The Board empowers its Committees, namely Board Audit Committee ("BAC"), Board Nomination and Remuneration Committee ("BNRC"), Board Risk, Sustainability and Compliance Committee ("BRSCC"), Board Tender Committee ("BTC") and Board Digital-First Committee ("BDC"), to examine specific matters within their respective Terms of Reference ("TOR") as approved by the Board. Although specific powers are delegated to the Board Committees, the ultimate responsibility for decision-making, however, lies with the Board. The Board keeps itself abreast of the key issues and decisions made by each Board Committee through the tabling of reports by the Chairmen of the Board Committees at Board meetings.</p> <p>Beyond the schedule of matters reserved for the collective decision of the Board as stipulated in the Board Charter, the Board delegates the</p>

functions and power to the Group Chief Executive Officer (“GCEO”). The GCEO is responsible for the executive leadership and day-to-day management and operation of the Group. These functions and power are spelt out in the Limits of Authority (“LOA”) adopted throughout the Group. The LOA defines the type and limits of authority designated to the specified positions of responsibility and vary according to the type of authority. The GCEO remains accountable to the Board for the authorities that are delegated to him, and for the performance of the Group.

The Board, together with its Management, are committed to promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.

To discharge the Board's stewardship responsibilities, the Board has assumed the following principal roles and responsibilities:-

- (i) Ensures that the Group's objectives are clearly established and that strategic plans are in place to achieve those objectives.
- (ii) Establishes policies to strengthen the Group's performance and ensures that Management proactively seeks to build the business through innovation, initiative, technology, new products and development of business capital.
- (iii) Adopts performance measures to monitor the implementation and performance of the Group's objectives, strategies, action plans and policies.
- (iv) Ensures that the Group adheres to high standards of ethics and corporate behaviour, including transparency in the conduct of business.
- (v) Oversees the conduct of the Group's business and evaluate whether the business is being properly managed, including the Company's ability to meet its contractual obligations.
- (vi) Ensures that appropriate public relations and communications programme, and investor relations programme are in place.

The Board is required to comply with the Directors' Code of Conduct, which amongst others, includes the declaration of any personal, professional or business interest, direct or indirect, which may cause conflict with the directors' responsibilities as a Board member as well as refrain from voting on such a transaction.

The Board acknowledges the importance of the following:

- (i) A sound system of internal control and a robust risk management practice for good corporate governance with the objective of safeguarding the shareholder's investment and the Group's assets. For this purpose, the Board has adopted a Risk Management Governance Framework and Risk Management Policy;
- (ii) The need to safeguard and minimise the impact on the environment in the course of achieving the Group's objectives. The Board's agenda reflects the commitment to economic support for longer-term sustainability with a focus on the positive impact on the environment, community and society; and

	(iii) The need for effective Investor Relations and Communications with shareholders and to provide them with all relevant information affecting the Group.	
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 1.2

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 roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter, which is available on Pos Malaysia's website at www.pos.com.my.</p> <p>The Chairman leads the Board by setting the tone at the top, and manages the Board's effectiveness by focusing on strategy, governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective TOR to ensure its effectiveness.</p> <p>The Chairman is responsible for representing the Board to the shareholders and for ensuring the integrity and effectiveness of the governance process of the Board. The Chairman maintains regular dialogues with the GCEO over all operational matters and shall promptly consult with the Board over any matter that gives her any cause of concern pertaining to the Group.</p> <p>The Chairman sets the pace of the meeting and leads discussions in an effective manner. The Chairman acts as a facilitator at meetings of the Board and promotes a Boardroom environment that allows for constructive expression of views, effective debate and contribution from the Board members to facilitate informed decision-making by the Board.</p> <p>The key roles and responsibilities of the Chairman include the following:-</p> <ul style="list-style-type: none">(i) Provides governance in matters requiring corporate justice and integrity;(ii) Manages Board communication and Board effectiveness and effective supervision over Management;(iii) Creates conditions for good decision-making during Board and shareholders meetings;(iv) Ensures Board proceedings are in compliance with good conduct and practices;(v) Protects the interest and provide for (if permissible) the information needs of various stakeholders;(vi) Maintains good contact and effective relationship with external parties, investing public, regulatory agencies and trade associations;(vii) Ensures that quality information to facilitate decision-making is delivered to the Board by Management in a timely manner; and(viii) Ensures compliance with all relevant regulations and legislations.
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The distinct and separate roles and responsibilities of the Chairman and the GCEO are provided in the Board Charter, which is available on Pos Malaysia's website at www.pos.com.my.</p> <p>There is a clear division of responsibilities between the Chairman, Datuk Yasmin binti Mahmood and the GCEO, Syed Md Najib bin Syed Md Noor. The separation of authority, which is set out in writing and agreed by the Board in the Board Charter on the segregation of the roles of the Chairman and the GCEO, enhances independent oversight of executive management by the Board. It helps to ensure that no one individual has unfettered powers or authority over decision-making.</p> <p>The Chairman is responsible for the leadership and management of the Board, as well as for promoting high ethical standards to ensure the integrity and effectiveness of the governance process of the Board.</p> <p>The overall business and day-to-day operations of the Group is managed by the GCEO, who is not a Board member. The GCEO is accountable to the Board for the overall organisation, management and staffing of the Group and its procedures in financial and operational matters, including conduct and discipline. The GCEO is also responsible for promoting the Company's culture and standards among the employees of the Company. The authority limits of the GCEO are stipulated in the LOA duly approved by the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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 Secretaries, Sabarina Laila binti Mohd Hashim and Kamilia Nor binti Mohamad Kamal, have legal qualifications, and are qualified to act as company secretaries under Section 235(2) of the Act. Both of them are licensed by the Registrar of Companies ("Companies Commission of Malaysia ("CCM")) and associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>(i) The Company Secretaries are responsible for developing and maintaining the processes that enable the Board to fulfil its roles, ensuring compliance with the Company's Constitution and the relevant guidelines, regulatory and statutory requirements, and advising the Board on all governance matters and its compliance thereof. The Company Secretaries also oversee the adherence to Board policies and procedures.</p> <p>(ii) The Company Secretaries manage the affairs and logistics of all the Board, Board Committees and shareholders meetings and ensure that deliberations at these meetings are properly documented and subsequently communicated to the relevant management for their further actions. The Company Secretaries, together with the Directors, ensure that these meetings are properly conducted according to the applicable rules and regulations. The Company Secretaries also ensure proper upkeep of statutory registers and records of the Group.</p> <p>(iii) The Company Secretaries constantly keep themselves abreast with the latest changes and developments in corporate governance by attending relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes, seminars, workshops and conferences organised by Bursa Securities, MAICSA, Securities Commission, CCM and other relevant training organisations.</p> <p>In 2019, the Company Secretaries had assisted the Board in the review of the Constitution of the Company to ensure its compliance with the Act, as well as other relevant laws and regulations. The new Constitution had been approved by the shareholders by way of a Special Resolution at the 27th Annual General Meeting ("AGM") in accordance with Section 36(1) of the Act.</p> <p>(iv) The Company Secretaries also assist the Board in applying best practices to meet the Board's needs and stakeholders'</p>

	<p>expectations, in accordance with the recommendation of the Malaysian Code on Corporate Governance (“MCCG”) and ASEAN CG Scorecard.</p> <p>(v) The Company Secretaries also assist and facilitate the Board’s training and development. The Directors can exploit continuous learning opportunities through the information provided by the Company Secretaries on relevant training programmes. The records of all training programmes attended by the Directors are maintained by the Company Secretaries.</p> <p>(vi) All Directors have unrestricted access to the advice and services of the Company Secretaries, to enable them to discharge their duties and responsibilities as Directors effectively. The Company Secretaries ensure effective flow of information to the Board and the Board Committees.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</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 1.5

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>The Board meets at least four (4) times a year, with additional meetings for particular matters convened as and when necessary, to review financial, operational and business performances. In the intervals between Board meetings, Board decisions for urgent matters are sought via circular resolutions, to which the board paper with relevant and sufficient information is provided, in order for the Board to make an informed decision.</p> <p>Notices of meetings are normally distributed at least two (2) weeks prior to the meeting date. The agenda of meetings together with the relevant board papers are distributed at least five (5) business days prior to the meeting date, to allow sufficient time for the Board and Board Committee members to review and evaluate the matters to be deliberated at the meetings. Occasionally, Board or Board Committee meetings may be held at short notice, when decisions of a time-critical nature need to be made. Senior Management of the Group attends the Board meetings to provide thorough insights into the business and affairs of the Group. External advisers, whenever necessary, are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.</p> <p>The Directors shall have unrestricted access to Management and to information pertaining to the Group's business affairs, including from the Company's auditors and consultants, to enable them to discharge their duties.</p> <p>Pos Malaysia's digitalisation initiative has also encouraged a paperless environment for all Board and Board Committee meetings, which enables digital access to meeting materials.</p> <p>All Board's and Board Committees' deliberations and decisions, including views of the Board and Board Committee members, decision rationale and action items to be undertaken by Management are well documented in the minutes. The Board's and Board Committees' decisions and action items are also communicated to the Management after each meeting, for appropriate action. The Company Secretaries will follow up with the Management on the status of actions taken, which will be tabled, as matters arising, to the Board at the next meeting.</p> <p>The minutes will be signed by the Chairman as a correct record of the proceedings of the meeting, upon confirmation by the Board or Board Committees at the following meetings.</p> <p>A Director who has an interest in any proposal or transaction, either direct or indirect, which is being presented to the Board for approval, will</p>

	declare his or her interest and abstain from deliberation and voting of the same at the Board meeting.	
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 formalised Board Charter which sets out inter alia, the roles and responsibilities of the Board, Board Committees, individual Directors, Chairman, GCEO and Company Secretary. The Board Charter aims to assist the Directors to better appreciate their roles and responsibilities, thus ensuring the long-term objectives of the Group are met.</p> <p>The Board Charter also covers the composition of the Board, procedures for convening Board meetings, Directors' remuneration and training, Board evaluation, Directors' Code of Conduct, relationship with shareholders and stakeholders, Board reserved matters for Board's approval and TOR of the Board Committees. Key matters reserved for the Board's approval include the conduct of the Board, remuneration, operational, planning & investments, financials and other matters pertaining to the Board.</p> <p>The Board Charter will be reviewed from time to time, when necessary, to keep it up to date and consistent with the Board's objectives and responsibilities, as well as the regulatory changes. The Board Charter is available on Pos Malaysia's website at www.pos.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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>Pos Malaysia Code of Conduct and Business Ethics ("PMCCBE") provides the commitment of the Company to carry out its business in the most professional, fair and transparent manner, by avoiding self-interest and improper work ethics.</p> <p>The PMCCBE sets out the guidelines for the employees to achieve and retain a high standard of business ethics and to display favourable conduct, while performing duties at the workplace.</p> <p>It is the responsibility of the employees to uphold and preserve the image and the reputation of the Company, as well as the Company's assets, through a just and consistent administrative manner and concurrently produce disciplined, efficient and productive employees.</p> <p>The PMCCBE includes, amongst others, references to specific Group policies and procedures such as:</p> <ul style="list-style-type: none">(i) Responsibility and Accountability, which specify the responsibility of each individual in promoting good business conduct – the roles of senior, middle and lower management as well as vendors, suppliers and contractors;(ii) Job value, which specifies the commitment of each employee to serve his/her duty without compromising the Company's integrity – the value of trust, avoidance of personal interest and healthy work practice, amongst others;(iii) Company image, which specifies the responsibility of each individual to protect the Company's interest and provide healthy work practice, which includes the professional appearance, protection of company's asset, protection of intellectual property and safekeeping of confidential information;(iv) Personal declaration of individual property and involvement in business;(v) Dealing with outsiders, which specifies the professionalism and integrity in venturing into legitimate and ethical business by

	<p>avoiding self-interest, corruption, money laundering, bribery, insider trading and personal contribution;</p> <p>(vi) Dealing with government, non-governmental organisations (NGOs) and political organisations – compliance with various acts such as Anti-Money Laundering, Anti-Terrorism Financing Act 2001, Anti-Corruption Act 1997 and Personal Data Protection Act 2012 ;</p> <p>(vii) Dealing with vendor and competitors – transparency in doing business, protection of legitimate business information and principle of fair competition; and</p> <p>(viii) Disciplinary and Misconduct – the disciplinary actions that will be taken for non-compliance of PMCCBE.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

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>Pos Malaysia has in place, a Whistle Blowing Policy (“WB Policy”) since 2008, with the objective of developing a culture of openness and promoting high standards of business and personal ethics amongst the employees of the Group in the conduct of their duties and responsibilities and also to comply with the relevant laws, regulations as well as the procedures and policies of the Company.</p> <p>The WB Policy was revisited in February 2017 for enhancement in terms of its scope, to receive reports from not only employees but also members of the public regarding any breach or suspected breach of any laws or regulations, including business principles and the Group’s policies and guidelines, in a safe and confidential manner.</p> <p>Disclosure of information can be made to one (1) or more of the following persons within the Company:</p> <ol style="list-style-type: none">1. Head, Internal Audit2. GCEO3. BAC Chairman4. Senior Independent Director <p>Any complaints and concerns regarding the Head, Internal Audit can be channelled directly to the BAC Chairman. Any complaints and concerns regarding the GCEO and any members of the Board can be channelled directly to the BAC Chairman and/or Senior Independent Director.</p> <p>The WB Policy and its disclosure procedure are available to the public for reference on the Company’s website at www.pos.com.my and displayed at branches to raise concerns on any wrongdoings or acts of corruption. The disclosure of information can be made via:</p> <ul style="list-style-type: none">• Email: wb@pos.com.my• Telephone: 03-22672050• Mail: Internal Audit Department, Level 5, Dayabumi Complex, 50670 Kuala Lumpur, Malaysia <p>Whistle Blowing awareness programmes are administered by the Internal Audit Department, whereby concerns received are directed to the Special Audit Unit (Investigation) for necessary actions. All cases are dealt with the utmost confidentiality and investigated comprehensively, before being presented to the BAC.</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	:	Applied
Explanation on application of the practice	:	<p>The Board of the Company consisted of eight (8) members, comprising three (3) Non-Independent Non-Executive Directors and five (5) Independent Non-Executive Directors.</p> <p>A majority of the Board members are Independent Non-Executives Directors, to ensure balance of power and authority in the Board.</p> <p>A self-assessment on independence was carried out by all the Independent Non-Executive Directors, using the criteria of independence prescribed under the Listing Requirements of Bursa Securities. All the Independent Non-Executive Directors were rated satisfactory. The BNRC reviewed the same and agreed that the Independent Non-Executive Directors are able to exercise independent and objective judgment in carrying out their duties as Independent Directors. This pronouncement was subsequently endorsed by the Board.</p> <p>Each of the Directors had given confirmations on a biannual basis, as to whether he/she has any family relationship with any director and/or major shareholder of Pos Malaysia, any conflict of interest with Pos Malaysia and any convictions for offences within the past five (5) years other than traffic offences.</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 4.2

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	<p>Dato' Ibrahim Mahaludin bin Puteh is the only Director, who has served on the Board for a cumulative term of more than nine (9) years.</p> <p>Based on the annual assessment on the independence of the Independent Non-Executive Directors conducted, Dato' Ibrahim Mahaludin bin Puteh has continued to display the highest level of integrity and all characteristics of an Independent Director based on the following justifications:-</p> <ul style="list-style-type: none">(i) He fulfils the criteria as Independent Director as defined in the Listing Requirements of Bursa Securities and is able to exercise independent and objective judgement;(ii) His vast knowledge, professional aptitude and experience have brought a diverse set of experience and expertise to the Board, by exercising independent judgement during deliberations and making unbiased decisions at Board and Board Committee meetings.(iii) Notwithstanding that, his long tenure has familiarised him with the business operations of the Company/Group, giving him a broad business perspective, in which he has at all times acted in good faith and the best interest of the Company, shareholders and other relevant stakeholders.(iv) Furthermore, his long tenure with the Company has neither impaired nor compromised his integrity and he has exercised due care when carrying out his duties.(v) He has devoted sufficient time and commitment to discharge his fiduciary duties and responsibilities as an Independent Director of the Company. <p>The Company will be seeking shareholders' approval at the forthcoming AGM of the Company scheduled for 29 June 2020 to retain Dato' Ibrahim Mahaludin bin Puteh as an Independent Director.</p> <p>None of the other Independent Directors has served more than nine (9) years.</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 4.3 - 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	:	<p>The BNRC is responsible for reviewing and recommending to the Board, any new appointment of Director, which is based on merit, skills and experience, with due regard to the requirements of Chapter 2, Paragraph 2.20A of the Listing Requirements of Bursa Securities.</p> <p>In evaluating the suitability of individuals for the appointment of Board membership, the BNRC considers the requisite mix of skills, knowledge, expertise, experience, professionalism, competency, integrity, character, time commitment, number of directorships and composition requirements for Board and Board Committees, as a priority to ensure that there is an appropriate mix of diversity, skills, experience and expertise represented on the Board.</p> <p>Diversity of gender, ethnicity and age within the Board is also important, and this includes an appropriate mix of skills, experience and competencies which are relevant to enhance the Board's composition and functions. The Board takes cognisance of board diversity whenever a vacancy arises, to ensure a balanced and diverse Board composition.</p> <p>To ensure an appropriate balance of the Board, the Company has adopted a Board Skills Matrix as a reference for the Board's competencies and succession planning to complement one another. The Company focuses on two (2) areas; Primary Industry and Functional Experience. The result of Board Skills Matrix as at 31 December 2019, showed that all Directors are equipped with the relevant and up to date skills and experience in Functional Experience especially in finance/accounting, succession planning, administration, corporate strategic & planning, corporate governance, risk management & internal control, public policy and economic/investment. However, due to the niche business of the Company, a majority of the Directors lack the skills and experience in the Primary Industry, such as mail & courier, aviation services and logistics services. Therefore, the Company is planning to collaborate with external parties to conduct special programmes, seminars, workshops and conferences to enhance the Directors' skills and experience in the said Primary Industry.</p> <p>Appointments of GCEO and other Senior Management are also based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</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

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

Practice 4.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has achieved its target of 30% women directors with the appointment of Datuk Yasmin binti Mahmood as an Independent Non-Executive Chairman on 1 April 2019. During the financial period ended 31 December 2019, the women directors of the Company were as follows:-</p> <ul style="list-style-type: none">(i) Datuk Yasmin binti Mahmood (Independent Non-Executive Chairman);(ii) Datuk Puteh Rukiah binti Abd Majid (Independent Non-Executive Director); and(iii) Sharifah Sofia binti Syed Mokhtar Shah (Non-Independent Non-Executive Director) <p>The Board supports the boardroom gender diversity as recommended under the MCCG, by taking various steps to ensure women candidates are considered in the recruitment exercise.</p> <p>Pos Malaysia recognises that advancing gender equality throughout business operations and value chains can tap better talent, higher productivity, better organisational effectiveness and overall corporate success.</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 4.6

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	:	<p>One of the functions of the BNRC is to propose to the Board for its consideration, suitable candidates for the appointment as Directors of Pos Malaysia.</p> <p>The Board will seek recommendation/referral from various sources including its existing Directors, major shareholders and a wide network of industry contacts including independent sources, when required, to source and nominate suitable candidates for appointment as Directors. Nomination for the appointment of Director also comes from the Minister of Finance Incorporated ("MOF Inc.") as the Special Shareholder holding one (1) Special Rights Redeemable Preference Share in Pos Malaysia. MOF Inc. has the right to appoint up to two (2) Board representatives on the Board of Pos Malaysia.</p> <p>The list of candidatures obtained from external sources is limited due to the nature of the industry and the highly regulated environment in which the Group operates.</p> <p>When evaluating a candidate for a new appointment, the BNRC takes into account the candidates' skills, knowledge, expertise, experience, professionalism and integrity. The BNRC also considers gender diversity in reviewing the appropriate proportion of female to male Directors on the Board, for any new appointment. In the case of a candidate for the position of an Independent Director, the BNRC would consider the candidate's ability to discharge such responsibilities/functions as expected of an Independent Director. The Board will then make the final decision on the appointment of the Director, upon recommendation from the BNRC.</p> <p>As Pos Malaysia is licensed by Bank Negara Malaysia ("BNM") under the Money Services Business Act 2011 for its remittance business and is also licensed by the Malaysian Communications and Multimedia Commission ("MCMC") under the Postal Services Act 2012 for its postal services, all new appointments of Directors are also subject to the fulfilment of a "fit and proper" test as prescribed by BNM and MCMC.</p> <p>To ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, the criterion as agreed by the Board for determining potential candidates is that they must not hold directorships of more than five (5) public listed companies (as prescribed in Paragraph 15.06 of the Listing Requirements of Bursa Securities).</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The current Chairman of the BNRC is Dato' Ibrahim Mahaludin bin Puteh, the Senior Independent Director of the Company. The membership classification of the BNRC is set out in its TOR specified in the Board Charter.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.1

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board took cognisance of the MCCG's recommendation to engage independent experts periodically to facilitate objective and candid board evaluations and endeavours to engage an independent consultant in the future.</p> <p>The Board, through the BNRC, has undertaken a formal and objective Board Effectiveness Evaluation ("BEE") exercise pursuant to Paragraph 15.08A(3)(c) of the Listing Requirements of Bursa Securities to ensure that the Board has the appropriate mix of skills and experiences and discharges its duties effectively.</p> <p>In December 2019, the BNRC reviewed and approved the questionnaires for the BEE, for the period from 1 April 2019 to 31 December 2019, to be conducted internally and facilitated by the Company Secretaries.</p> <p>(i) The BEE was conducted through self-assessment methodologies whereby the questionnaires were given to all the members of the Board and the respective Board Committees for assessment.</p> <p>The criteria used in the assessment for the Board and Board Committees encompassed their roles and responsibilities, mix of characteristics, experiences, skills, conduct of meetings, participation and contribution of members during the meetings, their overall performance and Board diversity (including gender diversity).</p> <p>The effectiveness of the Board Committees was assessed in terms of composition, meetings, information, skills & competencies and committee outcomes.</p> <p>(ii) The Company Secretaries had in February 2020, presented to the BNRC the outcome of the BEE. Based on the outcome of the evaluation of the effectiveness of the Board and its Committees, the BNRC noted that the overall Board and Committees' performance were satisfactory, with ratings between average and above average. The results of the assessments, as well as the comments and suggestions made thereon, were deliberated by</p>

the BNRC and the necessary action plans for improvement were thereafter proposed to the Board, for consideration and approval.

(iii) The BNRC reviewed and was satisfied with the structure, size, balance and composition of the Board and Board Committees, including terms of office of its members, and recommended to the Board for endorsement to maintain the current structure, size and composition of the Board and Board Committees, as well as the terms of office of its members.

(iv) The details of the training programmes attended by the Directors during the financial period ended 31 December 2019 were as follows:

No.	Name	Training Attended
1.	Datuk Yasmin binti Mahmood	<ul style="list-style-type: none"> Briefing on the New Section 17A MACC Act 2009 on Corporate Liability and Corruption-Free Pledging & Signing Ceremony
2.	Dato' Ibrahim Mahaludin bin Puteh	<ul style="list-style-type: none"> Cyber Security in the Boardroom – Accelerating from Acceptance to Action Briefing on the New Section 17A MACC Act 2009 on Corporate Liability and Corruption-Free Pledging & Signing Ceremony Audit Oversight Board Conversation with Audit Committees
3.	Dato' Sri Syed Faisal Albar bin Syed A.R Albar	<ul style="list-style-type: none"> Briefing on the New Section 17A MACC Act 2009 on Corporate Liability and Corruption-Free Pledging & Signing Ceremony Board Development Plan by BCG Speakers from various countries including Germany, Malaysia and Beijing. Covering three (3) industries: <ol style="list-style-type: none"> State of the World – Geopolitics and Trade Impact; Future of Automotive; and Digital Disruption
4.	Datuk Puteh Rukiah binti Abd Majid	<ul style="list-style-type: none"> Independent Directors Programme: “The Essence of Independence” Comprehending Financial Statements for Directors and Senior Management Digital Upskilling for Boards Briefing on the New Section 17A MACC Act 2009 on Corporate Liability and Corruption-Free Pledging & Signing Ceremony Case Study Workshop for Independent Directors Audit Committee Seminar for the Public and Private Sectors 2019

	5.	Datuk Idris bin Abdullah @ Das Murthy	<ul style="list-style-type: none"> • Refresher-Accelerator Program: Risk Appetite Statements and ERM Reporting • Introduction to Cybersecurity for Business • Briefing on the New Section 17A MACC Act 2009 on Corporate Liability and Corruption-Free Pledging & Signing Ceremony • Board Development Plan by BCG Speakers from various countries including Germany, Malaysia and Beijing. Covering three (3) industries: <ul style="list-style-type: none"> a. State of the World – Geopolitics and Trade Impact; b. Future of Automotive; and c. Digital Disruption
	6.	Sharifah Sofia binti Syed Mokhtar Shah	<ul style="list-style-type: none"> • Briefing on the New Section 17A MACC Act 2009 on Corporate Liability and Corruption-Free Pledging & Signing Ceremony • Khazanah Megatrends Forum 2019 • Evening Talk And Networking: US-China Trade War – Its Impact On Business And Consumers In ASEAN • Post Budget 2020 Outlook and Perspective for The Economy & Capital Market Businesses • Board Development Plan by BCG Speakers from various countries including Germany, Malaysia and Beijing. Covering three (3) industries: <ul style="list-style-type: none"> a. State of the World – Geopolitics and Trade Impact; b. Future of Automotive; and c. Digital Disruption
	7.	Ahmad Suhaimi bin Endut	<ul style="list-style-type: none"> • Briefing on the New Section 17A MACC Act 2009 on Corporate Liability and Corruption-Free Pledging & Signing Ceremony • Risk Management Conference 2019 • International Directors' Summit 2019 • Persidangan Pegawai Aset
	8.	Ahmed Fairuz bin Abdul Aziz	<ul style="list-style-type: none"> • Mandatory Accreditation Programme (“MAP”) • Audit Oversight Board Conversation with Audit Committees • How to Manage Impairment of Various Assets – Beyond MFRS136/IAS36

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: The Board endeavours to engage an independent consultant to facilitate the evaluation exercise, periodically or as and when necessary, in future.
Timeframe	: Within 2 years

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	:	<p>The BNRC ensures that the level and composition of the remuneration framework of Directors, GCEO and other Senior Management are fair to attract and retain them to ensure the right calibre, experience and quality needed to drive and manage the Group successfully.</p> <p><i>Remuneration framework for Non-Executive Directors</i></p> <p>The Board determines and decides the fees and remuneration payable to Non-Executive Directors, as a whole, based on their experience, expertise and level of responsibilities undertaken by the Non-Executive Directors. Non-Executive Directors will be paid an annual Directors' fees for services rendered on the Board, as well as Board Committees, and meeting allowances for the number of Board, Board Committee and general meetings attended. The Company also reimburses reasonable expenses incurred by the Directors in the course of their performance of duties as Directors.</p> <p>In accordance with Section 230 of the Act and Article 91 of the Company's Constitution, the fees and benefits payable of the Non-Executive Directors are subject to shareholders' approval at the Company's AGM.</p> <p>The Directors' Fees and meeting allowances for Non-Executive Directors are as follows:-</p> <table border="1"> <thead> <tr> <th rowspan="2">Board/Board Committees</th> <th colspan="2">Directors' Fees per annum (RM)</th> </tr> <tr> <th>Chairman</th> <th>Members</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>120,000</td> <td>80,000</td> </tr> <tr> <td>Board Audit Committee</td> <td>15,000</td> <td>10,000</td> </tr> <tr> <td>Other Board Committees</td> <td>8,000</td> <td>6,000</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Meeting Allowances</th> <th>Amount per meeting attended</th> </tr> </thead> <tbody> <tr> <td>a.</td> <td>Board of Directors</td> <td>RM1,000</td> </tr> <tr> <td>b.</td> <td>Board Audit Committee</td> <td>RM2,500</td> </tr> <tr> <td>c.</td> <td>Board Nomination and Remuneration Committee</td> <td>RM1,000</td> </tr> </tbody> </table>	Board/Board Committees	Directors' Fees per annum (RM)		Chairman	Members	Board	120,000	80,000	Board Audit Committee	15,000	10,000	Other Board Committees	8,000	6,000	Meeting Allowances		Amount per meeting attended	a.	Board of Directors	RM1,000	b.	Board Audit Committee	RM2,500	c.	Board Nomination and Remuneration Committee	RM1,000
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	d.	Board Risk, Sustainability and Compliance Committee	RM1,000
	e.	Board Tender Committee	RM1,000
	f.	Board Digital-First Committee	RM1,000
	g.	General meeting	RM1,000
	<p><i>Remuneration framework for GCEO and other Senior Management</i></p> <p>The Company has a structured remuneration framework for the GCEO and other Senior Management, to ensure the rewards are linked with the corporate and individual performances. The BNRC determines and recommends to the Board for approval, the Corporate Key Performance Indicators (“KPIs”) and structures the rewards for the GCEO and Senior Management based on their performance against the pre-determined Corporate KPIs.</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 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>The BNRC comprises three (3) Non-Executive Directors, two (2) of whom are Independent.</p> <p>The Board has delegated to the BNRC, the responsibility to determine the level and composition of the remuneration framework and implement policies and procedures on matters relating to the remuneration of Board, GCEO and other Senior Management.</p> <p>The written TOR of the BNRC which deals with its authority, duties and responsibilities, is available on Pos Malaysia's website at www.pos.com.my and in the Board Charter.</p> <p>The BNRC shall meet at least once a year and upon request by its members, as and when necessary. The BNRC met three (3) times during the financial period ended 31 December 2019.</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>To ensure the adoption of the best corporate governance practice, the Company has disclosed the Directors' remuneration on a named basis in the Annual Audited Financial Statement over the years.</p> <p>The details of the remuneration of the individual Directors for the financial period ended 31 December 2019, are set out as follows:</p> <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Directors' Fees (RM)</th> <th>Board Committees' Fees (RM)</th> <th>Meeting Allowance (RM)</th> </tr> </thead> <tbody> <tr> <td>Datuk Yasmin binti Mahmood <i>(appointed on 1 April 2019)</i></td> <td>90,000.00</td> <td>4,898.63</td> <td>9,000.00</td> </tr> <tr> <td>Dato' Ibrahim Mahaludin bin Puteh</td> <td>60,000.00</td> <td>19,500.00</td> <td>30,500.00</td> </tr> <tr> <td>Dato' Sri Syed Faisal Albar bin Syed A.R Albar</td> <td>60,000.00</td> <td>-</td> <td>6,000.00</td> </tr> <tr> <td>Datuk Puteh Rukiah binti Abd Majid</td> <td>60,000.00</td> <td>20,175.82</td> <td>24,000.00</td> </tr> <tr> <td>Datuk Idris bin Abdullah @ Das Murthy</td> <td>60,000.00</td> <td>17,000.06</td> <td>17,000.00</td> </tr> <tr> <td>Sharifah Sofia binti Syed Mokhtar Shah</td> <td>60,000.00</td> <td>3,673.97</td> <td>9,000.00</td> </tr> <tr> <td>Ahmad Suhaimi bin Endut</td> <td>60,000.00</td> <td>4,500.00</td> <td>5,000.00</td> </tr> <tr> <td>Ahmed Fairuz bin Abdul Aziz <i>(appointed on 19 September 2019)</i></td> <td>22,608.69</td> <td>4,239.13</td> <td>7,000.00</td> </tr> <tr> <td>Dato' Abdul Hamid bin Sh Mohamed <i>(resigned on 20 August 2019)</i></td> <td>30,869.57</td> <td>8,103.26</td> <td>15,500.00</td> </tr> <tr> <td>TOTAL</td> <td>503,478.26</td> <td>82,090.87</td> <td>123,000.00</td> </tr> </tbody> </table>	Name of Director	Directors' Fees (RM)	Board Committees' Fees (RM)	Meeting Allowance (RM)	Datuk Yasmin binti Mahmood <i>(appointed on 1 April 2019)</i>	90,000.00	4,898.63	9,000.00	Dato' Ibrahim Mahaludin bin Puteh	60,000.00	19,500.00	30,500.00	Dato' Sri Syed Faisal Albar bin Syed A.R Albar	60,000.00	-	6,000.00	Datuk Puteh Rukiah binti Abd Majid	60,000.00	20,175.82	24,000.00	Datuk Idris bin Abdullah @ Das Murthy	60,000.00	17,000.06	17,000.00	Sharifah Sofia binti Syed Mokhtar Shah	60,000.00	3,673.97	9,000.00	Ahmad Suhaimi bin Endut	60,000.00	4,500.00	5,000.00	Ahmed Fairuz bin Abdul Aziz <i>(appointed on 19 September 2019)</i>	22,608.69	4,239.13	7,000.00	Dato' Abdul Hamid bin Sh Mohamed <i>(resigned on 20 August 2019)</i>	30,869.57	8,103.26	15,500.00	TOTAL	503,478.26	82,090.87	123,000.00
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Explanation for departure	:																																													

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

Intended Outcome

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

Practice 7.2

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

Application	:	Departure										
Explanation on application of the practice	:											
Explanation for departure	:	<p>The Board opined that disclosing the remuneration component of Senior Management on a named basis including salary, bonus, benefits-in-kind and other emoluments will neither be in the best interest nor to the advantage of the Group, considering the highly competitive employment market for talents.</p> <p>The aggregated total remuneration of key management personnel of the Group is disclosed in Note 6 of the Audited Financial Statements of the Company for the financial period 31 December 2019.</p> <p>The top five (5) Senior Management's remuneration (including salary, bonus, allowances and other emoluments) are disclosed in the bands of RM50,000, as follows:-</p> <table border="1"> <thead> <tr> <th>Range of remuneration (per annum)</th> <th>Number of Senior Management Personnel</th> </tr> </thead> <tbody> <tr> <td>RM400,001 to RM450,000</td> <td>1</td> </tr> <tr> <td>RM450,001 to RM500,000</td> <td>1</td> </tr> <tr> <td>RM550,001 to RM600,000</td> <td>2</td> </tr> <tr> <td>RM900,001 to RM950,000</td> <td>1</td> </tr> </tbody> </table> <p>Currently, the performance of Senior Management is evaluated on an annual basis and measured against their KPIs set for the year. The Board will ensure that the remuneration for the Senior Management commensurate with their performance, in order to attract, retain and motivate them to contribute positively to the Group's performance.</p>	Range of remuneration (per annum)	Number of Senior Management Personnel	RM400,001 to RM450,000	1	RM450,001 to RM500,000	1	RM550,001 to RM600,000	2	RM900,001 to RM950,000	1
Range of remuneration (per annum)	Number of Senior Management Personnel											
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RM550,001 to RM600,000	2											
RM900,001 to RM950,000	1											
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>												
Measure	:	The Board will closely monitor developments in the market in respect of such disclosure for future consideration.										
Timeframe	:	Within 3 years										

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	:	<p>The BAC comprises four (4) members, all of whom are Independent Non-Executive Directors. The Chairman of the BAC is Ahmed Fairuz bin Abdul Aziz, an Independent Non-Executive Director, who is not the Chairman of the Board. Ahmed Fairuz bin Abdul Aziz has been appointed as Chairman of the BAC on 19 September 2019.</p> <p>Details of the composition and activities of the BAC are set out in the Audit Committee Report contained in the 2019 Integrated Annual Report - Nine-Month Period Ended 31 December 2019 (“2019 Integrated 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 8.2

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	:	None of the members of the BAC of Pos Malaysia was a former key audit partner. The requirements for appointing a former key audit partner are set out under the TOR of the BAC of 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

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 TOR of BAC cites, amongst others, the functions and duties of the BAC, recommendations to be made to the Board and the terms of engagement of the external auditor.</p> <p>The Company has established a Policy on Rotation of External Auditors, with the purpose of ensuring the independence of the external auditors, which is essential to the provision of objective opinion and independent audit of the financial statements of the Company.</p> <p>Under the said Policy, the lead engagement partner and quality control review partner, who are responsible for the financial statements of the Group, will be subject to a five-year rotation with a five-year cooling off period. The BAC has adopted the Policy on Assessment of Independence of External Auditors in 2014, to assess the suitability, objectivity and independence of the external auditors on an annual basis.</p> <p>Furthermore, a formal procedure of obtaining quotations from the external auditors will be undertaken every three (3) years and will be evaluated accordingly.</p> <p>The BAC had in March 2020, undertaken an annual assessment on the quality of audit, independence, communication, objectivity and professionalism of the external auditors, Messrs KPMG PLT ("KPMG") through online evaluation questionnaires.</p> <p>KPMG had, thereafter, provided a written assurance confirming their independence throughout their term of engagement in accordance with the terms of all relevant professional and regulatory requirements in respect to the audited financial statements for the financial period ended 31 December 2019.</p> <p>Based on the satisfactory assessment of the effectiveness and independence of the External Auditors, KPMG, the BAC recommended for the External Auditors to be re-appointed for the financial period ended 31 December 2020 subject to the shareholders' approval at the 28th AGM of the Company.</p> <p>The TOR of BAC is available on Pos Malaysia's website at www.pos.com.my and in the Board Charter.</p>
Explanation for departure	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The BAC comprises four (4) members, all of whom are Independent Non-Executive Directors. All Independent Non-Executive Directors of the Company satisfy the independence test under the Listing Requirements of Bursa Securities.

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>All members of the BAC are financially literate and have sufficient understanding of the Group's businesses. They are well-equipped with relevant knowledge and experience to effectively discharge their duties and responsibilities as members of the BAC in accordance with the TOR of the BAC.</p> <p>The Chairman of the BAC, Ahmed Fairuz bin Abdul Aziz, is a Fellow Member of the Institute of Chartered Accountants, England and Wales and a member of the Malaysian Institution of Accountants. He graduated from the London School of Economics and Political Science, United Kingdom with a Bachelor of Accounting and Finance. His present appointment in KUB Malaysia Berhad is as the Group Chief Executive Officer, and was formerly its Group Chief Financial Officer.</p> <p>The qualification and experience of each member of the BAC are disclosed in the Profile of Board of Directors' section of the 2019 Integrated Annual Report of the Company.</p> <p>The Board through the BNRC, reviews the term of office of the BAC members and assesses their performances, individually and collectively, through an annual evaluation. Based on the outcome of the evaluation for the financial period ended 31 December 2019, the Board are satisfied with the BAC's performance with ratings between average and above average.</p> <p>All members of the BAC attended continuous professional development programmes to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p> <p>The members of the BAC were briefed on the relevant changes in the financial reporting standards by the External Auditors at the BAC meeting.</p> <p>The detailed report of the BAC's activities for the financial period ended 31 December 2019 is set out in the Audit Committee Report contained in the 2019 Integrated Annual Report of the Company.</p>

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

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that an effective risk management practice is a critical component of a sound system of risk management and internal control. In view thereof, there is a systematic process to identify, evaluate and manage significant risks faced by the Group that may impede the achievement of the Group's objectives.</p> <p>Pos Malaysia has adopted an Enterprise Risk Management ("ERM"), as a holistic, integrated, structured and disciplined approach to managing risks and maximising shareholders' value. It aligns strategy, processes, technology, governance, people and culture to Pos Malaysia's vision, mission and goals, as set out in the strategic plan and its operations, to identify and manage the enterprise risks, while creating value. ERM increases the likelihood of Pos Malaysia to achieve its objectives, by providing a systematic approach to evaluate and improve the effectiveness of risk management and control. The Company further ensures that existing and emerging risks are identified and managed within the acceptable risk appetite.</p> <p>The Board has a stewardship responsibility to understand these risks, communicate the requirements of this policy and to guide the organisation in dealing with these risks.</p> <p>The policies of the Board are as follows:</p> <ul style="list-style-type: none">(i) To manage risks proactively;(ii) To manage risks pragmatically to acceptable levels, given the particular circumstance of each situation;(iii) To manage risks routinely and in an integrated and transparent way, in accordance with good governance practices; and(iv) To ensure that an effective and formalised ERM Policy and Procedure Manual ("Framework") are established and maintained by the Group. <p>The Management of risk is a shared responsibility at all levels within Pos Malaysia. The Risk Management Department oversees the ERM framework, facilitating and coordinating, tracking and monitoring risks and reports their status to the Risk Management and Compliance Committee ("RMCC") and the BRSCC.</p> <p>The Group adopts ISO 31000 Risk Management Standards as a primary foundation and reference for the ERM framework. Via this standard, the Group aims to achieve a consistent and effective ERM implementation across the Group.</p>

	<p>At the same time, the framework facilitates Management in making sound business decisions with the aspiration to lead the Group towards a more proactive and inclusive risk management approach to mitigate threats and to capitalise on opportunities.</p> <p>The TOR of the BAC specifies the function and duties that BAC shall undertake in relation to internal control as follows:-</p> <ul style="list-style-type: none"> (i) To assess the quality and effectiveness of the systems of internal control and the efficiency of the Group's operations, particularly those relating to areas of significant risks. Evaluate the process that is in place for assessing and continuously improving internal controls. (ii) To assess the internal processes for determining and managing key risks other than those that are dealt with by other specific Board committees. (iii) To review the evaluation by the internal and external auditors of the Group's system of internal control and thereafter, report the same to the Board. (iv) To review External Audit Reports and Management's response and ensure that appropriate action is taken in respect of these reports.
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group adopts ISO 31000 Risk Management Standards as the primary foundation and reference for the ERM framework. The key features of the ERM framework are elaborated as follows:-</p> <ul style="list-style-type: none">i. Establishing the Context: To identify strategic objectives in both external and internal environment in which these strategic objectives are being pursued. External environmental factors include the effects of competition, regulations, etc while internal environmental factors consist of business processes, capabilities, organisational culture, strategic plans, etc.ii. Risk Identification: To identify and define the specific risks and sources of risks such as the threat of substitution and/or digitalisation that will impact mail business performance. Risks that have been identified will be categorised into one of the following categories:-<ul style="list-style-type: none">a. Market and Business Risk – exposure to uncertainty due to competition and/or fiscal policy changes which are external to the Group and beyond the control of the organisation.b. Strategic Risk – exposure to uncertainty arising from long-term or short-term policy decisions based on the current strategy of the Group.c. Operational Risk – exposure to uncertainty arising from daily strategic business activities related to business operation, process or technology.d. Reputational Risk – exposure to uncertainty arising from the brand or image of the Group.e. Information/System Risk – exposure to uncertainty arising from cyber threat, loss or inaccuracy of data, Information Technology ("IT") systems or reported information.f. Financial Risk – exposure related to the loss of monetary resources or incurring unacceptable liabilities.g. Organisational Risk – exposure related to the organisational structure, management, and employees (skills, competencies, etc).h. Compliance Risk – exposure to uncertainty arising from inadequacy of compliance to mandatory or established regulations and policies.i. Sustainability Risk – exposure related to sustainability matters namely environmental, economic and social, whilst conducting the business.

	<p>iii. Risk Analysis: This involves due consideration of the causes of risk, their positive and negative impact and the likelihood of occurrence. Risk is assessed by considering its impact and likelihood.</p> <p>iv. Risk Evaluation: To make decisions about further actions, whether a risk needs to be managed or mitigated. Risks with high exposures will be prioritised accordingly, after considering cost-benefit analysis.</p> <p>v. Risk Treatment: Process of initiating responsive or pre-emptive actions for managing risks and restricting those to tolerable levels i.e. within the Group's risk appetite levels. There are a range of options to respond to risks listed as per below:-</p> <ul style="list-style-type: none"> • Terminate (Avoid): Deciding not to pursue with the activities that will likely generate the risks. • Treat (Mitigate): Introducing controls or action plans to manage the risks. • Transfer (Spread): Transferring or sharing the risk with third parties, e.g. insurance, hedging, joint ventures, outsourcing and smart partnerships etc. • Take (Accept): Using the strength and capabilities of the Group to accept the risks to build a competitive edge over others. <p>vi. Monitoring and Reviewing: Monitoring ensures that as risks change due to their dynamic nature, new measures are introduced to manage these risks. Monitoring and reviewing also involve learning lessons from the risk management process by reviewing events, the action plans and their outcomes.</p> <p>vii. Communication and Consultation: This takes place in each step of the risk management process to ensure that views of stakeholders, management and the Board are taken into account. The communication flows vertically (both top-down and bottom-up) and horizontally (across departments). Key risks are communicated formally via periodic risk reporting to RMCC, as well as BRSCC. Any constraints/limitations in managing risks will be highlighted in such a report for an appropriate decision.</p> <p>The RMCC is supported by the Risk Management Department and Compliance Department, respectively. The Risk Management Department monitors, analyses and reports the risks identified enterprise-wide, as well as facilitate in the risk assessment process. The Risk Management Department also evaluates the risk policies and procedures, and initiates improvements, arising from its awareness of trends and developments in risk management, that may have a significant impact on the Company/Group.</p> <p>Risk owners shall ensure that the risk registers and risk profiles are quarterly updated and the consolidated reports are tabled to the RMCC, BRSCC and Board.</p>
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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	:	The BRSCC comprises three (3) members, all of whom are Independent Directors.

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 Board has established an in-house internal audit function for the Group. The Head, Internal Audit reports directly to the BAC on a functional basis and to the GCEO administratively.</p> <p>In this respect, the Head, Internal Audit periodically reports on the activities performed, as well as key control issues noted by the internal auditors to the BAC.</p> <p>The Internal Audit undertakes an independent assessment on the internal control systems of the Group and on a quarterly basis, provides assurance to the BAC that no material issue or major deficiency has been noted, which poses a high risk to the overall system of internal control under review.</p> <p>To ensure that the responsibilities of Internal Audit are fully discharged, the BAC reviews:-</p> <ol style="list-style-type: none"> i. the appointment and removal of the Head, Internal Audit; ii. the adequacy of the Internal Audit's scope, competency level, experience and resources of the function; and iii. the Internal Audit's performance. <p>In formulating the annual audit plan, the Internal Audit adopted a risk and strategy-based approach, by aligning its activities to the key risks identified across the Group. The results of the audits as disclosed in the Internal Audit reports are reviewed by the BAC.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>In accordance with the Internal Audit Charter of Pos Malaysia (Section 2.3 - Objectives and 2.4 - Independence), internal auditors are required to act as an independent function that adds value to the operations of Pos Malaysia.</p> <p>The Internal Audit has 22 personnel comprising the Head, Internal Audit, and 21 internal auditors. The Head, Internal Audit, Annas bin Bahari is a Chartered Member of the Institute of Internal Auditors Malaysia, a Chartered Member of the Malaysian Institute of Accountants and a Fellow Member of the CPA Australia. Academically, he holds a Bachelor of Commerce from University of New South Wales, Australia and Executive Master of Management from Asia Metropolitan University, Cyberjaya. The internal auditors have various qualifications including the Certified Information Systems Auditor and Master of Business Administration, and members of the Institute of Internal Auditors Malaysia, the Malaysian Institute of Accountants and the Association of Chartered Certified Accountants.</p> <p>The BAC has conducted an annual assessment of the overall performance of the Internal Audit for the financial period ended 31 December 2019, and is satisfied with the level of competency, experience, and resources of the Internal Audit function in discharging its role and responsibilities.</p> <p>Internal Audit adopts the International Professional Practices Framework in managing its functions and performance of the audit engagements, to continuously deliver value-added assurance to Pos Malaysia and to support Pos Malaysia in achieving its corporate and strategic objectives. Internal Audit is also guided by the internal policies, procedures and framework, as well as the Internal Control Framework of the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”), in assessing and reporting on the adequacy and effectiveness of internal control, risk management and governance process.</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

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>As stipulated in the Board Charter of Pos Malaysia, the Board owes a responsibility to a range of stakeholders, all of whom are fundamental to a successful business.</p> <p>The Board acknowledges the importance of timely and transparent communication with the Company's shareholders and various stakeholders. The Board customises its respective key stakeholder engagement approach, as set out below:</p> <p>(a) Engagement with the shareholders, institutional investors and analysts</p> <p>The Group actively updates its corporate website www.pos.com.my with the latest information on the business and corporate aspects. Matters relating to Investors' Relations (recent and past Annual Reports, announcements made to Bursa Securities, policies and quarterly result presentation) have been uploaded in the corporate section of the website.</p> <p>The Investors' Relations function has been established to enable continuous communication between the Group and its stakeholders.</p> <p>General meetings serve as the principal engagement forum for the shareholders of the Group. For example, at the AGMs, shareholders have direct access to the members of the Board of Directors to seek clarification and direction of the Group, financial performance and prospects, as well as any other concerned topics.</p> <p>(b) Engagement with employees of Pos Malaysia</p> <p>The Group strives to maintain open and two-way communication with its employees, across all levels of the organisation, which enable the Group to bridge the information gap, re-aligning goals to its values and capturing feedback. Among key topics discussed are the Company's performance and growth strategies, Code of Ethics, training and development, performance evaluation and management, remuneration and benefits, occupational safety, health and wellbeing and collective bargaining.</p>

	<p>The Company engages with its employees through town hall sessions, meetings, feedback sessions, training sessions, talks and surveys. Regular engagements with unions create open and helpful relations between both sides.</p> <p>(c) Engagement with regulatory authority</p> <p>As the Group is operating in a regulated industry, there were several interactions with its principal regulatory authorities, the MCMC and the Ministry of Communications and Multimedia. The engagement approaches vary, from in-person meetings, advocacy sessions, focus groups and industry consultations. Other regulatory authorities engaged, including but not limited to, are the Ministry of Energy and Natural Resources, the Ministry of Finance and the Road Transport Department.</p> <p>(d) Engagement with local communities</p> <p>The Group's socio-economic empowerment initiatives, such as leveraging on Posmen Komuniti, Wakil Posmen Komuniti and Posmen Kejiranan, in addition to the existing in-house last-mile delivery resources, provide an opportunity to create jobs and catalyse economic development for the rural communities.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

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	:	Applied	
Explanation on application of the practice	:	<p>The Board takes cognisance of the need to adopt integrating reporting and to release the Company’s Annual Report based on a globally recognised framework.</p> <p>For the financial period ended 31 December 2019, the Company has adopted an integrated reporting which is consistent with several global framework such as the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC).</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.1

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 27th AGM was circulated on 31 July 2019 for the AGM held on 18 September 2019, to ensure 28 days' notice was given to the shareholders and for them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys.</p> <p>The Notice of AGM, including the details of the business to be transacted, was sent to shareholders, together with the Annual Report. With the additional time given, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the AGM. The Notice of AGM was published in one (1) nationally circulated newspaper, for wider dissemination, to encourage shareholders' participation.</p> <p>Each item of special business proposed in the Notice of AGM was accompanied by an explanatory statement, to facilitate better understanding and enable shareholders to make an informed decision, when exercising their voting rights. In addition, the Notice of AGM and Proxy Form which were contained in the Annual Report, was posted on the websites of Pos Malaysia at www.pos.com.my and Bursa Securities at www.bursamalaysia.com.</p> <p>For the forthcoming AGM scheduled on 29 June 2020, the Notice of the 28th AGM is scheduled to be issued to the shareholders of the Company on 29 May 2020, i.e. more than 28 days, prior to the date of the said AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.2

All directors 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 Board members acknowledge the importance of attending general meetings, by ensuring a perfect attendance at all AGMs of the Company.</p> <p>All the seven (7) Directors, inclusive of the Chairmen of the BNRC, BRSCC, BTC and BDC, were present in person at the 27th AGM held on 18 September 2019, to engage directly with the shareholders/proxies and to respond to any queries on matters that fell under their purview.</p> <p>The GCEO, Senior Management and external Auditors were also present at the 27th AGM to provide responses to the questions addressed to them by the shareholders/proxies.</p> <p>At the AGM, the GCEO presented key strategies of the Company, whilst, the Chief Financial Officer presented the operating and financial performance for the financial period ended 31 March 2019. They also provided clarifications to questions raised by the shareholders/proxies.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.3

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The 27th AGM of the Company was held at Holiday Inn Kuala Lumpur Glenmarie, No. 1 Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, an easily accessible venue, with free parking provided on the premises. The Company had also provided free shuttle services from CGC Glenmarie LRT Station to Holiday Inn Kuala Lumpur Glenmarie, to the shareholders who used the LRT.</p> <p>Shareholders were given at least 28 days' notice of the AGM, which gives them sufficient time to make the necessary arrangements to attend the AGM.</p> <p>As an alternative, the shareholders who were unable to attend the AGM were also allowed to appoint corporate representative(s) or proxy(ies) to attend, participate, speak and vote on their behalf at the AGM.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	<p>The Company continues to explore the leverage of technology, to enhance and facilitate further engagement and participation by shareholders at AGM and general meeting of the Company.</p> <p>In view of the current situation to curb the spread of the Coronavirus Disease 2019 (COVID-19) and in particular, the Government of Malaysia's official announcement in prohibiting activities that involve mass gatherings, the 28th AGM of the Company will be conducted virtually through live streaming and online remote voting using the Remote Participation and Voting facilities provided by the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd.</p>
Timeframe	:	Others Applied in the coming 28th AGM to be convened on 29 June 2020

**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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