

CORPORATE GOVERNANCE REPORT

STOCK CODE : 9378-T
COMPANY NAME : Nylex (Malaysia) Berhad
FINANCIAL YEAR : May 31, 2018

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board retains full and effective control of and responsibility for the Group. It is primarily responsible for charting and reviewing the strategic direction of the Group. The principal duties and responsibilities of the Board are, inter alia, as follows:</p> <ul style="list-style-type: none">• Formulating and reviewing the business direction and objectives of the Group <p>The Board plays an active role in formulating the Group's overall business direction and in reviewing the Group's business strategies and financial performances at regular intervals. In carrying out its duties, the Board ensures that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.</p> <p>The Board also reviews and approves key operational policies and initiatives, as well as major investments and funding decisions of the Group.</p> <ul style="list-style-type: none">• Overseeing the conduct of business of the Group <p>The Board has established the Board Committees, namely the Audit Committee and the Remuneration and Nomination Committee ("R&N Committee"), which are entrusted with specific responsibilities to oversee the affairs of the Group with authority to act on behalf of the Board in accordance with their respective Terms of Reference. At each Board meeting, the Chairman of the respective Board Committees would report to the Board on the key matters discussed by the Board Committees at their respective meetings.</p> <p>Overall, the Board's duties in overseeing the conduct of business of the Group includes monitoring and assessing Management's implementation of its business strategies, protecting the Group's assets and the integrity of its financial and non-financial reporting through the upholding of effective risk management and internal controls systems, setting Group values and promoting ethical and good corporate governance practices by building such values into internal procedures and policies, and maintaining procedures to enable effective communication with stakeholders.</p>

	<ul style="list-style-type: none"> • Reviewing the risk management framework and the adequacy and integrity of the Group’s internal control system and management information system. <p>The Board, through the Audit Committee, conducts periodic reviews on the risk management framework to ensure compliance with the relevant laws, rules, regulations, directives, guidelines and the business objectives of the Group. Authority levels, control procedures, reporting mechanisms and internal audit function are subject to periodic reviews by the Board.</p> <ul style="list-style-type: none"> • Succession planning <p>The Board ensures that all candidates appointed to Senior Management positions are of sufficient calibre and that there are programmes in place to provide for the orderly succession of Senior Management.</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 1.2

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>For the financial year ended 31 May 2018, the role of the Executive Chairman was held by Tan Sri Mohamed Al Amin Abdul.</p> <p>The Chairman is primarily responsible for instilling good corporate governance practices, providing leadership and ensuring the Board's effectiveness and conduct in discharging its responsibilities.</p> <p>The principal duties and responsibilities of the Chairman are, inter alia, as follows:</p> <ul style="list-style-type: none">• Providing leadership for the Board so that the Board can perform its responsibilities effectively;• Setting the Board agenda and ensuring that board members receive adequate and accurate information in a timely manner;• Leading Board meetings and discussions;• Encouraging active participation and allowing dissenting views to be freely expressed;• Managing the interface between Board and Management;• Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and• Leading the Board in establishing and monitoring good corporate governance practices in the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The role of the Chairman differs with the roles of the Group Managing Director and Deputy Chief Executive Officer. The differences in roles are distinct and separate with individual responsibilities and clearly defined duties, power and authorities.</p> <p>The role of the Chairman is highlighted in Practice 1.2 above. On the other hand, the Group Managing Director and Deputy Chief Executive Officer are accountable for the day-to-day management of the Group's business operations and implementation of the Board's decisions and policies. The role of the Group Managing Director is currently held by Dato' Siew Ka Wei and the role of the Deputy Chief Executive Officer is held by Robin Ling Seng Chiong.</p> <p>The Group Managing Director and Deputy Chief Executive Officer, assisted by the Management, are responsible for:</p> <ul style="list-style-type: none"> • Assisting the Board in overseeing the day-to-day operations of the Group; • Ensuring the implementation of all approved policies and procedures and formulating plans to achieve the Group's corporate objectives; and • Ensuring the implementation and effectiveness of internal controls, to monitor and safeguard the Group's financial and other resources. <p>The distinct and separate roles of the Chairman, the Group Managing Director and Deputy Chief Executive Officer, with a clear division of responsibilities, ensure a balance of power and authorities, such that no one individual has unfettered powers of decision making.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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 Board is supported by two (2) Company Secretaries, who are responsible for ensuring that all Board procedures are followed and that applicable laws and regulations are complied with. Both Company Secretaries have more than twenty (20) years of experience in company secretarial practices and are qualified to act as company secretary in accordance with the provisions of the Companies Act 2016.</p> <p>The Company Secretaries play an advisory role to the Board on its roles and responsibilities and in formulating the Company's Constitution and Board policies and procedures. The Company Secretaries have a key role to play in ensuring that the Board policies and procedures are both followed and regularly reviewed. They are responsible for the efficient administration of the Company's secretarial practices, particularly with regard to ensure compliance with the Company's Constitution, the Board policies and procedures, the statutory and regulatory requirements and for ensuring that decisions of the Board of Directors are implemented. They are also responsible for regularly updating and apprising the Board on new regulations issued by the regulatory authorities.</p> <p>One of the key responsibilities of the Company Secretaries is to prepare and organise Directors and Committee meetings and the shareholders meetings. The Company Secretaries will also attend these meetings in order to ensure that the legal requirements are fulfilled and provide such information as is necessary. This responsibility will involve the issue of proper notices of meetings, preparation of agenda, circulation of relevant papers and that accurate and adequate records of the proceedings of the Board meetings and resolutions passed are taken and maintained in the statutory register of the Company.</p> <p>The Company Secretaries are also responsible for ensuring that the Company files its various documents/returns and maintains its statutory records in accordance with the requirements of the Companies Act 2016. The other roles and responsibilities of Company Secretaries include but not limited to facilitate the orientation of new Directors and assist in Directors' training and development; monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</p> <p>The Company Secretaries work closely with the Chairman, the Group Managing Director/Deputy Chief Executive Officer to ensure that there are timely and appropriate information flows between the Management and the Board and Board committees.</p>

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

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	Prior to the Board/Committee meetings, the Directors are provided with an agenda on matters to be discussed together with the meeting papers which contain minutes of meetings, operational and financial performance reports, details of corporate proposals, the quarterly interim financial reports or the annual audited financial statements, reports of the Board Committees, Internal Audit Reports and other matters, for the Directors' perusal before the Board/Committee meetings. The Company Secretaries will strive to provide these materials to the Directors seven (7) days prior to the Board/Committee meetings, working within the challenges and constraints of the information gathering process; otherwise, the materials will be provided two (2) days before the meetings while those of a confidential nature will be provided during the Board/Committee meetings. Upon conclusion of the Board/Committee meetings, minutes are circulated for review by the attendees. The Board ensures that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any director abstained from voting or deliberating on a particular matter. The Company Secretaries ensure that the minutes are kept to record all proceedings at the Board/Committee meetings, the deliberations on the matters at hand and the decisions made thereto.
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 is mindful of the need to safeguard the interest of the Group's stakeholders. In order to facilitate the effective discharge of its duties, the Board has drawn up and adopted a board charter on 28 October 2013 of which is posted on the Company's website at www.nylex.com under the Corporate Governance section.</p> <p>The Board Charter sets out the roles and responsibilities of the Board and Board Committees to assist the Board in being aware of their duties and responsibilities to effectively discharge their fiduciary duties in managing the affairs of the Company.</p> <p>The Board Charter focuses on the following areas:</p> <ul style="list-style-type: none"> • Board composition and Board Committees; • The duties and responsibilities of the Board and the Board Committees; and • The Code of Conduct and Ethics for the Board members. <p>The Board Charter was last reviewed on 25 July 2018, and it will be updated from time to time to reflect changes to the Board's practices and amendments to the relevant rules, requirements and regulations.</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>The Board, in discharging its oversight role, conducts its business in observation to the Company's Code of Conduct and Ethics for Directors.</p> <p>A summary of the Code of Conduct and Ethics is available on the Company's website at www.nylex.com under the Corporate Governance section.</p> <p>The Code of Conduct and Ethics is formulated to enhance the standard of corporate governance and corporate behaviour with the aim of achieving the following objectives:</p> <ul style="list-style-type: none"> • To establish a standard of conduct and ethical behaviour for Directors based on trustworthiness and value that can be accepted and upheld by the Directors; • To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations, and guidelines for administering a company; and • To manage conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. <p>The Code of Conduct and Ethics requires all Directors to observe high ethical business standards, to apply these values in all aspects of the Directors' conduct in discharging the Board's oversight responsibilities and to act in good faith in the best interests of the Company and its shareholders.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, the Board does not have a formal Whistle Blowing Policy in place.</p> <p>However, the Board encourages employees and stakeholders to report and disclose any wrongdoing or improper conduct relating to unlawful conduct, inappropriate behaviour, malpractices, any violation of established written policies and procedures within the Group or any action that is or could be harmful to the reputation of the Group and/or compromise the interests of the shareholders, clients and the public, to the Company.</p> <p>Employees and stakeholders are encouraged to submit their reports and concerns to the Company via the Company's website at www.nylex.com or e-mail at corp@nylex.com. The reports will be attended to by the Company' Secretaries, the Board or the Senior Management, as the case may be.</p> <p>The Board, together with Management, is in the midst of developing a formal Whistle Blowing Policy and Procedure. The Whistle Blowing Policy and Procedure is expected to be published in the Company's website within one (1) year.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Applied	
Explanation on application of the practice	:	As at 31 May 2018, the Board comprises of eight (8) directors, with six (6) of them being Independent Directors.	
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 nine (9) years. Departure – The Board has decided not to adopt the two-tier voting process.
Explanation on application of the practice	:	The Board will seek shareholders' approval to retain the Independent Directors who have served for a cumulative period of nine (9) years with justifications.
Explanation for departure	:	<p>The Board has decided not to adopt the two-tier voting process for the approval to retain both Lim Hock Chye and Edmond Cheah Swee Leng, who have served for a cumulative period of twelve (12) years as Independent Directors of the Company.</p> <p>The Board has received legal opinion that the two-tier voting may not be compatible with the Company's Constitution read together with the Companies Act 2016. As such, the Board has chosen not to adopt the two-tier voting as a precautionary measure.</p> <p>However, the Board will seek shareholders' approval to retain both Lim Hock Chye and Edmond Cheah Swee Leng to serve as Independent Directors of the Company based on the following justifications:</p> <ul style="list-style-type: none">(a) They have fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements;(b) They have been with the Company for more than twelve (12) years and therefore understand the Company's business operations which enable them to participate actively and contribute during the deliberations or discussions at the Board and Committee meetings;(c) They are knowledgeable and have applied their vast experience and due care to discharge their duties and responsibilities as Independent Directors of the Company by exercising independent judgement and bring objectivity to the oversight function of the Board; and(d) They have given time commitment to attend the Company's meetings and performance of duties and have exercised due care during their tenure as Independent Directors of the Company; and have carried out their professional duties in the interest of the Company.

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	As explained in Practice 4.2 above.

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 Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the Group in selection of Board members. In addition, the Group believes it is of utmost importance that the Board is composed of the best-qualified individuals who possess the requisite knowledge, experience, independence, foresight and good judgement to ensure that the Board functions effectively and is able to discharge its duties in the best interests of the Company and shareholders.</p> <p>The R&N Committee has taken note of the recommendation in the Malaysian Code on Corporate Governance 2017 ("Code") pertaining to the establishment of a policy on boardroom diversity including gender diversity. The Board is supportive of gender diversity in the boardroom as recommended by the Code to promote the representation of women in the composition of the Board.</p> <p>On 25 July 2018, the Board has adopted a formal Board Diversity Policy which is available on the Company's website at www.nylex.com. The appointment of new Board Directors will be guided by the skills, knowledge, experience and qualifications of the candidates rather than solely by their gender or ethnicity.</p> <p>The Board will endeavour to ensure that gender and ethnicity diversity will be considered in nominating and selecting new Directors to be appointed to the Board in future.</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

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 R&N Committee has taken note of the recommendation in the Code pertaining to the establishment of a policy on boardroom diversity including gender diversity. The Board is supportive of gender diversity in the boardroom as recommended by the Code to promote the representation of women in the composition of the Board.</p> <p>Selection of female candidates will be, in part, dependent on the pool of women candidates with the necessary skills, knowledge and experience. The ultimate decision to appoint female candidates will be based on merit and contribution that the chosen candidates will bring to the Board. Where suitable candidates are found in future, the Board may seek to increase representation from female members.</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>On 3 August 2018, Tan Sri Al Amin resigned as the Company's Executive Chairman. On 14 August 2018, Dato' Tengku Mahamad Bin Tengku Mahamut was redesignated from Independent Non-Executive Director to Independent Non-Executive Chairman. On the same day, Datuk Anuar Bin Ahmad was appointed as an Independent Non-Executive Director of the Company.</p> <p>The selection of Dato' Tengku Mahamad and Datuk Anuar for their new roles on the Board have been carried out in accordance with due process of the Company and is in line with the Terms of Reference of the R&N Committee.</p> <p>Moving forward, apart from relying on recommendation from existing board members, management or major shareholders, the Company will also consider utilising independent sources such as recruitment agencies and industry associations, to identify qualified candidates.</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	:	For the financial year ended 31 May 2018, the R&N Committee was chaired by Mr Lim Hock Chye, an Independent Non-Executive Director.
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	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for reviewing and assessing the performance and effectiveness of the Board and the Board Committees as a whole, and of its Directors individually and collectively as well as the performance of the Group Managing Director.</p> <p>The annual assessment on individual Directors includes an evaluation of their:</p> <ul style="list-style-type: none"> • Will and ability to critically challenge and ask the right questions; • Character and integrity in dealing with potential conflict of interest situations; • Commitment to serve the Company, due diligence and integrity; • Confidence to stand up for a point of view; • Key strengths and/or weaknesses; and • Steps or enhancements proposed to be undertaken to mitigate or address the weaknesses identified. <p>During the financial year ended 31 May 2018, the R&N Committee had two (2) meetings in July 2017 and October 2017. The R&N Committee, after reviewing the current composition of the Board and the Board Committees, was satisfied that the Board and Board Committees comprised Directors who are persons of calibre and credibility with extensive expertise and a wealth of experience in legal, accounting, corporate finance, marketing, public services and business practice, as required under the Board Charter and the Terms of Reference of the Board Committees, to support the Group's continuous growth and prosperity. Accordingly, the R&N Committee recommended that the current composition of the Board and Board Committees be retained.</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 6.1

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 R&N Committee is responsible for recommending the remuneration of the Non-Executive Directors, including Directors' fees and benefits, and after considering a comparison with payments by similar companies, to the Board for its endorsement. The Directors' fees and benefits will be submitted to the shareholders for approval at the annual general meeting of the Company. Directors who are shareholders will abstain from voting at general meetings to approve their fees.</p> <p>The R&N Committee is also responsible for determining and recommending to the Board the remuneration packages of the Chairman and the Group Managing Director of the Company. During the financial year, the Board has approved the Board Remuneration Policy which maintain strong linkage between remuneration of Directors with performance, value and sustainability of the Company as well as skills and experienced required. The Remuneration Policy is available on the Company's website at www.nylex.com.</p> <p>It is the ultimate responsibility of the Board as a whole to decide the remuneration of the Directors as per the Board Remuneration Policy.</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	:	The Board has combined the functions of the Remuneration Committee and Nomination Committee into the R&N Committee which was established on 24 September 2001. The Terms of Reference of the R&N Committee, which was last reviewed on 25 July 2018, is available at the Company's website at www.nylex.com under the Corporate Governance section.
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board is of the view that the disclosure of the remuneration of the Directors on individual named basis is not in the best interest of the Company due to the following reasons:</p> <ul style="list-style-type: none"> (i) The Company considers the information of the remuneration of Board of Directors to be sensitive; (ii) The detailed remuneration disclosure could possibly give rise to the Directors' security concerns; and (iii) The Board is of the opinion that such information will not add significant value and understanding towards the evaluation of the Company's standard of Corporate Governance. <p>The Board is of the view that the disclosure of the Directors' aggregated remuneration on unnamed basis in the bands of RM50,000 in the Company's Annual Report ("AR") 2018, is adequate.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 is of the view that disclosure of the remuneration details for senior management staff is detrimental to the Company's management of its human resources due to the following reasons:</p> <ul style="list-style-type: none"> (i) The detailed remuneration disclosure could possibly give rise to recruitment and talent retention issues, unnecessary staff rivalry and disillusionment; and (ii) The detailed remuneration disclosure may expose the key personnel to competitor as the information of the remuneration of top management is sensitive in view of the competitive nature of the human resource market. <p>The Board is of the opinion that such information will not add significant value and understanding towards the evaluation of the Company's standard of Corporate Governance.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Not applicable.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Terms of Reference of Audit Committee has a policy that requires a former key audit partner of its external auditor to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee.</p> <p>Currently, none of the members of the Audit Committee are former key audit partners.</p> <p>The Terms of Reference of the Audit Committee is available for reference in the Company’s website at www.nylex.com.</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 8.3

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>Under its Terms of Reference and External Auditors Assessment Policy, the Audit Committee is empowered by the Board to assess the independence and performances of the External Auditors and to review all issues in relation to their appointment, re-appointment, resignation or dismissal.</p> <p>The assessment of independence focuses on whether there exists any relationship between the External Auditors and the Directors or Senior Management and major shareholders of the Group as well as any conflict of interest situation arising therefrom, including the extent of non-audit services performed by the External Auditors during the financial year that will give rise to questions about the External Auditors' independence and objectivity in carrying out the responsibilities entrusted to them. The assessment of performance focuses on the External Auditors' experience, competency, resources of the firm, quality of the staff assigned to audit the Company and its subsidiaries' accounts and the Audit Committee's opinion on the quality of the reports to the Audit Committee.</p> <p>The External Auditor Assessment Policy is available for reference in the Company's website at www.nylex.com.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The membership of the Audit Committee comprised solely of Independent Directors.

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	:	All members of the Audit Committee is financially articulate and are able to perform their duties and responsibilities as spelt out in the Terms of Reference of the Audit Committee. The Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants ("MIA"). All members of the Audit Committee have undertaken continuous professional development during the financial year. The details of the training attended by the members of the Audit Committee can be found under the Corporate Governance Overview Statement, on page 26 of the Company's Annual Report 2018.
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 Statement on Risk Management and Internal Control by the Board of Directors ("the Board") outlines the nature and scope of risk management and internal control of Nylex (Malaysia) Berhad ("the Company") and its subsidiaries ("the Group") during the financial year under review.</p> <p>For the purpose of the Statement, the Group means the Company and its subsidiaries, excluding the associate. The Statement does not cover the associate as the Company does not have control over the operations, management and internal control systems of the associate.</p> <p>The Group adopts an Enterprise Risk Management ("ERM") framework and the Board has established a process for identifying, evaluating, monitoring and managing the significant risks that may materially affect the achievement of objectives and strategies. This process is being implemented throughout the Group and the Board will continue to review and strengthen this process from time to time in response to the changes in business environment or regulatory guidelines.</p> <p>Key elements of risk management and internal control that the Board has established in reviewing the adequacy and integrity of the system of internal control are described in the Statement on Risk Management and Internal Control in the Company's Annual Report 2018. During the financial year under review and up to the date of approval of this Statement, these elements were in place and review on the adequacy and effectiveness of the risk management and internal control system was carried out by the Audit Committee, which reported its findings to the Board. Items highlighted to the Board are disclosed in terms of severity, probability of risk occurring, effect of the risk should it occur, and actions currently being taken to mitigate or minimise the risk to acceptable level.</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 9.2

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 Board is responsible for setting the tone at the top and ensuring that the risk management and internal control framework is embedded into the culture, processes and structures of the Group. The Board determines the tolerable risk appetite for the Group and reviews the existing risk management framework, processes and structures of the Group to ensure that the systems are sufficient to provide reasonable assurance that the risk exposure of the Group can be kept within acceptable limits.</p> <p>The Board is supported by the Management, which has been tasked with the implementation of an effective risk management framework. Management performs its role by designing, implementing and monitoring the risk management framework in accordance with the tolerable risk appetite approved by the Board. Where there are changes to the overall risk profile, Management takes the appropriate response to contain the risk and promptly informs the Board on the matter.</p> <p>Key Elements of the Group's Internal Control System:-</p> <p><u>Organisational Structure</u></p> <ul style="list-style-type: none">▪ The Audit Committee in its advisory capacity was established with specific Terms of Reference which include the overseeing and monitoring of the Group's financial reporting system and the review of the effectiveness of the Group's risk management framework and system of internal control periodically.▪ A Risk Management Working Committee, which comprises the Group Managing Director, the Deputy Chief Executive Officer, Chief Financial Officer and selected committee members from the Corporate Office, was established by the Board to oversee and monitor all identified risks and assess the effectiveness and benefits of internal control in mitigating these risks based on the risk management framework adopted by the Group.▪ The Group has in place an organisation structure with formally defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability.

Written Communication of Company Policies and Procedures

- Operational manuals and procedures on authority limits and day-to-day operations are provided to ensure compliance with the Group's risk management and internal control system and the relevant laws and regulations.
- The Board Charter sets out the authorities, roles, functions, compositions and responsibilities of the Board to assist the Directors to be aware of their duties and responsibilities to effectively discharge their fiduciary duty in managing the affairs of the Group. The Board Charter is complemented by the Terms of Reference of the Audit Committee and the Remuneration & Nomination Committee, which sets out the composition, responsibilities and administrative rights of the relevant board committees.

Information and Communications Processes

- Limits of Authority have been established within the Group to define the necessary reporting procedures and appropriate authorised personnel to make decisions on operational matters, such as policy approval and capital and operational expenditure. These limits serve as a control whereby a cross-check system has been incorporated to minimise any abuse of authority.
- Each business unit within the Group prepares its own annual business plans and budgets, which is reviewed by Senior Management. The approved budget serves as a benchmark for the performance of the business units in the ensuing financial period. Monthly comparisons are made between the performance and budget, where significant variances are investigated and explained to the Senior Management so that corrective actions can be taken in a timely manner, if necessary.
- The computers and internal server of the Group are outfitted with antivirus systems to protect the Group's database from cybersecurity threats. All software programs used in the Group are sourced from authorised dealers only to ensure the authenticity and integrity of its information systems.

Protection of Employees and Physical Assets

- The Group has in place insurance and physical safeguards on major assets to prevent any theft or damage that may cause material losses for the Group. Management conducts annual policy renewal exercise to review the coverage of Group's assets against the prevailing market price for the similar assets.

Internal Control

- The Group's internal audit function is outsourced to a public accounting firm of international standing. The internal audit function facilitates the Board in its review and evaluation of the adequacy and integrity of the Group's internal control system.

During the financial year under review, the internal audit function of the Group was outsourced to Deloitte Risk Advisory Sdn Bhd (formerly known as Deloitte Enterprise Risk Services Sdn Bhd ("Deloitte")). Prior to the appointment of Deloitte, the Audit

	<p>Committee has satisfied itself of the independence, resources and qualification of the firm. The findings of the Audit Committee's evaluation on Deloitte can be found under the Audit Committee Report on pages 32 to 35 of the Company's Annual Report 2018.</p> <p>Internal audits are carried out according to the annual audit plan approved by the Audit Committee. The resulting reports from the internal audits undertaken are presented to the Audit Committee at its regular meetings. The Audit Committee meets to review, discuss and direct actions on matters pertaining to the internal audit reports which, among other matters, include findings relating to the adequacy and integrity of the internal control system of the Group. After the Audit Committee has deliberated on the reports, these are then forwarded to the operational management for attention and necessary actions. The operational management is responsible for ensuring recommended corrective actions on reported weaknesses are taken within the required time frame.</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 9.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	Not applicable.

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 Audit Committee is aware that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness and adequacy of the Group's internal control system.</p> <p>In this regard, the Board has outsourced the internal audit function of the Group to an independent professional consulting firm of international standing, Deloitte Risk Advisory Sdn Bhd (formerly known as Deloitte Enterprise Risk Services Sdn Bhd) ("Deloitte"), for the financial year ended 31 May 2018 for a fee of RM115,000. The budget for the internal audit function had been approved by the Board upon recommendation from the Audit Committee. The outsourced internal audit function reports to the Audit Committee and indirectly assists the Board in monitoring and managing risks and the Group's system of internal control.</p> <p>During the financial year, the Internal Auditors carried out the internal audit function based on the internal audit plan approved by the Audit Committee.</p> <p>Amongst the responsibilities of the Internal Auditors were:</p> <ul style="list-style-type: none">(i) to review the adequacy, integrity and effectiveness of the Group's risk management and internal control system in identifying and managing principal risks, ensuring compliance with the law and regulations, preserving the quality of assets and the integrity of management information system and consequently to determine the future requirements for internal control system and to co-develop a prioritised action plan;(ii) to perform a risk assessment of the Group's business operation and to identify the business processes within the Group that internal audit should focus on; and(iii) to allocate audit resources to areas within the Group that provide the Audit Committee and the Management with efficient and effective level of audit coverage. <p>At the Audit Committee meeting, the Internal Auditors presented the quarterly internal audit reports to the Audit Committee for review and discussion. The quarterly internal audit reports, which highlighted internal control weaknesses in the business operations and the Internal Auditors' assessment of the magnitude of the financial effects arising from the weaknesses noted, also contained the Internal Auditors' recommendations on the corrective actions to overcome the internal control weaknesses and the Management's responses to the findings and the recommendations thereof. Target was set for the appropriate corrective actions to be effected and the Internal Auditors would report</p>

	<p>their findings from the follow-up reviews in their internal audit progress reports, to the Audit Committee.</p> <p>Premised on the above, the Audit Committee is of the opinion that the internal audit function is effective and is able to function independently.</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

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	:	Prior to the appointment of Deloitte, the Audit Committee had evaluated the firm, and had satisfied itself that the firm and the relevant personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The Audit Committee also ensured that Deloitte has sufficient resources and is appropriately qualified to conduct the internal audit function of the Group. During its evaluation of Deloitte, the Audit Committee was assured that the personnel from Deloitte received continuous training to keep abreast with developments in the profession, relevant industry and regulations. During the financial year, a team of 6 internal auditors carried out internal audits on the Group. The team is led by Deloitte's Executive Director, Ms Cheryl Khor, who has over 20 years' experience in the field. The internal audits were conducted in accordance with the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p><u>Corporate Disclosure Policy</u></p> <p>The Board acknowledges the importance of timely and thorough dissemination of information to its investors and shareholders. The Board regards regular communications with the public via various announcements and the issuance of Annual Reports, circulars and press releases as key to building a good relationship with its shareholders.</p> <p><u>Leverage on Information Technology</u></p> <p>The Company disseminates information in relation to its financial performance, operations and corporate developments through the Annual Reports, Quarterly Interim Financial Reports, circulars and various general announcements. The Company releases all material information publicly through Bursa Securities and via its website at www.nylex.com</p> <p><u>Effective Communication and Proactive Engagement with Stakeholders</u></p> <p>Announcements on corporate developments are made on a timely basis to Bursa Securities and these are made available to the public via Bursa Securities' website at www.bursamalaysia.com as well as on the Company's website at www.nylex.com</p> <p>Shareholders and investors are encouraged to submit their queries and concerns to the Company via the Company's website at www.nylex.com or e-mail at corp@nylex.com. The queries will be attended to by the Company's Secretaries, the Board or the Senior Management, as the case may be.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Not applicable as Nylex is not a large company
<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 48th Annual General Meeting was circulated at least twenty-one (21) days prior to the date of the general meeting. The Board is of the opinion that the notice period is adequate for the shareholders to go through the Annual Report and the Circulars/Statements supporting the resolutions proposed. This notice period of twenty-one (21) days is in line with Section 316(2) of the Companies Act 2016 and paragraph 7.15 of the Listing Requirements.</p> <p>The Notice of AGM is posted on the Company’s website at www.nylex.com on the same day as the Notice is despatched to the shareholders. It is also being advertised in a major nationally circulated newspaper alongside an announcement on the Bursa Securities’ website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	At the General Meeting, the Board and top management shall attend. The Group Managing Director, Chair of Committees and top management as well as the external auditors and professional advisers, where applicable, are available to answer queries from the shareholders. Shareholders are encouraged to raise questions before matters on the agenda are put to a vote.	
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	:	Applied	
Explanation on application of the practice	:	<p>The Company does not have large number of shareholders in remote locations.</p> <p>The Company would hold its General Meetings at venues that are easily accessible by the shareholders and at a time convenient to the shareholders to encourage them to attend and participate in the meetings either in person, by corporate representative, by proxy or by attorney. The shareholders are encouraged and given sufficient opportunity to enquire about the Group’s activities and prospects as well as to communicate their expectations and concerns to the Board at these meetings.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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

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

Not applicable.
