

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 6084  
**COMPANY NAME** : STAR MEDIA GROUP BERHAD  
**FINANCIAL YEAR** : December 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("Board") of Star Media Group Berhad ("Star" or "the Company") is responsible in determining the strategic direction of the Company thereby ensuring the delivery of sustainable value to its shareholders and stakeholders. The Board assumes, among others, the following principal roles and responsibilities in discharging its duties and responsibilities:</p> <p>(a) <u>Reviewing, approving and monitoring the overall strategies and direction of the Group</u></p> <p>The Board reviews and adopts strategic plans for the Company and its subsidiaries (collectively referred to as the "Group") periodically. The Board also follows up with Management regularly to review/discuss the development of the proposed strategic plans implemented to ensure the objectives are met.</p> <p>An off-site strategy retreat for Directors and key Management staff across the Group was held on 12 and 13 October 2018 to thoroughly review and deliberate the annual operating plan and strategic direction of the Company and Group moving forward in line with the transformation plan embarked by the Company. The Directors were engaged throughout and provided their views and feedback on what was presented. Following this retreat, Senior Management has incorporated the feedback provided into further detailed strategies. A brain storming session between Directors and Senior Management was also held in October 2018 to discuss the new products/revenue streams and identify new opportunities in the current landscape for the Company and Group to take on, to stay relevant and competitive in the market.</p>

(b) Overseeing and evaluating the conduct and performance of the Company and Group’s businesses

The Group Managing Director & Chief Executive Officer (“GMD & CEO”) is responsible for the day-to-day management of the Group operations and business as well as implementation of business plans and strategies, policies and decisions approved by the Board. The GMD & CEO is supported by a Management Team whose members are tasked to oversee key operating areas within the Group.

The Board monitors the financial and operational progress of the Group via the monthly financial reports sent to Board members and updates from Management at the quarterly board meetings. The Board is also informed of the progress of implementation of the Company’s strategic initiatives and other operational issues from minutes of the regular management meetings shared with the Directors.

(c) Oversight of risk management and internal control

The Board through Audit Committee (“AC”) is responsible for the risk oversight and review of the adequacy of compliance and control throughout the Group.

The AC reviews the quarterly updated risk report and risk profile of the Group to ensure that appropriate internal controls and adequate risk mitigating measures are in place.

The Board is also ultimately responsible for the adequacy and integrity of the Company’s internal control system, which are managed and monitored by the Internal Audit Department. The Head of Internal Audit presents the internal audit report comprising significant audit findings, Management’s feedback on the findings discovered and progress report of the rectification and improvement to the internal control system at quarterly AC meetings. The annual IA plan outlining the audit assignments for the year is also tabled and approved by the AC.

Details of the Company’s risk management framework and internal audit function are set out in the Statement on Risk Management and Internal Control in the Annual Report 2018.

There are matters which are specifically reserved for the Board for its deliberation and decision to ensure the direction and control of the Group’s businesses are vested in its hands.

The Board has delegated specific responsibilities to three (3) Board Committees, namely AC, Nomination Committee and Remuneration Committee. These Board Committees operate under clearly defined roles and responsibilities as set out in the respective Terms of

	<p>Reference. They have authority to deal with particular issues and report to the Board with their respective recommendations.</p> <p>In terms of values and ethical standards of the Group, all Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies.</p> <p>The Board also values dialogue with stakeholders and appreciates the keen interest of shareholders on Star's performance. In this regard, the Board ensures timely and relevant information about the Company is disseminated to stakeholders via different platforms such as press write-up, web and analyst briefings. The guidance in the Corporate Disclosure Guide is strictly observed by the Board and Management when communicate with stakeholders.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></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 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Details of the responsibilities of the Chairman are set out in the Board Charter, which is available on the Company's website at <a href="http://www.starmediatgroup.my">www.starmediatgroup.my</a>.</p> <p>The Chairman of the Board, Dato' Fu Ah Kiow plays a key role in leading and ensuring the adequacy and effectiveness of the Board's performance and governance practices. He works closely with the Board members in formulating the policy framework and strategies.</p> <p>The Chairman with the assistance of the Company Secretaries sets the board agenda for each meeting based on the dates of scheduled Board meetings in the annual meeting calendar, and the same is circulated to the Board members accordingly.</p> <p>During deliberations at the board meetings, the Chairman provides his objective views and regularly seeks the opinions of Board members on matters being discussed during meetings and ensures that the decisions made are a representation of the Board as a whole.</p> <p>The good leadership of the Chairman is acknowledged by the rating that is above average by other Directors on board via the annual Board Effectiveness Evaluation conducted for the financial year 2018.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of a clear division of responsibilities between the Chairman and the GMD &amp; CEO to ensure a balance of power and authority. The roles of Chairman and the GMD &amp; CEO are separated and clearly defined in the Board Charter, which is published on the Company's website. The positions of Chairman and GMD &amp; CEO were held by Dato' Fu Ah Kiow and Datuk Seri Wong Chun Wai respectively during the financial year 2018. Dato' Fu is the current Chairman of the Board whilst Datuk Seri Wong had retired as GMD &amp; CEO of the Company since 1 January 2019.</p> <p>During the financial year under review, the Chairman continued to lead and guide the Board in its collective oversight of Management. Meanwhile, the GMD &amp; CEO who was supported by the Management team was responsible for the day-to-day management of the Group's business, which includes implementing policies and decisions of the Board, overseeing the operations to ensure the organizational effectiveness and managing the development and implementation of the Company's business and corporate strategies.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 1.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the year under review, the Board was supported by professionally qualified and competent Company Secretaries, namely, Ms. Ong Wei Lymn and Ms. Hoh Yik Siew. The Company Secretaries have the requisite credentials and they are qualified Chartered Secretaries and Associate members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (MAICSA). Ms. Ong Wei Lymn had retired as Group Company Secretary of the Company effective from 22 November 2018.</p> <p>The Company Secretaries constantly keep themselves abreast with the regulatory changes and corporate governance development through attending the relevant conferences and training programmes in order to play an effective advisory role to the Board and ensure the Company complies with the relevant statutory requirements of the Companies Act 2016, the Listing Requirements and other regulatory bodies.</p> <p>The Board has unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries, whose appointment and removal is a matter reserved for the Board, advised the Board on matters including corporate governance issues and Directors' responsibilities in complying with relevant regulations as well as updates on regulatory changes. The Company Secretaries provide support to the Board on adherence to Board policies and procedures.</p> <p>The Company Secretaries prepare meeting agenda in consultation with the Chairman of the Board and Board Committees, compile and circulate meeting materials, attend all meetings and ensures the salient discussions/deliberations during meetings are accurately recorded in the minutes and properly maintained. The Company Secretaries also facilitate proper communications and ensure the effective flow of information between the Board, Board Committees and the Senior Management by ensuring that action items highlighted and discussed during meetings are acted upon by the Management. The Company Secretaries further ensure that outstanding action items are brought to the attention of the Senior Management and upon which they are addressed and reported to the Board accordingly.</p>

	<p>All new Directors appointed to the Board will receive a formal induction programme to be provided by the GMD &amp; CEO and Senior Management which is arranged through the Company Secretaries. To supplement the programme, an information kit will be furnished by the Company Secretaries immediately upon a Director's appointment containing information such as disclosure obligations of a director, Board Charter, Annual Report, schedule of meetings and etc. The Company Secretaries also provide one-to-one session to introduce the paperless meeting solution in the form of a digital app for instantaneous delivery of board and meeting packs which can be accessed online and offline from any location. The induction programme for the two (2) new Directors, namely Mr Chan Seng Fatt and Mr Loh Chee Can was provided by the GMD &amp; CEO and/or Senior Management covering both operational and financial overview of the Group. The Secretaries also arranged one-to-one session for new Directors on the digital app for board and meeting packs.</p> <p>For the meetings of shareholders of the Company particularly the AGM, the Company Secretaries play an important role in ensuring that the processes and proceedings are properly managed. During the meeting, the Company Secretaries will assist the Chairman and the Board to conduct the meeting and ensure the minutes are properly recorded.</p> <p>The Company Secretaries also facilitate the Board in conducting the annual Board Effectiveness Assessment and prepare the relevant forms on the assessment of the performance of Board and Board Committees as well as independence of the Independent Non-Executive Directors of the Company. The questionnaires are refreshed annually to continuously engage the Directors' perspective on relevant areas and the assessment is conducted via electronic means. The Secretaries collate the results and compile the assessment for tabling at the Nomination Committee and Board Meetings.</p> <p>The Company Secretaries arrange for the Directors' attendance at the training programmes, which are conducted either in-house or by external parties and keeps a record of the training received by the Directors.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	



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

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The annual meeting calendar is prepared and circulated in advance of each financial year to allow Directors to plan ahead. The calendar provides Directors with all the Board and Board Committees meeting dates including the Annual General Meeting ("AGM").</p> <p>Prior to the Board and Board Committee meetings, a formal and structured agenda together with the agenda papers are forwarded to the Directors via electronic means at least five (5) business days prior to the Board and Board Committee meetings. Exceptions may be made for certain ad-hoc or urgent instances when Directors unanimously consent to a shorter notice period and elapsed timeframe for the provision of agenda papers.</p> <p>During the year, Star continued its practice of distribution meeting materials and dissemination of relevant information such as the monthly financial reports to the Directors through a paperless meeting solution, a secured online portal through the use of an application on the tablet devices. This Board Management Software improves the efficiency of meeting processes, reduce paper usage and allows Directors to access papers in a timely and secure manner.</p> <p>Upon receipt of the completed meeting materials from Management, the Company Secretaries will ensure that the meeting papers are uploaded and the Directors are notified via email of the meeting materials.</p> <p>The deliberations and decisions at Board and Board Committees meetings are minuted in a clear, accurate and timely manner. The minutes of meetings record the decisions, including the key deliberations, rationale for each decision and recommendation made, and any significant concerns or dissenting views. The minutes also indicates whether any interested Director has abstained from deliberation and voting on a particular matter that has conflicting interests with the said Director.</p> <p>The draft minutes of the meetings are circulated to the respective Chairman of the Board and Board Committee meetings as well as GMD &amp; CEO, Group Chief Financial Officer and Group Chief Operating</p>

	<p>Officer within two (2) weeks from the meetings for their comments. The action items identified and highlighted during meetings are conveyed to the Management for their necessary action.</p> <p>The Directors may, if necessary, seek independent professional advice at the Company's expense, with consent from the Chairman or Board Committee Chairman, as the case may be.</p>	
<p><b>Explanation for departure</b></p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	:	
<p><b>Timeframe</b></p>	:	

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board adopts a Board Charter which sets out among others, the roles of the Board and Board Committees and duties and responsibilities of Chairman and GMD &amp; CEO and serves as a source of reference for new Directors. The Board's specific reserved matters cover areas such as annual budget and strategic plans of the Group, material funding proposals, investments, acquisition and divestments and changes in the key policies and procedures.</p> <p>The Company's Board Charter is periodically reviewed and updated in accordance with changes in the relevant regulations and best practices and consistent with the Board's responsibilities. The Board reviewed the Board Charter twice in 2018, i.e in March and November 2018, to amongst others, strengthen the guidelines under the Code of Conduct to be in line with the Group's policy and best practices.</p> <p>The latest Board Charter is published on the Company's website at <a href="http://www.starmediagroup.my">www.starmediagroup.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has adopted and implemented a Code of Conduct and Ethics ("CCE") that reflects the Company's vision and core values. The Company has in place a separate code of conduct and ethics for Directors and employees of the Company.</p> <p>The Board is mindful of its leadership in business ethics practices as one of the key elements of business sustainability. The CCE for Directors which are part of the adopted Board Charter, provides principles and standards relating to Directors' fiduciary duty to act in public interest and best interest of the Group.</p> <p>In addition, the Board is provided guidance on disclosure of conflicts of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests for the Company's monitoring on a half yearly basis or as and when required. All Directors of the Company are required to notify Chairman before accepting any new directorships in other companies.</p> <p>Notices on the closed period for trading in the Company's shares are sent to Directors and principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the Listing Requirements of Bursa Securities.</p> <p>The CCE for Employees are stipulated in the Employee Handbook in</p>

	the Company's portal system. The CCE for employees promotes integrity and ethical conduct/behaviour in all aspects of the Company's operations, including privacy and confidentiality of information and sets out the prohibited activities or misconduct involving gifts, gratuities, bribes, dishonest behaviour and sexual harassment.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised Whistleblowing Policy and accompanying procedures that are applicable to all employees of the Company and Group. The Whistleblowing Policy outlines avenues for employees to raise legitimate concerns relating to potential breaches of business conduct, non-compliance with legal and regulatory requirements as well as other malpractices. The Board vide the Whistleblowing Policy emphasizes good faith in reporting, protection from reprisal as well as anonymity of the whistleblower's identity.</p> <p>The Whistleblowing Policy as well as the relevant procedures are reviewed by the Board as and when necessary. The Board through AC reviewed the Whistle Blowing Policy in February 2018 following recommendation by Internal Auditor to enhance the policy to prevent false reporting and abuse to the reporting channel.</p> <p>The Whistleblowing Policy and procedures are available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the financial year under review, the Board comprised seven (7) Directors, as follows:</p> <ul style="list-style-type: none"><li>(a) Four (4) Independent Non-Executive Directors;</li><li>(b) Two (2) Non-Independent Non-Executive Directors and</li><li>(c) One (1) Executive Director, i.e GMD &amp; CEO</li></ul> <p>Based on the above, 57% of the Board members are Independent Directors to ensure balance of power and authority within the Board.</p> <p>Following the retirement of GMD &amp; CEO effective 1 January 2019 and subsequent appointment of Mr Loh Chee Can, Independent Non-Executive Director effective 3 January 2019, the Board comprises 71% of Independent Non-Executive Directors.</p> <p>All five (5) Independent Directors meets the criteria of "independence" as defined in Paragraph 1.01 of the Listing Requirements of Bursa Securities and other independence criteria applied by the Company. The presence of majority Independent Directors brings the element of detached impartiality to the oversight function of the Board. Their presence allows the Board to apply heightened professional scepticism and challenge Management in an unbiased manner and prevent dominance and complacency in the boardroom.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 4.2**

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

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

<b>Application</b>	:	Not applicable - No independent director(s) serving beyond 9 years	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has delegated the responsibilities for recommending potential candidates as Directors and Senior Management to Nomination Committee (“NC”) but the ultimate decision on the appointment of candidates is solely that of the Board as a whole.</p> <p>The NC assessed all the Board candidates prior to their appointments, taking into account, the required mix of skills and experience, capabilities, expected contribution and time commitment, independence (where applicable) and diversity to enable effective oversight, delegation of responsibilities and productive discussions among members of the Board.</p> <p>In selecting potential candidates for Senior Management, the Board and NC will consider candidates who demonstrate among others, key competencies and experience required at top management level to lead their team. The Board is committed to nurture diversity within the Group where women candidates are also sought and considered as part of the recruitment exercise.</p> <p>The Board alongside the NC also undertake periodic reviews of the constitution of the Board members and Key Management personnel to ensure their contributions are relevant and they are performing their roles effectively.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the need for it to escalate its efforts to establish a diverse Board which bears a variety in the dimensions of skills, experience, age, cultural background and gender.</p> <p>The disclosures on the Company's policies on gender diversity, its targets and measures to meet those targets are made available in the Corporate Governance Overview Statement of the Annual Report.</p> <p>Following the retirement of Datin Linda Ngiam Pick Ngoh as Director of the Company in May 2018, the Board comprised one (1) woman Director, i.e. Madam Wong You Fong, which represents 14% of the Board Composition. The Board takes note of the minimum 30% requirement of women directors on Board for good practice and this will be one of the considerations for future appointment of directors of the Company.</p> <p>The Board values the diversity of perspectives and experience at Senior Management level for better decision making and competitive advantage. Currently, more than half of the Senior Management positions of the Company are held by women. The strong female representation at the Senior Management level may serve to form the pipeline of candidates potentially available for directorships.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In identifying suitably qualified candidates for appointment to the Board of Directors, the Board relies on the recommendations by existing board members, Management and/or major shareholder who either know the candidates themselves or are business associates with capabilities and experience that are sought by the Group.</p> <p>The Company also relies on recommendations by independent sources to identify suitable candidates that meet the Group's needs. The appointment of the Independent Director during the year was based on the above after considering the director's professional background, experience, skills and expertise.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.7

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Currently, the NC is chaired by a Non-Independent Non-Executive Director, Tan Sri Kuan Peng Soon.</p> <p>The Company's former Senior Independent Director, Mr Lee Siang Chin was not designated as the Chairman of the NC. Since the resignation of Mr Lee Siang Chin in October 2018, the Board has yet to appoint a replacement director for the position of Senior Independent Director.</p> <p>The Board acknowledges that the efficacy of the NC to a large extent hinges on the effectiveness of its Chairman. In this regard, the Board is confident that Tan Sri Kuan Peng Soon, given his vast experience in the corporate sector and leadership qualities, would be well-placed to lead the succession planning and appointment of Board members and Senior Management members as well as the annual review of the Board effectiveness.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

## Intended Outcome

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

### Practice 5.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a formal and objective annual evaluation of the Board, Board Committees and Directors' performance. The assessment took into account the contribution and performance of the Directors in relation to their competencies, time commitment and experience in meeting the needs of the Group.</p> <p>The evaluation of the contribution and performance of the individual Director and the effectiveness of Board as a whole and the performance of the Board Committees was based on self-review assessment. The outcome of the assessment was tabled at the Nomination Committee and Board Meetings for review and discussion. All assessment and evaluation carried out were properly documented.</p> <p>Based on the recent assessment, the NC was satisfied that the Board size and its composition are optimum as the Board comprises individuals with the requisite skills, knowledge, experience, characteristics and competencies to effectively discharge their roles. The Directors, Board Committees and key officers had also discharged their responsibilities in a commendable manner and contributed to the overall effectiveness of the Board and Company. The Directors had also committed the time necessary to responsibly fulfill their commitment to the Company and Group during the year.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 6.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a formal and transparent process for approving the remuneration of the Board and Board Committees, the GMD &amp; CEO and Senior Management. The Remuneration Committee ("RC") reviews the remuneration policy for the members of the Board, Board Committees and the GMD &amp; CEO as well as Senior Management annually prior to making its recommendations to the Board for approval. The remuneration policy is encapsulated in the Board Charter, which is made available on the Company's website.</p> <p>The remuneration of Non-Executive Directors ("NEDs") is structured according to the overall performance of the Company and commensurate with their level of responsibilities.</p> <p>The fees of the NEDs and any benefits payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting in accordance with Section 230 of the Companies Act 2016.</p> <p>The RC also evaluates the GMD &amp; CEO's remuneration package based on his performance and ability to meet the predetermined criteria. On the other hand, the remuneration for Senior Management is based on experience, expertise, skills and industry benchmarks taking into consideration the Company's performance. To ensure consistency in performance assessment, the final performance ratings by GMD &amp; CEO is used for the purpose of determining their performance bonus and annual increment.</p>
<b>Explanation for departure</b>	:	



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

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

**Intended Outcome**

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

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

**Practice 6.2**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has constituted a RC to assist in developing and administrating a fair and transparent procedure for setting the remuneration of Directors and Senior Management. The RC comprises wholly of NEDs.</p> <p>The duties and responsibilities of RC are stated in its Terms of Reference. The Terms of Reference of the RC is available on the Company’s website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board strives to ensure that information pertaining to Directors' remuneration is made transparent and accessible to shareholders and other stakeholders.</p> <p>The detailed disclosure of each Directors' remuneration package includes fees, salary, bonus, benefits-in-kind are disclosed in the Company's Annual Report 2018.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 7.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	Due to confidentiality and sensitivity of the information, the Company departs from this Practice. Nevertheless, details of remuneration of the Group MD & CEO were disclosed in the Corporate Governance Overview Statement in the Annual Report 2018. Meanwhile, the aggregate amount of remuneration/compensation of key management personnel was disclosed under Note 30(c) to the Audited Financial Statements for the year ended 31 December 2018.
	:	The Board ensures that the remuneration of the Senior Management commensurate with their individual performance, taking into consideration of the Company's performance and achievement of key performance indicators.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The former Chairman of the AC, Mr. Lee Siang Chin is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW). Mr. Lee ceased as Chairman of the AC following his resignation as an Independent Non-Executive Director of the Company on 10 August 2018.</p> <p>Subsequently, Mr. Chan Seng Fatt, Independent Non-Executive Director was appointed as Chairman of the AC on 11 August 2018. Mr. Chan is a Chartered Accountant of Malaysia Institute of Accountants.</p> <p>Both Mr. Lee and Mr. Chan are not the Chairman of the Board, so as not to impair the objectivity of the Board's view of the AC's findings and recommendations.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has always recognised the need to uphold independence. None of the members of the Board were former key audit partners.</p> <p>The Company has in place a policy not to consider a former audit partner as a candidate for appointment as member of the AC. This is to ensure that the objectivity, independence and effectiveness of external auditors are maintained. So far, none of the former audit partner of the Company/Group is appointed as the AC of the Company.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has in place its Terms of Reference which specifies the functions of the AC. These amongst other include reviewing the suitability, objectivity and independence of the external auditor as well as the quality of audit services rendered. The AC also reviews the nature and extent of non-audit services rendered by the external auditor, if any.</p> <p>On 30 November 2018, the External Auditor, BDO PLT in its presentation on the Audit Plan to the AC, declared its independence in relation to its engagement as the External Auditor of the Group in accordance with the terms of the relevant professional and regulatory requirements in respect of the audited financial statements of the Group for the financial year ended 31 December 2018.</p> <p>Pursuant to the assessment on the suitability, objectivity and independence of the External Auditor, the Board had approved the recommendation for the shareholders' approval to be sought at the forthcoming AGM on the re-appointment of BDO PLT as the External Auditor of the Company.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 8.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC Chairman, Mr. Chan Seng Fatt is a Chartered Accountant of Malaysia Institute of Accountants. He has more than thirty (30) years extensive experience covering various aspects of experience namely external and management auditing, financial management, corporate finance, stockbroking and senior level operation and general management.</p> <p>All the AC members are financially literate and possess the requisite knowledge and experience to discharge their functions effectively.</p> <p>The AC members had during the financial year, attended various training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and keep abreast with the relevant changes in law, regulations, risk management and business environment. Details of the trainings or seminars attended by the AC members during the financial year ended 31 December 2018 are set out in the Corporate Governance Overview Statement.</p> <p>In February 2019, the Board through the NC, had assessed the performance of the AC and its members during the financial year 2018 and was satisfied with the performance of the AC and its members in discharging their duties and responsibilities effectively.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board maintains a sound risk management framework and system of internal control to safeguard shareholders’ investment and the Company’s assets. In this respect, the Board through AC has put in a place an Enterprise Risk Management framework to identify, evaluate and manage significant risks that may affect the Company and Group’s business objectives.</p> <p>A Management level Committee, namely, the Risk Management Committee meets on a quarterly basis to review the risks identified and devise mitigation or management strategies.</p> <p>The Board also ensures that internal controls are adequately implemented to manage and minimise the occurrence of material misstatement, financial loss or fraud.</p> <p>The Statement on Risk Management and Internal Control which provides an overview of the risk management framework and state of internal controls within the Company and the Group is provided on page 60 of the Annual Report 2018.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board had disclosed the features of the key features of its risk management and internal control system in the Statement on Risk Management and Internal Control in the Annual Report 2018.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 9.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is under the purview of Internal Audit Department and led by the Head of Internal Audit who has unrestricted access to the AC and reports directly to the AC Chairman. The Internal Audit Department is accorded with appropriate standing and authority to facilitate the discharge of its duties. The Internal Audit Department has access to all relevant records, personnel and properties within the Group to carry out its work.</p> <p>The Internal Audit Department provides assurance on the adequacy and effectiveness of the governance, risk and internal control processes.</p> <p>The AC reviews the internal audit reports issued by the Head of Internal Audit during the financial year under review. The said reports encompass audit findings and Management’s corrective actions are presented at quarterly AC meetings. The Internal Audit Department also follows up on the status of internal findings to ascertain if all necessary actions are taken within the stipulated timeframe.</p> <p>The Head of Internal Audit meets with AC twice a year without the presence of the Executive Director and Management to provide feedback on the audit services, audit findings and any other related matters.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 10.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group’s Internal Audit Department is lead by the Head of Internal Audit, Ms. Chai Ming Jye. Ms. Chai is a Fellow of the Association of Chartered Certified Accountants, a member of the Malaysian Institute of Accountants and a professional member of the Institute of Internal Auditors Malaysia. Her profile is stated under the “Key Management Profile” section in the Annual Report 2018.</p> <p>During the financial year 2018, the Internal Audit Department is staffed by five (5) internal auditors including the Head of Internal Audit, with relevant skill, experience and qualifications. None of the internal audit personnel has any relationship or conflict of interest that could impair their objectivity and independence in conducting their audit. The Internal Audit Department adopts a risk-based audit approach towards the planning and conduct of audit for the Group.</p> <p>Star’s internal audit is guided by the Internal Audit Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

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

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

## Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of an effective and transparent communication with its stakeholders, institutional investors and investing public at large to provide a clear picture of the Group's performance and position.</p> <p>The Company employs various communication platforms to reach out to shareholders and stakeholders. This includes among others, publications of Company's announcements including the Group's financial results and corporate proposals/developments, publication of annual report, issuance of press releases for significant events, holding of regular investors briefings and engaging with media, business partners and surrounding communities at various events.</p> <p>The Company has a dedicated Corporate Finance team which meets key institutional investors and analysts on a regular basis, as well as answers queries and concerns from shareholders.</p> <p>The Company has incorporated a section for "Investor Relations" in its websites which provides all relevant information on the Group such as stock performance, Bursa Securities announcements, Annual Report, Minutes of AGM, Board Charter, Terms of Reference for Board Committees, investor presentations and investor calendar.</p> <p>Shareholders and investors can make inquiries about investor relations matters via a dedicated email address at <a href="mailto:investor-relations@thestar.com.my">investor-relations@thestar.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

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

**Practice 11.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Star is not a Large Company as defined by the Malaysian Code on Corporate Governance and as such, is not subjected to Practice 11.2.</p> <p>The current Annual Report of Star provides stakeholders with a fairly comprehensive overview on the Company’s financial and non-financial information, demonstrating how the Company’s strategy, actions, performance, governance and prospects lead to stakeholder value creation.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 12.1

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Currently, the Company disseminates the Notice of Annual General (“AGM”) to shareholders at least 21 clear days (both dates of despatch and AGM are excluded) prior to the AGM. This is in line with Section 316(2) of Companies Act 2016 and Paragraph 7.15 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad which require notice convening of AGM shall be given to all shareholders at least 21 days before the meeting.</p> <p>The Board was of the view that notice of 21 clear days in advance of the AGM was sufficient to consider the resolutions that will be discussed at the AGM.</p> <p>The Notice of AGM is circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Malaysia Securities Berhad. This allows shareholders to have immediate access of the notice of AGM and make necessary arrangements for the AGM.</p> <p>In addition, the Notice of AGM outlines the resolutions to be tabled at the AGM and accompanied with explanatory notes and background information to enable shareholders to make an informed decision in exercising their voting rights.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

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

### Practice 12.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All the Directors and Board Committees had attended and participated the Company's 46<sup>th</sup> AGM held on 15 May 2018 as well as the past AGMs. Members of the Management team and external auditors were also present and available to respond to questions addressed to them.</p> <p>The proceedings of the AGM included the presentation of the Company's operations and financial performance during the year 2018 by Group MD/CEO, followed by a Questions &amp; Answers session whereby the Chairman invited shareholders to raise questions pertaining to the Company's financial statements and other matters tabled at the meeting, before putting the resolutions to vote. The Chairman has always provided sufficient time and opportunities for the shareholders to raise questions and participate in the AGM.</p> <p>At the AGM, the Group MD/CEO also shared the Company's responses to questions/points raised by the Minority Shareholder Watchdog Group ("MSWG"). It is customary for the Company to provide feedback and responses to the shareholders' queries such as MSWG and institutional shareholders, save for sensitive information which may not be privy to public. Written responses will be given when necessary.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 12.3

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

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

<b>Application</b>	Applied
<b>Explanation on application of the practice</b>	<p>The Board has always given its utmost consideration to the location of the Company's general meetings to ensure it is convenient and easily accessible to those shareholders who are attending the meetings.</p> <p>The Company's AGM and other meetings of members are usually held at Menara Star at Petaling Jaya, Selangor which is easily accessible for those who drive or taking public transport. It is also where the Registered Office is situated.</p> <p>Shareholders who are unable to attend the general meetings are allowed to appoint proxy/proxies to vote on their behalf in their absence. The proxy form is sent together with the abridged annual report (for AGM) or circular (in the case of extraordinary general meeting) sent to all shareholders who are entitled to attend and vote at the meetings.</p> <p>The Company has adopted electronic voting for the conduct of poll on all resolutions tabled at the general meetings whereby electronic voting devices are deployed to provide a more efficient voting process and accurate outcome of the results.</p> <p>The Company will be exploring the appropriate measures to facilitate greater participation by shareholders in the Company's general meetings by leveraging on technology.</p>
<b>Explanation for departure</b>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	
<b>Timeframe</b>	

**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.*

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