

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 4065  
**COMPANY NAME** : PPB Group Berhad  
**FINANCIAL YEAR** : December 31, 2019

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the overall performance and effective control of PPB Group, setting and reviewing the strategic direction of the Group, and monitoring the implementation by management of that strategy including :</p> <ul style="list-style-type: none"> <li>• Approving the strategic direction of the Group;</li> <li>• Overseeing the conduct of the Group's businesses;</li> <li>• Overseeing the allocation of Group resources and monitoring the financial performance of the Group;</li> <li>• Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;</li> <li>• Monitoring and reviewing the Group's risk management system and internal control; and</li> <li>• Pursuant to the Group Corporate Disclosure Policy, overseeing an investor relations policy for effective communication with stakeholders.</li> </ul> <p>The Group's strategic plan covers the four main business segments, and aims to :</p> <ul style="list-style-type: none"> <li>• align the Group's business activities towards the achievement of its vision, mission and objectives;</li> <li>• provide a practical framework within which the businesses can operate and develop;</li> <li>• help management monitor and actualise investments, project development plans and prospects; and</li> <li>• facilitate discussion with stakeholders on the Group's businesses.</li> </ul> <p>The 5-year strategic plans of the various business units were updated in 2019/2020 to align their business operations, and operational and tactical plans with the Group's objectives in response to a dynamic environment; and include economic, environmental and social (ie sustainability) considerations. The Board approved the overall PPB Group Strategic Plan (2019-2023) in February 2020.</p>
<b>Explanation for departure</b>	:	N/A

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

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman's responsibilities include the following :</p> <ol style="list-style-type: none"> <li>1. Represent the Board to shareholders.</li> <li>2. Provide Board leadership on policy formation and decision-making.</li> <li>3. Oversee and maintain regular dialogue with the Managing Director and chief executives on strategic matters and consult the Board on any matter which may materially affect the financial position or business of the PPB Group.</li> <li>4. Ensure the integrity and effectiveness of the governance process of the Board.</li> <li>5. Ensure that management proposals are deliberated and examined by the Board, taking into account stakeholders' interests.</li> <li>6. Conduct and facilitate meetings of the Board to ensure that appropriate discussions take place and that relevant opinions among Board members are forthcoming.</li> <li>7. Organise information necessary for the Board to deal with the agenda and ensure that directors have full and timely access to information, to enable them to appreciate the issues to be deliberated upon and obtain any further explanation required.</li> </ol>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A
<b>Timeframe</b>	:	N/A

### 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 positions of Chairman and CEO are held by different individuals, namely Tan Sri Datuk Oh Siew Nam; and Mr Lim Soon Huat, the Managing Director.</p> <p>The Chairman's duties and responsibilities are set out under Practice 1.2 above.</p> <p>The Managing Director is responsible for overseeing the development and operations of the Group's businesses, and implementing corporate strategies and objectives adopted by the Board. His other responsibilities include pursuing growth in the Group's operational and financial performance, ensuring that appropriate risk management and compliance procedures are in place, and overseeing human capital management.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### Intended Outcome

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

### Practice 1.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by a Company Secretary who is qualified under Section 235(2)(a) of the Companies Act 2016.</p> <p>In exercising their duties, directors have access to information within the Company, and to the advice and services of the company secretary whether as a full board or in their individual capacity. The company secretary also updates directors on statutory and regulatory requirements relating to the discharge of their duties and responsibilities.</p> <p>The company secretary's qualifications and experience are set out on page 47 of the 2019 Annual Report.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### 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>	:	The Company endeavours to issue the agenda and board papers in sufficient time prior to board (and board committee) meetings (ie at least a week) to enable directors to appreciate the issues to be deliberated and where necessary, to obtain any further explanation required. The Board papers include updates on financial, operational and corporate developments of the Group. Directors are briefed at each Board Meeting on the Group's activities and operations by the chief executives of the main business units.  Minutes of board and committee meetings are reviewed and approved by the respective chairs before circulation to other Board members, and confirmed at the next Board meeting.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>A board charter adopted in 2014 sets out matters reserved for the Board's decision and outlines the Board's roles and responsibilities. Together with the Group's strategic plan, the charter also serves as a source of reference and primary induction literature, providing insights to new Board members. The charter is periodically reviewed and updated in accordance with the needs of the Company and any new regulations which may impact the discharge of the Board's responsibilities.</p> <p>To ensure that the governance of the Group is in the Board's hands, there is a schedule of matters specifically for the Board's decision, including amongst others, the overall Group strategy and direction; major policies, appointment of board members and board committees; approval of financial statements, corporate plans and budgets, material acquisitions and disposals of assets, and major investments.</p> <p>The Board's responsibilities to direct and have oversight of management in the business and operations of the Group are also set out in the charter. In addition, the various Board committees have their own terms of reference which set out their authority, scope and responsibilities.</p> <p>The board charter is not presently uploaded on the company website.</p>
<b>Explanation for departure</b>	:	<p>The board charter will be reviewed to align with the updated Group Strategic Plan, and to include provisions on sustainability, and an anti-bribery and corruption ("ABAC") framework.</p>
<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>	:	The review of the board charter is still ongoing and will be considered thereafter for uploading to the company website after approval and adoption.
<b>Timeframe</b>	:	By 4Q2020.



### 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>	:	A Group-wide code of ethics and code of conduct, including a whistle-blowing policy has been adopted, and incorporated in the employee handbooks. The code of conduct sets out the minimum standards of conduct and personal behaviour to maintain a uniform set of values and ethics within the Group. As these codes are embedded in the respective Group employee handbooks, all employees are required to comply with and observe the provisions therein.
<b>Explanation for departure</b>	:	The above codes and policies are not presently published on the company website. They are being reviewed as part of the Group ABAC framework which is currently being developed, and will be strengthened/expanded if necessary, and thereafter tabled to the Board for approval. Pending the completion of this exercise, they have not been uploaded to the website.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The codes and policies are being reviewed/updated to be approved and adopted by the Board, and intended to be published thereafter on the Company's website.
<b>Timeframe</b>	:	By 4Q2020.

### 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>	:	A whistle-blowing policy has been adopted by the Company in 2015 and incorporated in the employee handbook. This has been adopted by the respective business units throughout the Group. The whistle-blowing policy is designed to enable employees to raise concerns without fear of retribution; it provides a transparent and confidential process for dealing with concerns.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

**Intended Outcome**

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

**Practice 4.1**

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>There are seven directors on the Board, of whom four are independent. As such there is a majority of independent directors on the Board.</p> <p>The independent directors are able to carry out their duties and express their views unfettered by familiarity, or business or other relationships. They provide skills, competencies as well as broader views to enhance the Board's effectiveness.</p>	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

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

### Practice 4.2

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

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

<b>Application</b>	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years	
<b>Explanation on application of the practice</b>	:	The board has agreed that annual shareholders' approval be sought to extend the tenure of a director who has served for more than nine years as an independent director.  The tenure of Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid as an independent director exceeded nine years in June 2018, and his tenure as an independent director has been extended twice at the Annual General Meetings of the Company.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

**Intended Outcome**

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

**Practice 4.3 - 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>	:	N/A

### Intended Outcome

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

### Practice 4.4

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>	:	The criteria for the evaluation of candidates for appointment as directors and to senior management positions include their qualification, occupation, professional and business experience, and are subject to the Company and Group's requirements and operating environment. The selection of candidates for board and senior management positions is conducted in a professional, fair and confidential manner. Prospective candidates are not discriminated based on gender, age, cultural background etc.  The Board strives to achieve a balance and mix of skills, experience and perspectives amongst the directors, to collectively bring a wider range of experience, business, financial and technical expertise for effective oversight of the Group's diversified businesses, and fulfill the Board's duties and responsibilities.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

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

### Practice 4.5

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>	:	Departure	
<b>Explanation on application of the practice</b>	:	N/A	
<b>Explanation for departure</b>	:	There is presently no formal gender diversity policy. The Board is of the opinion that it is important to recruit and retain the best available talent to optimise the effectiveness of the board and senior management; taking into account the required mix of skills, experience, knowledge and independence, and based on the Group's needs and operating environment.	
		There is presently one woman director on the Board and going forward, gender diversity will be one of the factors to be considered in evaluating prospective candidates when a board vacancy arises.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Notwithstanding that a formal gender diversity policy has not been adopted, the Board will keep in mind that steps are taken to ensure that women candidates be included in any board or senior management recruitment exercise.	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

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

### Practice 4.6

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>	:	Departure.
<b>Explanation on application of the practice</b>	:	<p>The Group recognises the importance of identifying and developing potential leaders and managers to fill key positions (whether on the board or senior management) in the Company and Group, from both internal and external sources. This is an on-going process based on the Group's short and longer term needs in terms of skills, expertise, knowledge and experience.</p> <p>Candidates for board appointments are reviewed by the Nomination Committee before recommendation to the Board.</p> <p>The Company does utilise independent sources to identify candidates for senior management positions but had not done so for previous board appointments (the last board appointment was in 2013).</p>
<b>Explanation for departure</b>	:	<p>The Board is of the opinion that the present sources/methods of identifying candidates for board positions have been effective.</p>
<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>	:	<p>Although there is no fixed policy, the use of external independent sources for future board appointments will be considered.</p> <p>When considering candidates for future Board appointments, the Board will take into account the optimum mix of independence, skills, experience, diversity etc, based on the Group's needs and operating environment.</p>
<b>Timeframe</b>	:	N/A



### Intended Outcome

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

### Practice 4.7

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Encik Ahmad Riza bin Basir, the Chairman of the Nomination Committee ("NC") is an independent director. He was appointed as an independent director and also as Chairman of the NC in 2013.  The NC reviews annually the Board size and composition, as well as the mix of Directors with technical, business and financial knowledge, expertise and experience necessary for the successful direction of the Company and Group's businesses.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

## 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 size and composition of the Board is reviewed annually by the Nomination Committee (“NC”), including the required mix of skills, competencies and experience relevant to the Group’s businesses.</p> <p>The Board’s performance is assessed every year, including an assessment of the independent directors. The Board assessment in 2019 was carried out internally by way of performance self-assessment forms, under the following categories :</p> <ul style="list-style-type: none"> <li>• Board mix and composition</li> <li>• Board roles and responsibilities</li> <li>• Board meeting procedures</li> <li>• Effectiveness of the board committees</li> <li>• Board’s relationship with management</li> <li>• Assessment of independent directors</li> </ul> <p>For the year under review, the Board is satisfied with the present number and composition of its members and is of the view that the Board had discharged its duties and responsibilities effectively with the current mix of skills, knowledge, experience and strengths.</p> <p>The Board has considered the engagement of independent experts to conduct board evaluations at periodic intervals, and decided that this is not required for the time being.</p>
<b>Explanation for departure</b>	:	<p>The Board is of the opinion that the present evaluation which inter alia, is based on the Corporate Governance Guide issued by Bursa Malaysia, is adequate. Members of the Board provide candid responses to the board assessment, which are discussed at the NC and Board meetings. Nonetheless, the use of external independent experts is reconsidered at regular intervals.</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>	:	N/A
<b>Timeframe</b>	:	N/A

## 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>	:	Departure
<b>Explanation on application of the practice</b>	:	N/A
<b>Explanation for departure</b>	:	<p>There is no formal Group policy on board and senior management remuneration. The Board approves or recommends the remuneration of executive and non-executive directors annually based on the Remuneration Committee's ("RC") review and recommendations.</p> <p>Senior management remuneration is determined by the respective business units, taking into account factors such as their diverse business activities, operating environments and the employees' roles and responsibilities.</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>	:	<p>The Managing Director's remuneration is reviewed annually by the RC and recommended for Board approval. Remuneration is determined taking into account his duties and responsibilities as Managing Director of PPB Group Berhad, as well as his roles in various capacities in the main business units, and the Group's performance during the year.</p> <p>For non-executive directors, the level of remuneration reflects their duties, roles and responsibilities. The non-executive directors' remuneration (fees and other benefits) is also reviewed annually by the RC and Board, and recommended for shareholders' approval.</p>
<b>Timeframe</b>	:	N/A

### 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 Remuneration Committee ("RC") comprises entirely of non-executive directors, a majority of whom are independent. There are written terms of reference ("ToR") which govern its functions. In respect of FYE2019, the RC reviewed and recommended the following :</p> <ul style="list-style-type: none"> <li>• the remuneration package of the Managing Director which took into account his job responsibilities and the Group's performance;</li> <li>• the directors' benefits which included medical/hospitalization and insurance; and</li> <li>• the proposed directors' fees, and provision for directors' benefits for shareholders' approval.</li> </ul> <p>The RC's ToR are not presently published on the company's website.</p> <p>The Managing Director does not participate in the Board deliberation and decision on his remuneration, and Directors who are also shareholders of the Company abstain from voting at the AGM to approve their fees.</p>
<b>Explanation for departure</b>	:	<p>The RC's ToR are not presently uploaded to the website. This will be reviewed again in 2020.</p>
<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>	:	N/A
<b>Timeframe</b>	:	A decision on the above will be made by 4Q2020.

## 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> :	The details of the individual directors' remuneration paid/payable for financial year ended 31 December 2019 are set out below :								
	<b>GROUP</b>								
	<i>Figures in RM'000</i>	Fees	Salary	Bonus	Meeting allowances	Benefits-in-kind	EPF *	Gratuity	Total
	<b>Executive Director</b>								
	Lim Soon Huat	22	1,152	2,000	-	35	504	-	3,713
	<b>Non-executive Directors</b>								
	Tan Sri Datuk Oh Siew Nam	505	-	-	7	48	-	-	560
	Datuk Ong Hung Hock	79	1,122	1,400	6	23	125	2,000	4,755
	Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	93	-	-	14	-	-	-	107
	Soh Chin Teck	100	-	-	24	-	-	-	124
	Ahmad Riza bin Basir	77	-	-	13	-	-	-	90
	Tam Chiew Lin	90	-	-	17	-	-	-	107
	* Employees Provident Fund								
	<b>COMPANY</b>								
	<i>Figures in RM'000</i>	Fees	Salary	Bonus	Meeting allowances	Benefits-in-kind	EPF*		Total
	<b>Executive Director</b>								
	Lim Soon Huat	-	1,152	2,000	-	35	504		3,691
	<b>Non-executive Directors</b>								
	Tan Sri Datuk Oh Siew Nam	505	-	-	7	48	-		560
	Datuk Ong Hung Hock	75	-	-	6	-	-		81
	Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	93	-	-	14	-	-		107
	Soh Chin Teck	100	-	-	21	-	-		121
	Ahmad Riza bin Basir	77	-	-	13	-	-		90
	Tam Chiew Lin	90	-	-	17	-	-		107

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

## 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>	:	<p>The remuneration of the top five senior management of the PPB Group (excluding those who are also Directors of PPB) paid/payable for financial year ended 31 December 2019 on an aggregated basis is as follows :</p> <table border="1"> <thead> <tr> <th>Remuneration bands</th> <th>Number of senior management staff</th> </tr> </thead> <tbody> <tr> <td>RM1,100,001 – RM1,150,000</td> <td>1</td> </tr> <tr> <td>RM1,200,001 – RM1,250,000</td> <td>1</td> </tr> <tr> <td>RM1,450,001 – RM1,500,000</td> <td>2</td> </tr> <tr> <td>RM1,850,001 – RM1,900,000</td> <td>1</td> </tr> </tbody> </table> <p>The Group senior management remuneration is commensurate with their duties and responsibilities, the performance of the respective company or business entity, and the operating environment. Due consideration is given to attract and retain senior management who can carry out their roles effectively, without excessive remuneration payouts.</p>		Remuneration bands	Number of senior management staff	RM1,100,001 – RM1,150,000	1	RM1,200,001 – RM1,250,000	1	RM1,450,001 – RM1,500,000	2	RM1,850,001 – RM1,900,000	1
Remuneration bands	Number of senior management staff												
RM1,100,001 – RM1,150,000	1												
RM1,200,001 – RM1,250,000	1												
RM1,450,001 – RM1,500,000	2												
RM1,850,001 – RM1,900,000	1												
<b>Explanation for departure</b>	:	<p>The Board is of the opinion that the disclosure of the senior management's names and remuneration components (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group due to confidentiality, business and personal security concerns.</p> <p>The above disclosure is deemed sufficient to enable stakeholders to assess senior management remuneration vis a vis the Group's performance.</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>	:	A more detailed disclosure of senior management's remuneration will be made should the Board consider that such disclosure would be useful for stakeholders and not detrimental to the interests of the Company and Group.											
<b>Timeframe</b>	:	This will be reviewed and considered on an annual basis.											

**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>	:	Please refer to the explanation in Practice 7.2 above.



**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>Mr Soh Chin Teck, the Chairman of the Audit Committee ("AC") is an independent director, and he is not the Chairman of the Board. The AC Chairman is a member of the Malaysian Institute of Accountants; his qualifications and experience are set out in his profile on page 41 of the 2019 annual report. The AC comprises entirely of independent directors.</p> <p>Amongst the AC's duties in its terms of reference, is their review of the PPB Group's quarterly and annual financial statements with the respective Heads of Finance and the external auditors, which are recommended for Board approval. The Audit Committee Report on pages 55 to 57 of the annual report provides a more detailed description of the AC's functions, including their review of the financial statements.</p>	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### 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>	:	The Company's 'Policies and Procedures to assess the Suitability, Objectivity and Independence of External Auditors' were revised in 2017 to incorporate this additional provision for a 'cooling off period'.  There was no appointment of any former key audit partner to the Audit Committee during the year ended 31 December 2019.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### 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>This is set out in the Company's 'Policies and Procedures to assess the Suitability, Objectivity and Independence of External Auditors'.</p> <p>There is an annual evaluation of the external auditors before the Audit Committee ("AC") considers and recommends the auditors for appointment by shareholders. For FYE2019 the evaluation of the auditors covered the following areas :</p> <ul style="list-style-type: none"> <li>• Calibre of external audit firm</li> <li>• The firm's quality control processes/performance</li> <li>• The audit team's skills and capability</li> <li>• Independence and objectivity</li> <li>• Audit scope and planning</li> <li>• Audit fees</li> <li>• Audit communications</li> </ul> <p>The evaluation of the auditor was conducted by way of a questionnaire completed by the auditor, which was discussed by the AC before recommending for re-appointment by shareholders.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	All three members of the Audit Committee are 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.

<b>Application</b>	:	Applied								
<b>Explanation on application of the practice</b>	:	<p>The members of the Audit Committee ("AC") possess a mix of skills, knowledge and experience to enable them to discharge their duties and responsibilities pursuant to the AC's terms of reference. An annual self and peer evaluation of the AC is carried out and reviewed by the Nomination Committee.</p> <p>The AC members' profiles are set out on pages 40 to 42 of the 2019 annual report.</p> <p>In addition to the Company's annual directors' training, AC members also attended other courses as follows :</p> <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Title/Subject</th> </tr> </thead> <tbody> <tr> <td>Mr Soh Chin Teck</td> <td> <ul style="list-style-type: none"> <li>➤ Governance Symposium 2019 – Building a Governance Eco-System</li> <li>➤ The Essence of Independence</li> <li>➤ Custom In-house Training for Internal Audit Department</li> <li>➤ Raising Defences : Section 17A, MACC Act.</li> </ul> </td> </tr> <tr> <td>Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid</td> <td> <ul style="list-style-type: none"> <li>➤ Corporate Liability Provision</li> <li>➤ Corporate Governance and Anti-Corruption</li> </ul> </td> </tr> <tr> <td>Madam Tam Chiew Lin</td> <td> <ul style="list-style-type: none"> <li>➤ Let's Get Real" on Anti-Bribery</li> <li>➤ Governance Symposium 2019 – Building a Governance Eco-System</li> <li>➤ Empower Women For Sustainable Results</li> <li>➤ Cyber Security In The Boardroom – Accelerating from Acceptance to Action</li> <li>➤ Understanding Fintech and Its Implications for Insurance Companies</li> <li>➤ Emerging Risks, the Future Board and Return on Compliance</li> </ul> </td> </tr> </tbody> </table>	Name of Director	Title/Subject	Mr Soh Chin Teck	<ul style="list-style-type: none"> <li>➤ Governance Symposium 2019 – Building a Governance Eco-System</li> <li>➤ The Essence of Independence</li> <li>➤ Custom In-house Training for Internal Audit Department</li> <li>➤ Raising Defences : Section 17A, MACC Act.</li> </ul>	Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	<ul style="list-style-type: none"> <li>➤ Corporate Liability Provision</li> <li>➤ Corporate Governance and Anti-Corruption</li> </ul>	Madam Tam Chiew Lin	<ul style="list-style-type: none"> <li>➤ Let's Get Real" on Anti-Bribery</li> <li>➤ Governance Symposium 2019 – Building a Governance Eco-System</li> <li>➤ Empower Women For Sustainable Results</li> <li>➤ Cyber Security In The Boardroom – Accelerating from Acceptance to Action</li> <li>➤ Understanding Fintech and Its Implications for Insurance Companies</li> <li>➤ Emerging Risks, the Future Board and Return on Compliance</li> </ul>
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<b>Explanation for departure</b>	:	N/A								

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

### 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>A risk management and internal control framework has been established which covers the Group's risk assessment process and internal controls, with oversight and reporting on the effectiveness of this function.</p> <p>The risk management framework and internal control system are designed to identify, evaluate and manage risks that may prevent the achievement of the business objectives and strategies within the Group's risk appetite, rather than to eliminate risks. Therefore, it provides reasonable but not absolute assurance against material misstatement, fraud or loss.</p> <p>The Statement on Risk Management and Internal Control set out on pages 58 and 59 of the 2019 annual report provides a more detailed description of the state of risk management and internal controls.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

## Intended Outcome

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

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

## Practice 9.2

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The main features of the Group's risk management framework and internal control system cover the following areas :</p> <ul style="list-style-type: none"> <li>• <u>Control environment</u> Staff integrity at all levels is considered of utmost importance, and this is pursued through comprehensive recruitment, appraisal and reward programmes. There is a Group organisation structure within which business activities are planned, controlled and monitored. <p>The Group's culture and values, and the standard of conduct and discipline it expects from employees are communicated to them via the employee handbook or letters of appointment.</p> </li> <li>• <u>Risk management framework</u> A formal Group-wide enterprise risk management framework has been established, which is aligned to ISO31000: Risk Management, covering the Group's core business activities to identify, evaluate and manage significant business risks faced by the Group. <p>This process was in place throughout the year and is regularly reviewed and monitored by the Audit Committee ("AC") for its adequacy and effectiveness and reported accordingly to the Board.</p> </li> <li>• <u>Control activities</u> The Group has in place a system to ensure that there are adequate and effective risk management, financial and operational policies and procedures and rules relating to the delegation and segregation of duties. <p>There are budgets requiring board approval, which are reviewed and revised on a regular basis, with performance monitored against them and explanations sought for significant variances.</p> </li> <li>• <u>Information and communication</u> There is a system of financial reporting to the Board, based on quarterly results and annual budgets. Key risks and operational performance indicators are monitored and reported to the Board. <p>Whistle-blowing policies and procedures are in place to provide a platform for employees to report on actual or suspected malpractice, misconduct or violation of applicable laws and regulations, and the Group's policies, in a responsible and effective manner.</p> </li> </ul>



	<ul style="list-style-type: none"> <li>• <b>Monitoring</b> Monitoring of the Group's significant business risks is embedded within the Group's risk management process described above. A control self-assessment system is also in place for management to monitor critical and routine risk areas under their jurisdiction using an internal control checklist.</li> </ul> <p>The adequacy and effectiveness of the Group's risk management, internal control and governance processes are reviewed and monitored by the AC, which receives regular reports from the internal auditors. Formal procedures are in place for actions to be taken to remedy any significant failings or weaknesses identified in these reports.</p> <p>There were no significant risk management and internal control failings or weaknesses which resulted in material losses or contingencies during the financial year.</p> <p>The Statement on Risk Management and Internal Control set out on pages 58 and 59 of the 2019 annual report provides a more detailed description of the state of risk management and internal controls.</p>
<b>Explanation for departure</b>	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: N/A
<b>Timeframe</b>	: N/A

**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>	:	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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's internal audit function is carried out by PPB's Internal Audit Department ("IAD"), which reports functionally to the Audit Committee ("AC").</p> <p>The IAD has access to the Board through the AC and is independent of the activities it audits. IAD's authority, scope and responsibilities are governed by a internal audit charter approved by the AC, which is in compliance with the International Professional Practices Framework (IPPF) 2017 adopted by the Institute of Internal Auditors Malaysia. An external quality assessment review ("QAR") of IAD was carried out in 2019 by Deloitte Risk Advisory Sdn Bhd (<i>formerly known as Deloitte Enterprise Risk Services Sdn Bhd</i>) ("<i>Deloitte</i>"). Based on the QAR, the IAD's activities generally confirm with the Institute of Internal Auditors ("IIA") Standards and IIA's Code of Ethics.</p> <p>The AC's oversight of the internal audit function includes the following :</p> <ul style="list-style-type: none"> <li>• Review the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.</li> <li>• Review the internal audit plan, processes, the results of the internal audit assessment, any investigation undertaken and whether appropriate action is taken on the recommendations.</li> <li>• Ensure that the internal audit function is effective and able to function independently.</li> </ul>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A
<b>Timeframe</b>	:	N/A

## 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>In accordance with PPB's Internal Audit Department ("IAD") charter, all audit staff of the IAD have confirmed that they are in compliance with IAD's objectivity, independence, and no-conflict-of-interest requirements.</p> <p>The activities and processes of IAD are guided by its charter and conforms to the 'International Standards for the Professional Practice of Internal Auditing' issued by the Institute of Internal Auditors Malaysia ("IIAM").</p> <p>The IAD is led by Mr Lim Thiam Beng, the Head of Internal Audit. Mr Lim is a member of the IIAM, Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.</p> <p>IAD's head count as at 31 December 2019 was 11. The total cost incurred by IAD for the internal audit function of the Group for financial year 31 December 2019 was about RM2.8 million.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A
<b>Timeframe</b>	:	N/A

## 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>PPB's Corporate Disclosure Policy ("CDP") sets out the disclosure policies and procedures taking into consideration the spirit, intention and purpose of the requirements and obligations prescribed by the Bursa Main Market Listing Requirements. It provides a framework for the Board, management and relevant staff to communicate effectively with stakeholders and the public generally. The policy may be viewed at the Company's website : <a href="https://www.ppbgroup.com/investor-relations/corporate-disclosure-policy.php">https://www.ppbgroup.com/investor-relations/corporate-disclosure-policy.php</a></p> <p>The Company endeavours to provide shareholders, the investing community, the media and other stakeholders with timely, accurate, clear and equal access to material information on the Company's performance and operations.</p> <p>PPB's investor relations programme is directed at both individual and institutional investors, the objective of which is to maintain ongoing awareness of the Company's performance amongst shareholders, media and the investing community.</p> <p>The principal sources of information disseminated by the Company during the year include the annual report, quarterly investor updates, news releases to announce the financial results and important events relating to the Group via the company website and local media.</p> <p>At annual general meetings, shareholders can express their views or raise questions relating to the Group's financial performance and business operations. The Company conducts analyst briefings twice a year after the release of the half-yearly and full year results to provide regular dialogues between senior management and the investing community. Media conferences are also held together with these briefings for consistent dissemination of information to the public. At these events, the Managing Director of PPB and chief executives of the principal business units are present to address questions on the Group's businesses.</p> <p>At other times, the Company makes every attempt to meet requests for meetings or information from the investing community.</p>
<b>Explanation for departure</b>	:	N/A

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

<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

**Intended Outcome**

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

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

**Practice 11.2**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	N/A	
<b>Explanation for departure</b>	:	The Board is of the opinion that there must be sufficient timeframe for integrated reporting to be better understood and appreciated by management; and that there should be minimal duplication of the same information required to be disclosed pursuant to other legislation.	
		The annual report presently contains financial and non-financial information which may be considered to provide a fairly comprehensive overview of the Group.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	This will be reviewed in 2020.	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

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

### Practice 12.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	In 2019 the notice of annual general meeting ("AGM") was issued not later than 28 days before the meeting together with the annual report. This is above the minimum notice period prescribed in both the Companies Act 2016 and Bursa Main Market Listing Requirements.  The AGM notice sets out the resolutions to be tabled and includes explanatory notes and other relevant information on the matters to be discussed and decided at the AGM.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	



**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>It is the Company's practice that all Directors including the respective chairs of the various board committees attend shareholders' meetings, and are available to deal with any questions on matters under their purview.</p> <p>Dato Capt Ahmad Sufian, who is also the Chair of PPB's Remuneration Committee was unable to attend the 50th AGM in 2019 as he was overseas.</p>	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

### Intended Outcome

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

### Practice 12.3

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

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	N/A	
<b>Explanation for departure</b>	:	<p>Meetings of shareholders have always been held in Kuala Lumpur in the Klang Valley, with a centrally located meeting venue, accessible by public transport, and ample parking space in and around the premises.</p> <p>Shareholders can exercise their votes either in person, or appoint a representative or proxy to attend and vote on their behalf. Voting is by poll, which is conducted electronically and verified by an independent scrutineer.</p> <p>Note : As at 16 March 2020, the Company has a total of 9,005 depositors/ members.</p> <p>The Company will explore the use of technology to facilitate voting in absentia and/or remote shareholders' participation at general meetings; taking into consideration the reliability and security of such technologies, applicable laws and regulations, and resources required in relation to the benefits.</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>	:	N/A	
<b>Timeframe</b>	:	N/A	

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

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

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