

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5694
COMPANY NAME : GOLDEN PHAROS BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board's pivotal role is to lead and establish GPB Group's vision, strategic direction, key policies and framework, including the management of the succession planning process of the Group and the appointment of key senior management.</p> <p>The Board sets the strategic direction of the Group and provides effective leadership through oversight of Management and monitoring the business performance in the Group.</p> <p>The roles and responsibilities of the Board are set out in the Board Charter which is published on the Company's website at www.goldenpharos.com.my</p> <p>The key responsibilities of the Board include:</p> <ol style="list-style-type: none">i. Reviewing and adopting a strategic plan;ii. Overseeing the conduct of the Group's businesses;iii. Identifying and approving policies pertaining to the management of all risk categories including but not limited to credit, financial, market, liquidity, operational, legal and reputational risks.iv. Reviewing the adequacy and the integrity of internal controls and management information systems;v. Reviewing the leadership and succession planning of the Group;vi. Serving as the ultimate approving authority for all significant financial expenditure.vii. Promoting sound corporate culture. <p>The Board has delegated certain functions to management and the Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, Strategy and Investment Committee and Long-Term Incentive Plan Committee to assist in fulfilling its ongoing oversight and stewardship role. The Board Committees have the authority to examine specific issues within their</p>

	<p>respective terms of reference (“TOR”) approved by the Board. The Chairman of the respective Board Committees reports to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board. The Senior Management Team, is led by the Chief Executive Officer who is responsible to the Board in implementing the Group’s strategies, policies and decisions adopted by the Board, and oversees the day-to-day operations and business development of the Group</p> <p>The Board sets the strategic aims in the annual business recovery plan of the Company. The plan sets out the five-year plan of the group and the way the business is to be pursued.</p> <ul style="list-style-type: none"> i. The Board ensures that necessary resources are in place by approving the financial and manpower resources requested by management in the annual business plan. ii. The Board regularly reviews the performance of the Company, both operationally and financially. Each quarterly result is deliberated by the Board before approval is issued for its release to the market. iii. The Board sets the values and standards by reviewing and approving the Company’s core values and standards, referred to as the GOLDEN values, which stand for Gemilang, Optimis, Lestari, Dedikasi, Efektif and Nekad. <p>The Board builds understanding of its obligation to the stakeholders by participating in various training programs and conferences that explain about obligation to shareholders.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by the Chairman who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.</p> <p>The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, and is primarily responsible for leading the Board in setting the values and standards of the Company, the orderly and effective conduct of the meetings of the Board and shareholders, facilitating the effective contribution of Non-Executive Directors.</p> <p>YBM Dato' Tengku Hassan bin Tengku Omar is the Chairman of the Company. The responsibilities of the Chairman include:</p> <ol style="list-style-type: none"> i. Providing leadership for the Board so that the Board can perform its responsibilities effectively; ii. Setting the Board agenda with the Management and Company Secretary and ensuring that Board members receive complete and accurate information in a timely manner; iii. Leading Board meetings and discussions; iv. Encouraging active participation and allowing dissenting views to be freely expressed; and v. Leading the Board in establishing and monitoring good corporate governance practices in the Company. <p>Details of the responsibilities of the Chairman are set out in the Board Charter which is published on the Company's website at www.goldenpharos.com.my</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The distinct and separate roles and responsibilities of the Chairman and CEO are provided in the Board Charter, which is available on the Company's website at www.goldenpharos.com.my</p> <ul style="list-style-type: none">• The positions of Chairman and Chief Executive Officer are held by different individuals.• The Chairman is a Non-Independent Non-Executive Director.• The Chairman and the CEO are not related to each other.• The CEO does not sit on the Board. <p>The position of Chairman is held by YBM Dato' Tengku Hassan bin Tengku Omar, a Non-Independent Non-Executive Director, and the position of CEO is held by YBhg Dr. Mohd Zaki bin Hamzah.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: The Company adopted policy of that the Chairman of the Board is not allows to participate in any of these committees' meeting. The distinct and separate roles and responsibilities of the Chairman are provided in the Board Charter which is available on the Company's website at www.goldenpharos.com.my Chairman of the Board, Audit Committee (AC) and Nomination And Remuneration Committee (NRC) are as follows: The Chairman of the Board: YBM Dato' Haji Tengku Hassan bin Tengku Omar The Chairman of the AC: Mohd Badaruddin bin Ismail The Chairman of NCR: Haji Saiffuddin bin Othman
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none">• The Board is supported by Puan Suraya binti Mohd Hairon (LS 0007314) (SSM Practising Certificate No. 202008000100), who is qualified, experienced and competent on regulatory and statutory requirements.• All Board members have direct and unimpeded access to the company secretary. <p>The Company Secretary ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with relevant legislation and regulations. The deliberations and conclusions in Board meetings are recorded by the Company Secretary, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of the Company.</p> <p>The Company Secretary constantly keeps herself abreast of the changing regulatory and statutory requirements by attending the relevant continuous professional development programmes, briefings and conferences.</p> <p>The roles and responsibilities of the Company Secretary are set out in the Board Charter which is published on the Company's website at www.goldenpharos.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board of Directors were given iPads to reduce the amount of paper used for circulation of Board papers. All notices and proposal papers are uploaded and distributed to directors electronically and instantly.</p> <p>This not only eases the process of distribution of paper and minimises leakage of sensitive information but also enables the Directors and Management to have access to the proposal papers electronically anytime and anywhere.</p> <p>Directors are allowed to participate in Board or Board Committee meetings via electronic means. During the financial year, the Board and Board Committee meetings mainly were held via electronic means in view of the travel restrictions (MCO) by government to curb the COVID-19 pandemic.</p> <p>The agenda and the meeting papers relevant to the business of the meeting are circulated to all Directors at least five (5) working days prior to the meeting date to allow Directors to have ample time to review matters to be deliberated at the meeting and to facilitate informed decision making.</p> <p>Proceedings and decisions of the Board and Board Committees are documented in the minutes, including matters where Directors are required to abstain for voting and deliberation. Minutes of meetings are circulated in a timely manner and confirmed as a correct record by the Board and Board Committees at the next meeting.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter sets out the Board of Directors strategic intent and outlines the Board's roles, powers that the Board reserves for itself and responsibilities that are delegated to the Management and the various Board Committees. The Board's functions are governed and regulated by its Charter, the Constitution of the Company and the various applicable legislation, Listing Requirements and other regulations and codes.</p> <p>There is a formal schedule of matters reserved for Board's deliberation and decision to ensure the direction and control of the Company are in its hand. Keys matters reserved for the Board include, inter-alia, approval of audited financial statements, quarterly and annual financial statements for announcement, investment and divestment, as well as monitoring of the Groups' financial and operating performance.</p> <p>The Board Charter, which is periodically reviewed by the Board to be in line with regulatory changes, was last reviewed and approved by the Board in February 2018. The updated version of the Board Charter is available on the Company's website at www.goldenpharos.com.my.</p> <p>In addition, there is also a Discretionary Authority Limits documents, which clearly demonstrates the different authorities between the Management and the Board. This document is also periodically reviewed and was last amended in February 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Code of Conduct and Ethic ("Code") to promote good business conduct and maintain a healthy corporate culture that engenders integrity, transparency and fairness.</p> <p>The objective of the Code is to set out core areas of ethical conduct expected of all Directors based on acceptable values the Company upholds. The Code is not intended to be exhaustive, and there may be additional obligations that Directors and Employees are expected to behave or conduct when performing their duties.</p> <p>The Code covers areas including conflict of interest, guarding against bribery and corruption, gifts, donation, money laundering, confidential information, insider trading, sexual harassment and misconduct.</p> <p>The Code covers areas including:</p> <ul style="list-style-type: none">a) Conflict of Interest,b) Guarding Against Bribery and Corruption,c) Giftsd) Entertainmente) Donationf) Money Launderingg) Confidential Informationh) Insider Information and Securities Tradingi) Protection of assetsj) Compliance with the lawk) Health, Safety and Environmentl) Working with Local Communitiesm) Sexual Harassmentn) Outside Interesto) Misconduct

	<p>For all intents and purposes, all Directors shall always uphold the spirit of accountability and social responsibility in line with all applicable laws, rules and regulations governing the Company.</p> <p>The Code of Conduct and Ethics is published on the Company's website at www.goldenpharos.com.my.</p>	
<p>Explanation for departure</p>		
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<p>Timeframe</p>		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Whistle Blowing Policy adopted by the Board seeks to foster an environment where integrity and ethical behaviour are maintained and any illegality, Improper conduct and/or wrong doing in the Group may be exposed.</p> <p>It outlines when, how and to whom a concern may be properly raised about improper conduct such as incidents of fraud, corruption or bribery, conduct or activity which breaches any law or regulatory obligation, breach of the Group's policies, practices, procedures or other rules of conduct, Improprieties in matters of financial reporting and a situation which poses a danger to health, safety or any individual or significant danger to the environment involving employees within the Group.</p> <p>It sets out the channel/procedures for the whistle-blower to raise concerns both inside and outside the Management line. The identity of the whistle-blower is kept confidential and protection is accorded to the whistle-blower against any form of reprisal.</p> <p>Any party that retaliates against someone who has reported a wrongdoing in good faith may be subject to appropriate action, up to and including legal action, where applicable.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Sustainability Policy was approved by the Board of Directors to ensure that GPB rigorously adhere to the highest standards in ethical behaviour, environmental sustainability, active engagement with communities where we operate.</p> <p>The approved Sustainability Policy will be the sustainability blueprint in every aspect of the Group's operations and ancillary activities.</p> <p>It outlines GPB's aspirations to be a responsible corporate citizen in ensuring that stakeholders' needs are met in our obligations in the Economic, Environment, Social and Governance spheres, presently and into the future.</p>
Explanation for departure	:	
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Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	: Applied									
Explanation on application of the practice	: Stakeholder engagement is an important component in achieving the Company’s sustainability goals. Our stakeholders comprise of various parties which have an interest or concern in the company. The Company has identified our key stakeholders, looked at their engagement procedures, and management priorities, to identify significant risks and opportunities for the Group. The table below summarises the engagement sessions held with each stakeholder group throughout the year.									
	<table border="1"> <thead> <tr> <th>STAKEHOLDER</th> <th>ENGAGEMENT CHANNELS</th> <th>AREA OF INTEREST/PRIORITIES</th> </tr> </thead> <tbody> <tr> <td>Employees</td> <td> <ul style="list-style-type: none"> • Talent Development Programmes • Induction Exercise for New Employees • Town Hall Meetings • Social, Sports, Health, and Wellness Activities • Circulation of Human Resource Policies. </td> <td> <ul style="list-style-type: none"> • Training and Career Development • Diverse and Inclusive Workplace • Employee Well-being, Health and Safety • Internship and Industry Placement • Code of Conduct • Code of Business Ethic </td> </tr> <tr> <td>Certification Bodies</td> <td> <ul style="list-style-type: none"> • On-site inspections • Regular meetings • Submission of regulatory documentation • Internal and external audit exercises </td> <td> <ul style="list-style-type: none"> • Adherence to International Organisation for Standardisation (ISO), Forest Stewardship Council (FSC®) and Chain of Custody (COC) Certification </td> </tr> </tbody> </table>	STAKEHOLDER	ENGAGEMENT CHANNELS	AREA OF INTEREST/PRIORITIES	Employees	<ul style="list-style-type: none"> • Talent Development Programmes • Induction Exercise for New Employees • Town Hall Meetings • Social, Sports, Health, and Wellness Activities • Circulation of Human Resource Policies. 	<ul style="list-style-type: none"> • Training and Career Development • Diverse and Inclusive Workplace • Employee Well-being, Health and Safety • Internship and Industry Placement • Code of Conduct • Code of Business Ethic 	Certification Bodies	<ul style="list-style-type: none"> • On-site inspections • Regular meetings • Submission of regulatory documentation • Internal and external audit exercises 	<ul style="list-style-type: none"> • Adherence to International Organisation for Standardisation (ISO), Forest Stewardship Council (FSC®) and Chain of Custody (COC) Certification
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			<ul style="list-style-type: none"> • Compliance to requirements set by regulatory authorities
	Investors & Shareholders	<ul style="list-style-type: none"> • Annual General Meeting • Annual Report and Sustainability Report • Announcement of Quarterly Results • Website • Networking session 	<ul style="list-style-type: none"> • Financial performance • Updates on business performance • Sustainable future business
	Government Agencies/Regulators	<ul style="list-style-type: none"> • Regulatory discussions and meetings with authorities • Public consultation with local authorities • Site inspections • Seminars, briefings and training 	<ul style="list-style-type: none"> • Compliance to requirements set by government agencies or other regulatory authorities • Compliance to regulatory requirements of Bursa Malaysia Securities Berhad, Companies Commission of Malaysia and other reporting guidelines • Policy aligned with areas of national interests including initiatives
	Local Communities	<ul style="list-style-type: none"> • Sponsorship of community service events • Social and environmental initiatives • Donations 	<ul style="list-style-type: none"> • Community engagement • Life-improving programs • Environmental and social impacts • Corporate Social Responsibility (CSR)
	Clients/Customers	<ul style="list-style-type: none"> • Periodic project meetings and site visits • Website/social media platforms 	<ul style="list-style-type: none"> • Product pricing • Marketing and promotions • Delivery service

		<ul style="list-style-type: none"> • Customer feedback surveys • Events/roadshows 	<ul style="list-style-type: none"> • Quality product delivery
	Vendors & Suppliers	<ul style="list-style-type: none"> • Vendor/supplier registration • Procurement policies • Performance evaluation • Site visits and meetings 	<ul style="list-style-type: none"> • Product and service quality, service scope and payment schedule • Clear procurement policies and practices
	Media	<ul style="list-style-type: none"> • Media interviews, briefing sessions and press conferences • Press releases 	<ul style="list-style-type: none"> • Brand positioning, image and credibility • Business performance and growth • Ethical business conduct and regulatory compliance
Explanation for departure :			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure :			
Timeframe :			

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	In December 2020, the Company has appointed external consultant to conduct corporate sustainability workshop, highlighting the role of each subsidiary towards achieving the Group’s sustainability goals. The purpose of this exercise was to streamline and steer everyone towards making positive contributions to the Group’s sustainable development.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board and Management Team analysed risk factors on the selected most material matters upgrades for our business processes and prospects. The Materiality Study was assessed by consulting a targeted group of shareholders, business partners, associates, employees, suppliers, vendors, service providers, various authorities and discussions with the communities that the Company served.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee (NRC) reviews the Board Succession Plan i.e., the composition, tenure, skills and matrix of the Board annually, in line with the Company's Board Effectiveness Evaluation.</p> <p>The NRC assessed the performance of the Directors standing for re-election at the Company 35th Annual General Meeting via the Board Effectiveness Evaluation 2021 (BEE 2021). Amongst others, the BEE 2021 assessed the Directors' competencies, commitment, contribution, performance, independence and their ability to act in the best interest of the Company as a whole.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During the financial year 2021, the Board comprises 7 Directors, of whom 2 are Independent Non-Executive Directors (“INEDs”). The INEDs constitutes 28.57% of the current Board composition.</p> <p>Nevertheless, the Board is mindful of MCCG Practice 5.2 requiring at least half majority of the Board to comprise INEDs and will identify potential candidates for the appointment of an additional independent Director to gradually meet this requirement and will assess the composition and size of the Board on an ongoing basis to ensure the needs of the Company are met. The Company has complied with Bursa Listing Requirement which requires at least 2 or 1/3, whichever is higher, of Board members to be INEDs.</p> <p>The Board has in place the Audit, Nomination and Remuneration Strategy and Investment and Long-Term Incentive Plan Committee entrusted to assist in fulfilling its oversight responsibilities. The chairman of Audit and Nomination and Remuneration Committee are also INEDs who are not chairman of the Board. This governance structure provides an effective check and balance in the Board decision making process.</p> <p>The Board is of the view that the current Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board’s decisions, and act in the best interests of the shareholders.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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 provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>The policy of the Company to limit the tenure of its Independent Directors cumulative limit of nine (9) years. Upon completion of 9 years' service, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Otherwise, the Board must justify and seek shareholders' approval at annual general meeting (AGM) in the event it retains the Director as an Independent Director.</p> <p>None of the 2 independent directors has served for more than 9 years as at the date of this report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: The Company adopted policy of limiting the tenure to nine (9) years or Independent Non-Executive. The policy is published on the Company's website at www.goldenpharos.com.my

Intended Outcome

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

Practice 5.5

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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board strongly advocates corporate culture that embraces diversity when determining its composition taking into accounts the skills and industry experience, knowledge, gender, age, ethnicity and other qualities of Directors, in the context of the needs and goals of the Company.</p> <p>The Nominating Committee, in making its recommendation on potential candidates for appointment of Directors, will consider (among others) the criteria for Board membership, including qualities, experience, skills, expertise, education background and qualifications, competencies, integrity, contribution, level of commitment in terms of time and other qualities that will best qualify a nominee to serve on the Board.</p> <p>As for the appointment of Senior Management, the Human Resource Department focuses on their working experience, skill set, competencies, character, integrity and commitment in the assessment of the identified candidates before recommending them to the designated Chief Executive Officer for approval. While it is important to promote diversity, the appointment to the Board and senior management are based on merits of the candidates.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board rely primarily on the recommendation from the controlling shareholder.	
		The Nominating Committee is responsible for assessing suitable candidates for appointment to the Board for approval, taking into account the required mix of skills, diversity, experience and expertise of members of the Board before submitting its recommendation to the Board for decision.	
		Nevertheless, in identifying future candidates, the Board will also endeavour to utilise independent sources including external human resources consultants and specialised database, as appropriate.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>Through the Board Effectiveness Evaluation (BEE) 2021, the Nomination and Remuneration Committee (NRC) had assessed the Directors' eligibility for re-election and appointment by considering their competencies, commitment, contribution, and their ability to act in the best interest of the Company.</p> <p>The Board at its meeting held on 24 February 2022 endorsed the recommendation of the NRC for the following Directors to be considered for re-election pursuant to the following relevant Articles of the Company's Constitution at its forthcoming 35th AGM.</p> <p>Article 76; Mohd Badaruddin bin Ismail and Haji Saiffuddin bin Othman who retire by rotation, have expressed their intention to seek re-election. The candidates also declared as follows:</p> <p>(a) No family relationship with any Director/Major Shareholder. (b) No conflict of interest. (c) No conviction of offences within the past 5 years other than traffic offences, if any. (d) Does not hold more than five directorships in listed issuers</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nominating Committee is chaired by Haji Saiffuddin bin Othman of the Company. Majority of members of Nominating Committee are Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the view that while selection of candidates for appointment to the Board will be based on a range of diversity perspective including gender, merit and contribution that the selected candidates will bring to the Board should be prioritised in deciding appointments to the Board. The Board will work towards increasing woman participation on the Board.	
		The Board recognises the Board diversity including gender diversity as an essential measure of good corporate governance and an attribute of a well-functioning board.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company will continue to play an important role in sustainable job creation and to be at the forefront of the economic recovery post-pandemic.</p> <p>The Company also ensure that women are part of our highest governance levels whereby key governance positions are led by calibre women such as:</p> <ul style="list-style-type: none">• Head of Company Secretarial: Suraya binti Mohd Hairon• Head of Human Resources and Administration: Wan Zuhairiah Binti Wan Ali @ Wan Damsek <p>The Company practices the principle of reward-based on meritorious performance with no discrimination towards race, religion, age, sexual orientation, disabilities, nationality and other demographic factors in the process of employee hiring, employee benefits, appraisal, remuneration and promotion. In financial year 2021, there were zero incidents of discrimination.</p> <p>The Board is committed to ensure that its composition not only reflects the diversity as recommended by the MCCG, as best as it can, it will also have the right mix of skills and balance to contribute to the achievement of the Company's goals.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: Annual evaluation of the Board as a whole, Board Committees and the individual Directors is carried out by the Nominating Committee. The evaluation carried out during the financial year under review involved an annual assessment of the effectiveness of each individual Director and the Board as a whole with the objectives of assessing whether the Board and the Directors had effectively performed their roles and fulfilled their responsibilities, and devoted sufficient time commitment to the Company's affairs, in addition to recommending areas for improvement. The internal Board Effectiveness Evaluation was conducted in November 2021. To drive continuous improvement in Board performance towards the corporate transformation, Terengganu Incorporated Sdn Bhd conducted the first Terengganu Inc Group Board Annual Assessment.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

The 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 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The company has Remuneration Package for the Non-Executive Directors, the directors' fees, board committee membership fees, chairman allowances and meeting allowance.</p> <p>Directors' fees and benefits payable to Directors are subject to yearly approval by shareholders at the Company's annual general meeting.</p> <p>The remuneration structure of the Non-Executive Directors is disclosed in the Board Charter and the Corporate Governance Statement in the Company's Annual Report. The remuneration structure, approvals and governance of the Group's Senior Management is disclosed under the Corporate Governance Statement in the Annual Report.</p> <p>The Company's annual report is made available on the company website at www.goldenpharos.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The 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 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has established a Nomination and Remuneration Committee (NRC), which comprises exclusively of Non-Executive Directors, a majority of whom are Independent Directors. The roles and responsibilities of NRC are governed by its Term of Reference, which are available on the Company's website at www.goldenpharos.com.my . The TOR of the NRC are in line with recommendation of MCCG.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Each directors' remuneration is disclosed on named basis in the Company's Annual Report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	YBM DATO' HAJI TENGKU HASSAN BIN TENGKU OMAR	Non-Executive Non-Independent Director	53	166.1	Input info here	Input info here	6.5	Input info here	219.1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	YBHG DATO' BENTARA DALAM DATO' HAJI A. RAHMAN BIN YAHYA	Non-Executive Non-Independent Director	41	16.4	Input info here	Input info here	Input info here	Input info here	57.4	9	1.8	Input info here	Input info here	Input info here	Input info here	10.8
3	HAJI BURHANUDDIN HILMI BIN MOHAMED @ HARUN	Non-Executive Non-Independent Director	41	16.8	Input info here	Input info here	Input info here	Input info here	57.8	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	MUHAMMAD RAMIZU BIN MUSTAFFA	Non-Executive Non-Independent Director	41	24.4	Input info here	Input info here	Input info here	Input info here	65.4	10.5	1.2	Input info here	Input info here	Input info here	Input info here	11.7
5	DR MOHD ZAKI BIN HAMZAH	Executive Director	27.561	40.583	113.898	Input info here	Input info here	Input info here	182.042	18	4.8	Input info here	Input info here	Input info here	Input info here	22.8
6	MOHD BADARUDDIN BIN ISMAIL	Independent Director	41	24	Input info here	Input info here	Input info here	Input info here	65	28.5	5.4	Input info here	Input info here	Input info here	Input info here	33.9
7	HAJI SAIFFUDDIN BIN OTHMAN	Independent Director	41	16.4	Input info here	Input info here	Input info here	Input info here	57.4	4.5	1.2	Input info here	Input info here	Input info here	Input info here	5.7
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As regards the remuneration of the GPB Group's senior management team, the Board is of the view that the disclosure of these details would not be in the best interest of GPB Group due to confidentiality and the competitive nature of the industries in which the GPB Group operates, as well as risk of staff poaching by our competitors.	
		The company also believes that the non-disclosure of the information on key personnel and their remuneration will not affect the interest of its shareholders.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	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 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee is an Independent Non-Executive Director, who is not the Chairman of the Board. -Chairman of the Board: YBM Dato' Tengku Hassan bin Tengku Omar -Chairman of Audit Committee: Encik Mohd Badaruddin bin Ismail	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	None of the Board members or Audit Committee (AC) members was a former key audit partner of the Company's external auditors. The AC's terms of reference contain a provision which requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the AC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied	
Explanation on application of the practice	:	In addition to written assurance on the independence of the External Auditor obtained during the year, the Policy on Non-Audit Services by the Group's External Audit Firm had also been established to ensure the independence of the external auditors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is 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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee (AC) members have wide range of necessary skill, knowledge and experience in discharging their duties. All the AC members are financially literate and carried out their duties in accordance with the Terms of Reference of the AC.</p> <p>The qualification and experience of the individual AC Members are disclosed in the Directors' profile in the Company's Annual Report 2021. All members of the AC have attended continuous professional development programmes to keep themselves abreast of relevant development in accounting and auditing standards. Detail of their training attended during financial year 2021 are disclosed in the Corporate Governance Overview Statement of the Company's Annual Report.</p> <p>In addition, the AC members are briefed by the External Auditors on key changes in financial reporting standards and regulatory requirements from time to time during AC Meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established framework & policies to ensure that risk management and internal controls across the various risk classes (credit risk, market risk & operational risk) are managed within risk appetite set by the Board.</p> <p>To ensure their continuous effectiveness, the framework and policies are reviewed periodically, and when there are significant regulatory changes.</p> <p>This is supported by dedicated oversight function within the significant business units & functional lines. There is a Risk Management Committee at the subsidiary level and a Risk Management Steering Committee at the company level.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The statement on Risk Management and Internal Control in the Company's Annual Report 2021 provides an overview of the Group's risk management and internal control framework as well as the adequacy and effectiveness of the framework.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has in place an in-house internal audit department, which provides the Board, through the Audit Committee, with independent and objective assurance on the adequacy and operating effectiveness of the Group's system of the internal controls and risk management.</p> <p>The Internal Audit Department (IAD) which is independent of the activities it audits, reports directly to the Audit Committee. The IAD executes audit assignment based on audit plan approved by the Audit Committee.</p> <p>The Head of IAD presents his key audit findings quarterly at the Audit Committee meeting. A description of the work of the internal audit function can be found in the Audit Committee Report set out in the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit function is headed by Azman bin Jusoh, the Head of Internal Audit of GPB, the profile is disclosed in the Company’s Annual Report detailing his qualification and experience. The Internal Audit function reports directly to the Audit Committee and to the CEO on matters relating to the administration of the Internal Audit function.</p> <p>Currently, the Internal Audit function comprises four personnel with relevant qualifications and experience. All the internal audit staff had confirmed via an annual declaration that they were free from any relationships or conflict of interest, which could impair their objectivity and independence.</p> <p>The Internal Audit function has been maintaining its independence and objectivity in carrying out its activities in accordance with the Internal Audit Manual. The Manual sets out the objectives, independence and objectivity, authority, scope and responsibility, which are consistent with the International Professional Practices Framework.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of being transparent and accountable to the Company's stakeholders. Communication and engagement with the stakeholders include:</p> <ul style="list-style-type: none">i. Quarterly announcement of financial result to Bursa Malaysia Securities Berhad ("Bursa");ii. Relevant announcement and circulars whenever necessary;iii. The Annual and Extraordinary General Meeting; andiv. The Groups' website at www.goldenpharos.com.my <p>The Company also practices dissemination of information using social media platform such as Instagram.</p> <p>Stakeholders can access corporate information, annual report, financial information, company announcements and share prices of the Company from the Company's website. Stakeholders are encouraged to direct their enquiries or concern via electronic mail to info@gpb.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not fall under the category of “Large Companies” as defined in the Malaysian Code on Corporate Governance for the time being.	
		Such requirement is therefore not applicable.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Notice for forthcoming Annual General Meeting is given at least 28 days prior to the meeting. The notice of AGM contains details of resolutions to be approved by the shareholders with the explanatory notes.</p> <p>Notice for the 2021 AGM was given 34 days ahead of the Meeting. The additional time given to shareholders is to allow them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	All directors attended the 2021 Annual General Meeting held on 29 th June 2021, to engage directly with the shareholders. The Directors are mindful of the recommendation under the Code that all directors must attend general meeting and fully appreciate the need for their attendance at all such meetings. All directors, senior management and external auditors that were present at that time are available to give response if there are any questions addressed to them.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>At the 34th Annual General Meeting (AGM) of the Company held on 29 June 2021, the meeting was conducted by leveraging on technology, holding the AGM virtually in its entirety via Remote Participation and Voting (RPV) facilities which the facilities were provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online.</p> <p>Tricor was appointed as the Company's Poll Administrator. The AGM was conducted in accordance to the Company's Constitution, in line with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Section 327 of the CA 2016 and Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, including any amendment that have been made from time to time.</p> <p>The Company had appointed Coopers Professional Scrutineers Sdn Bhd as the Independent Scrutineer to verify the poll results at the Company's 34th AGM. Coopers Professional Scrutineers Sdn Bhd as the appointed Scrutineers, upon verification of the poll results, announced the results for each resolution, which included votes in favour and against, upon which the Chairman of the Meeting declared whether the resolutions were carried. The poll results were also announced by the Company via Bursa LINK on the same day for the benefit of all shareholders. Minutes of the 34th AGM were also made available on the Company's corporate website.</p> <p>The virtual AGM was streamed on Tricor's website for shareholders to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 34th AGM. Detailed procedures were provided to the shareholders in the Administrative Guide of the AGM published in the Company's website.</p>
Explanation for departure	:	.

	Alternative practice : Shareholders are allowed to appoint proxy(ies) to attend, speak and vote on their behalf at General Meeting.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	The 34th Annual General Meeting (AGM) of the Company held on 29 June 2021 was conducted by leveraging on technology, holding the AGM virtually in its entirety via Remote Participation and Voting (RPV) facilities. The virtual AGM was streamed on Tricor's website for shareholders to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: <p>In light of the Covid-19 pandemic and due to the travel restriction (MCO) imposed by the Government to curb the COVID-19 pandemic, the Company hold its 34th AGM virtually on 29 June 2021 in compliance with the guidance on the conduct of general meetings for listed issuers issued by the Securities Commission Malaysia, including any amendments that have been made from time to time.</p> <p>At its virtual AGM, the Company had leveraged on technology to facilitate shareholders' participant and voting facilities. During the AGM, a presentation is given by the Chief Executive Officer to explain the Group's Highlight for FY2020 and Outlook for FY 2021 and major developments to shareholders.</p> <p>The Board encourages shareholders to participate in the Questions and Answers session at every general meeting. Shareholders and proxies are allowed to submit their questions prior to the AGM through email. The questions received in advance the shareholders were addressed during the meeting. For questions received through typed text in the online meeting platform on the meeting day, the appointed moderators will select the questions relevant to the meeting agenda and project it on the screen to be visible to all meeting participants.</p> <p>The Administrative Details of the AGM and voting procedures were shared with the Shareholders and the same were also published in the Company's website.</p>
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 34th Annual General Meeting (AGM) of the Company held on 29 June 2021 were circulated to the shareholders within 30 business days after the 34th AGM of the Company. The minutes of the 34th AGM of the Company are available on the Company's corporate website at www.goldenpharos.com.my
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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