

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 7146  
**COMPANY NAME** : AE MULTI HOLDINGS BERHAD (“AEM” or “the Company”)  
**FINANCIAL YEAR** : March 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors of AEM ("Board") is responsible for the leadership, oversight, control, development, long-term success of the Group and overall management of the Group inclusive of setting strategic direction, establishing goals for management and monitoring the achievement of these goals. It is also responsible for instilling the appropriate culture, values and behaviour throughout the Group. Further details on the role and responsibilities of the Board are set out in the Corporate Governance Overview in the Company's Annual Report for the financial period ended 31 March 2021 ("FPE 2021") ("AR 2021").</p> <p>The Board's role, responsibilities, governance and effectiveness are set out in the Board Charter which was reviewed, revised and approved by the Board on 29 May 2020. In discharging its fiduciary duties, the Board has also delegated specific tasks to the Board Committees, all of which operate within respective defined terms of reference.</p> <p>The Board is responsible for the overall corporate governance of the Group including reviewing, adopting and approving the Group's overall strategic direction, business plans, key operational initiatives, annual budget, major acquisition or disposal of undertakings, capital commitments and funding decisions. Further, the Board also oversees the conduct and sustainability of the Group's business, assuming the responsibility for succession planning, reviewing the risk management process and internal control systems to minimize the downside risk for the Group in its business endeavours and to ensure compliance with relevant rules and regulations.</p> <p>The Board Charter serves as a reference point for Board activities. It is designed to provide guidance and clarity for the Directors and Management with regard to the roles of the Board and its Committees, the role of the Managing Director and/or Executive Director, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating</p>

	<p>practices. The Board has also adopted a Code of Ethics and Conduct which is incorporated in the Board Charter of the Company. The Board Charter is available on the Company's website at <a href="http://www.amallionpcb.com">www.amallionpcb.com</a>.</p> <p>In discharging its responsibilities, the Board is guided by the Code of Ethics and principles contained in the Code. The Directors of the Company must declare immediately to the Board should they be interested in any transaction to be entered into directly or indirectly within the Group.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.2**

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 of the Board is Dato' Nik Ismail Bin Dato' Nik Yusoff who was appointed to the Board on 8 September 2020 as an Independent Non-Executive Chairman. He is primarily responsible for the leadership, effectiveness, conduct and governance of the Board.</p> <p>The roles of the Chairman, among others, including the following:</p> <ul style="list-style-type: none"><li>i. To provide leadership to the Board.</li><li>ii. To oversee the effective discharge of the Board's supervisory role.</li><li>iii. To facilitate the effective contribution of all Directors.</li><li>iv. To ensure that quality information to facilitate decision-making is delivered to the Board on timely manner.</li><li>v. To ensure Board Meetings and General Meetings are in compliance with good conduct and best practices.</li><li>vi. To ensure adequate time is allocated during Board Meetings for discussion of issues tabled to the Board for deliberation.</li><li>vii. To promote constructive and respectful relations among Board members and between the Board and the Management.</li><li>viii. To conduct and chair Board Meetings and General Meetings of the Company.</li><li>ix. To brief all the Directors in relation to issues arising at Meetings.</li><li>x. Together with the Managing Director, represents the Company and / or Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.</li></ul>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

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>Chairman - Dato' Nik Ismail Bin Dato' Nik Yusoff Managing Director - Mr. Yang Chao-Tung</p> <p>There is a clear and distinct division of responsibilities between the Chairman and the Managing Director and/or Executive Directors to ensure that there is an appropriate balance of power and role, responsibility and accountability at the Board level.</p> <p>The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Managing Director and/or Executive Directors has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.</p> <p>The Managing Director and/or Executive Directors are accountable to the Board for the overall organisation, management, and staffing of the Company and/or Group and the procedures in financial and other matters, including conduct and discipline.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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 qualified and competent Company Secretary. She is a member of the Malaysian Association of Companies Secretaries and is holding a professional certificate as a qualified Company Secretary under the Companies Act 2016. She possesses over 26 years of experience in corporate secretarial practices.</p> <p>The Board acknowledges that the Company Secretary plays an important role and will ensure that the Company Secretary fulfils the functions for which she has been appointed.</p> <p>The Company Secretary and her team support the Board and the relevant Board Committees to ensure their effective functioning in accordance with their terms of reference and best practices, and in managing the corporate governance framework of the Company.</p> <p>The Company Secretary had on 25 August 2020 organised a briefing for the Board on "Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018)" to keep the Board abreast of the latest development on the governance matters and provision under Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").</p> <p>During the FPE 2021, all Board and Committees meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>The Company Secretary has and will continue to constantly keep herself abreast on matters concerning company law, corporate governance, and changes in the regulatory environment through continuous training and industry updates.</p> <p>Overall, the Board is satisfied with the service and support rendered by our Company Secretary to the Board in the discharge of her functions.</p>
<b>Explanation for departure</b>	:	

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



**Intended Outcome**

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

**Practice 1.5**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To facilitate the Directors' time planning, the annual Board and Board Committees' meetings calendar was prepared in advance for each new calendar year by the Company Secretary. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.</p> <p>The notice and meeting papers are generally circulated to the Board members at least five (5) working days before the dates of meetings. This is to ensure sufficient time for all Board members to review and deliberate on such matters accordingly and, where required, to obtain further information and clarification to facilitate well-informed decision-making during the meeting.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes of which are circulated for the Board and/or Committee Chairman's review within a reasonable timeframe after the meeting. The meeting minutes accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter was last reviewed, revised and approved by the Board on 29 May 2020.</p> <p>The Board Charter sets out the composition and balance, roles and responsibilities, operation and processes of the Board. It also serves as a primary reference point in providing all the Board members and Management insights into the fiduciary and leadership functions of the Board. The roles and responsibilities of the Board, Chairman, Managing Director and Company Secretary are set out in the Board Charter.</p> <p>The Board Charter will be reviewed and updated from time to time to ensure it remains consistent with the Board's objectives, current law and practices.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.amallionpcb.com">www.amallionpcb.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 3.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Code of Ethics and Conduct which is incorporated in the Board Charter of the Company and is to be observed by all the Directors and employees of the Group.</p> <p>The Code of Ethics and Conduct sets out the ethical standards and underlying core ethical values to guide the actions and behaviours of all the Directors and employees of the Group.</p> <p>The Board had on 29 May 2020 incorporated the anti-bribery and anti-corruption requirements to be observed by all the Directors and employees of the Group under the Code of Ethics and Conduct, details as follows:-</p> <ul style="list-style-type: none"> <li>(a) Compliance at all times with the Code of Ethics and Conduct and the Board Charter.</li> <li>(b) Compliance with the legislative and regulatory provisions in force in all the countries in which the Group operates.</li> <li>(c) Observe high standards of corporate governance at all times.</li> <li>(d) Observe high standards of business, professional and ethical conduct, and refrain themselves from offering, giving or receiving any gifts and any other form of benefits (in-kind, cash, advantages and/or favour, etc) from persons or entities who deal with the Company where the gift would reasonably be expected to influence the performance of their duties in any aspect.</li> <li>(e) Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, including fair dealing and the ethical handling of conflicts of interest.</li> <li>(f) Not misuse information gained in the course of duties for personal gain or political purposes.</li> </ul>

	<p>(g) Uphold accountability and act in good faith and the best interests of the Company and the Group.</p> <p>(h) Ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information.</p> <p>(i) Ensure full, fair, accurate, timely and understandable disclosure.</p> <p>(j) Declaration of any personal, professional or business interests that may conflict with responsibilities.</p> <p>The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate.</p>	
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group adopted a Whistle Blowing Policy to provide an avenue and accessible reporting channels for all employees of the Group and members of the public to raise concerns or disclose any improper conduct within the Group and to take appropriate action to resolve them effectively.</p> <p>The Board had on 29 May 2020 reviewed and approved the revision to the Whistle Blowing Policy which includes the relevant amendments in relation to anti-corruption measures.</p> <p>The Whistle Blowing Policy is available at the Company's website at <a href="http://www.amallionpcb.com">www.amallionpcb.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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>The Board currently comprises five (5) Directors, a majority of the Board comprises Independent Non-Executive Directors, as follows:</p> <ul style="list-style-type: none"><li>• one (1) Independent Non-Executive Chairman;</li><li>• one (1) Managing Director;</li><li>• one (1) Executive Director; and</li><li>• two (2) Independent Non-Executive Directors.</li></ul> <p>The presence of the Independent Non-Executive Directors fulfils a pivotal role in corporate accountability. They are all independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement, experience and objectively without being subordinated to operational consideration. The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.2**

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

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

<b>Application</b>	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years
<b>Explanation on application of the practice</b>	:	<p>En. Saffie Bin Bakar has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years.</p> <p>The Company had obtained its shareholders' approval at the Nineteenth (19<sup>th</sup>) Annual General Meeting ("AGM") of the Company held on 25 June 2020 to retain En. Saffie Bin Bakar as an Independent Director of the Company.</p> <p>In addition, the resolution to retain En. Saffie Bin Bakar who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years was carried out through a two-tier voting process at the 19<sup>th</sup> AGM.</p> <p>Pursuant to the MCGG, the Board upon obtaining the Nominating and Remuneration Committee's ("NRC") recommendation, agreed to seek the approval of the shareholders of the Company at the forthcoming AGM to retain him as an Independent Non-Executive Director of the Company based on the following justifications: -</p> <ul style="list-style-type: none"> <li>• He has declared and confirmed that he fulfilled the independence guidelines as set out in Chapter 1 of the Listing Requirements of Bursa Securities.</li> <li>• He has vast experience in his industry which could provide the Board with a diverse set of experience, expertise and independent judgement.</li> <li>• He has good knowledge of the Group's business operations.</li> <li>• He has devoted sufficient time and attention to his responsibilities as an independent director.</li> </ul>



	<ul style="list-style-type: none"> <li>• He has exercised due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders.</li> </ul>			
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	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

**Intended Outcome**

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

**Practice 4.3 - Step Up**

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

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

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group is an equal opportunity employer and all appointments to the Board and employment of all staff are based on objective criteria, merit, skills and experience, competencies and other attributes regardless of gender, ethnicity and age.</p> <p>In making its recommendations, the NRC would evaluate candidates, among other, the following aspects:</p> <ul style="list-style-type: none"> <li>• skills, knowledge, expertise and experiences;</li> <li>• professionalism;</li> <li>• integrity; and</li> <li>• for the position of independent non-executive director, the candidates' abilities to discharge such responsibilities/functions independently as expected from the independent non-executive director.</li> </ul> <p>The role of the NRC is detailed in its Terms of Reference, which is available on the Company's website at <a href="http://www.amallionpcb.com">www.amallionpcb.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.5**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Gender Diversity Policy on 24 February 2021 which provides a framework for the Company to improve its gender diversity at the Board level.</p> <p>In considering Board appointments, the Board believes in and provides equal opportunity to candidates who have the necessary skills, experience, core competencies and other qualities regardless of gender, ethnicity and age.</p> <p>The Board is supportive of gender diversity in the Board composition as recommended by MCCG and will endeavour to continuously identify and assess suitably qualified female candidates for nomination.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.6**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC will carry out an annual review of the required mix of skills and experience and other qualities including core competencies which Directors should bring to the Board and assess the effectiveness of the Board as a whole, as well as, look into succession planning, boardroom and gender diversity to ensure the effectiveness of the Board.</p> <p>The policies and procedures for recruitment and appointment of Directors are guided by the Terms of Reference of the NRC.</p> <p>The NRC leverages on various sources and gains access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, management and/or major shareholders, the NRC also refers to the potential candidate from the industry taking into consideration his/her education, skills and experience.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.7**

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

Application	:	Applied	
Explanation on application of the practice	:	The NRC is chaired by En. Saffie Bin Bakar, an Independent Non-Executive Director of the Company.	
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**

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 NRC assessed and evaluated the performance and effectiveness of the Board and Board Committees as a whole and the contribution of each individual Director.</p> <p>In evaluating the performance of Non-Executive Chairman/Directors, certain criteria were established and adopted, amongst others, attendance at Board or Committee meetings, key responsibilities of the Chairman/adequate preparation for Board and/or Committee meetings, regular contribution to Board or Committee meetings, personal input to the role and other contributions to the Board or Committee as a whole.</p> <p>In evaluating the performance of Executive Directors, the assessment was carried out against diverse key performance indicators, amongst others, financial, strategic and sustainability, conformance and compliance, business acumen/increasing shareholders' wealth, succession planning and personal input to the role.</p> <p>The evaluations undertook by the NRC during the FPE 2021 are as summarised below:</p> <ul style="list-style-type: none"><li>• Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he could devote sufficient time to the role.</li><li>• Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole to assess its effectiveness.</li><li>• Assessed and recommended to the Board for approval on the re-election of Directors who were due to retire at the forthcoming AGM pursuant to the Company's Constitution.</li></ul>

	<ul style="list-style-type: none"> <li>• Reviewed and assessed the independence of the Independent Directors of the Company.</li> <li>• Reviewed and evaluated the independence of Independent Directors who have served the Board for a cumulative term of more than nine (9) years pursuant to the MCCG.</li> <li>• Reviewed and assessed the performance of Audit Committee ("AC").</li> </ul>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

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

**Practice 6.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had established a formal and transparent Remuneration Policy to attract and retain Directors and Senior Management of the Company.</p> <p>The Remuneration Policy is available at the Company's website at <a href="http://www.amallionpcb.com">www.amallionpcb.com</a>.</p> <p>The Board will determine the level of remuneration of Board Members, taking into consideration the recommendations of the NRC for Managing Director and/or Executive Directors. The remuneration of the Managing Director and/or Executive Directors is rewarded on a performance-based.</p> <p>Non-Executive Directors of the Company will be paid a basic fee as ordinary remuneration based on their responsibilities in Committees and the Board, their attendances and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.</p>
<b>Explanation for departure</b>	:	
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<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 6.2

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

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

<b>Application</b>	:	Applied								
<b>Explanation on application of the practice</b>	:	<p>The NRC's primary responsibilities include establishing, reviewing and recommending to the Board the remuneration packages of each individual Director to ensure that their remuneration aligns with business strategy and long-term objectives of the Company and are reflective of their responsibilities and expertise.</p> <p>The composition of the NRC is as follows:</p> <table><tr><th><b>NRC</b></th><th><b>Designation</b></th></tr><tr><td>Saffie Bin Bakar, <i>Chairman</i></td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Nik Ismail Bin Dato' Nik Yusoff, <i>Member</i></td><td>Independent Non-Executive Chairman</td></tr><tr><td>Yee Yit Yang, <i>Member</i></td><td>Independent Non-Executive Director</td></tr></table> <p>The Terms of Reference of RC is available on the Company's website at <a href="http://www.amallionpcb.com">www.amallionpcb.com</a>.</p>	<b>NRC</b>	<b>Designation</b>	Saffie Bin Bakar, <i>Chairman</i>	Independent Non-Executive Director	Dato' Nik Ismail Bin Dato' Nik Yusoff, <i>Member</i>	Independent Non-Executive Chairman	Yee Yit Yang, <i>Member</i>	Independent Non-Executive Director
<b>NRC</b>	<b>Designation</b>									
Saffie Bin Bakar, <i>Chairman</i>	Independent Non-Executive Director									
Dato' Nik Ismail Bin Dato' Nik Yusoff, <i>Member</i>	Independent Non-Executive Chairman									
Yee Yit Yang, <i>Member</i>	Independent Non-Executive Director									
<b>Explanation for departure</b>	:									
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>										
<b>Measure</b>	:									

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied																																																																													
<b>Explanation on application of the practice</b>	:	<p>The details disclosure of the Directors’ remuneration received from the Company and the Group during the FPE 2021 are as follows:-</p> <p><b>(A) The Company</b></p> <table><tr><th><b>Name of Directors</b></th><th><b>Fees RM</b></th><th><b>Salaries RM</b></th><th><b>Benefits in Kind RM</b></th><th><b>Meeting Allowance RM</b></th><th><b>Bonus RM</b></th><th><b>Total RM</b></th></tr><tr><td>Yang Chao-Tung</td><td>45,000</td><td>240,790</td><td>-</td><td>3,000</td><td>-</td><td>288,790</td></tr><tr><td>Choong Lee Aun (Appointed on 8 September 2020)</td><td>21,000</td><td>65,157</td><td>-</td><td>1,000</td><td>-</td><td>87,157</td></tr><tr><td>Dato' Nik Ismail Bin Dato' Nik Yusoff (Appointed on 8 September 2020)</td><td>16,589</td><td>-</td><td>-</td><td>2,000</td><td>-</td><td>18,589</td></tr><tr><td>Yee Yit Yang (Appointed on 8 September 2020)</td><td>18,250</td><td>-</td><td>-</td><td>2,000</td><td>-</td><td>20,250</td></tr><tr><td>Saffie Bin Bakar</td><td>31,250</td><td>-</td><td>-</td><td>5,500</td><td>-</td><td>36,750</td></tr><tr><td>Oon Hock Chye (Retired on 25 June 2020)</td><td>25,000</td><td>-</td><td>-</td><td>2,500</td><td>-</td><td>27,500</td></tr><tr><td>Chang Choon Ming (Resigned on 8 September 2020)</td><td>36,000</td><td>-</td><td>-</td><td>2,000</td><td>-</td><td>38,000</td></tr><tr><td>Mok Shiaw Hang (Resigned on 8 September 2020)</td><td>25,000</td><td>-</td><td>-</td><td>3,500</td><td>-</td><td>28,500</td></tr><tr><td>Lew Lip Ping (Resigned on 8 September 2020)</td><td>25,000</td><td>-</td><td>-</td><td>2,000</td><td>-</td><td>27,000</td></tr><tr><td><b>TOTAL</b></td><td><b>243,089</b></td><td><b>305,947</b></td><td><b>-</b></td><td><b>23,500</b></td><td><b>-</b></td><td><b>572,536</b></td></tr></table>	<b>Name of Directors</b>	<b>Fees RM</b>	<b>Salaries RM</b>	<b>Benefits in Kind RM</b>	<b>Meeting Allowance RM</b>	<b>Bonus RM</b>	<b>Total RM</b>	Yang Chao-Tung	45,000	240,790	-	3,000	-	288,790	Choong Lee Aun (Appointed on 8 September 2020)	21,000	65,157	-	1,000	-	87,157	Dato' Nik Ismail Bin Dato' Nik Yusoff (Appointed on 8 September 2020)	16,589	-	-	2,000	-	18,589	Yee Yit Yang (Appointed on 8 September 2020)	18,250	-	-	2,000	-	20,250	Saffie Bin Bakar	31,250	-	-	5,500	-	36,750	Oon Hock Chye (Retired on 25 June 2020)	25,000	-	-	2,500	-	27,500	Chang Choon Ming (Resigned on 8 September 2020)	36,000	-	-	2,000	-	38,000	Mok Shiaw Hang (Resigned on 8 September 2020)	25,000	-	-	3,500	-	28,500	Lew Lip Ping (Resigned on 8 September 2020)	25,000	-	-	2,000	-	27,000	<b>TOTAL</b>	<b>243,089</b>	<b>305,947</b>	<b>-</b>	<b>23,500</b>	<b>-</b>	<b>572,536</b>
<b>Name of Directors</b>	<b>Fees RM</b>	<b>Salaries RM</b>	<b>Benefits in Kind RM</b>	<b>Meeting Allowance RM</b>	<b>Bonus RM</b>	<b>Total RM</b>																																																																									
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	<b>(B) The Group</b>						
	<b>Name of Directors</b>	<b>Fees RM</b>	<b>Salaries RM</b>	<b>Benefits in Kind RM</b>	<b>Meeting Allowance RM</b>	<b>Bonus RM</b>	<b>Total RM</b>
	Yang Chao-Tung	45,000	453,920	-	3,000	-	501,920
	Choong Lee Aun <i>(Appointed on 8 September 2020)</i>	21,000	98,011	-	1,000	-	120,011
	Dato' Nik Ismail Bin Dato' Nik Yusoff <i>(Appointed on 8 September 2020)</i>	16,589	-	-	2,000	-	18,589
	Yee Yit Yang <i>(Appointed on 8 September 2020)</i>	18,250	-	-	2,000	-	20,250
	Saffie Bin Bakar	31,250	-	-	5,500	-	36,750
	Oon Hock Chye <i>(Retired on 25 June 2020)</i>	25,000	-	-	2,500	-	27,500
	Chang Choon Ming <i>(Resigned on 8 September 2020)</i>	36,000	-	-	2,000	-	38,000
	Mok Shiao Hang <i>(Resigned on 8 September 2020)</i>	25,000	-	-	3,500	-	28,500
	Lew Lip Ping <i>(Resigned on 8 September 2020)</i>	25,000	-	-	2,000	-	27,000
	<b>TOTAL</b>	<b>243,089</b>	<b>551,931</b>	<b>-</b>	<b>23,500</b>	<b>-</b>	<b>818,520</b>
<b>Explanation for departure</b> :							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>							
<b>Measure</b> :							
<b>Timeframe</b> :							

**Intended Outcome**

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

**Practice 7.2**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company takes cognisance to the MCCG's recommendation where such disclosure should be made.</p> <p>However, due to confidentiality and sensitivity of the remuneration package of Senior Management as well as security concerns, the Board opts not to disclose the remuneration of the Senior Management.</p> <p>The Board considered the information of the remuneration of the Senior Management to be sensitive and proprietary given the competitive nature of the human resource market and to support the Company's efforts in retaining executive talents.</p> <p>As an alternative, the Board is of the view that the disclosure of Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 in the AR 2021 is adequate.</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>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Chairman of the AC</p> <ul style="list-style-type: none"> <li>- Mr. Yee Yit Yang, Independent Non-Executive Director</li> </ul> <p>Chairman of the Board</p> <ul style="list-style-type: none"> <li>- Dato' Nik Ismail Bin Dato' Nik Yusoff, Independent Non-Executive Chairman</li> </ul> <p>The positions of Board Chairman and AC Chairman are assumed by different individuals which allow the Board and AC to objectively review their findings and recommendations. This is also to ensure that the Board's review of the AC's findings and recommendations are not impaired.</p> <p>The Terms of Reference of the AC is available at the Company's website at <a href="http://www.amallionpcb.com">www.amallionpcb.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The policy which requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC is incorporated in the Terms of Reference of the AC.</p> <p>No former key audit partners of the present auditors have been appointed to the Board.</p> <p>The Terms of Reference of the AC is available at the Company’s website at <a href="http://www.amallionpcb.com">www.amallionpcb.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had established the External Auditors Assessment Policy ("the Policy") together with an annual performance evaluation form. The Policy aims to outline the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.</p> <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The AC shall carry out an annual performance assessment of the External Auditors and may request the Executive Directors and Chief Financial Officer to provide feedback/inputs for conducting the assessment.</p> <p>The annual evaluation form provides a checklist for the AC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company that consider among others:-</p> <ul style="list-style-type: none"> <li>• Adequacy of resources and experience of the audit firm;</li> <li>• Quality processes of the audit firm;</li> <li>• Competency of audit engagement team;</li> <li>• Audit governance and independence;</li> <li>• Audit fee, scope and planning; and</li> <li>• Audit communications.</li> </ul> <p>The AC had, with the relevant input from the Executive Directors and the Financial Controller assessed the performance of the External Auditors.</p> <p>The Board, having considered the AC's recommendation and feedback, recommended the re-appointment of the External Auditors for the financial year ending 31 March 2021 for shareholders' approval at the forthcoming AGM.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The AC comprises solely 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 AC possess the necessary skills to discharge their duties and are financially literate. The profiles of the AC members are provided in the AR 2021.</p> <p>The AC Chairman and a majority of the AC members are financially literate and they are able to understand matters under the purview of the AC including the financial reporting process.</p> <p>The AC has also kept itself abreast of relevant developments in accounting and auditing standards, practices and rules.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has established a risk management and internal control framework to identify and assess the risks faced by the Group and thereafter, to implement and monitor appropriate internal controls to manage and mitigate those risks as spelled out in the Statement on Risk Management and Internal Control. The Statement of Risk Management and Internal Control as disclosed in the Company’s AR 2021 had been reviewed by the External Auditors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 9.2**

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 Risk Management Policy and Internal Control Framework ensure a structured risk management process is adopted across the Group. This will enable the Group to identify potential risks and to implement the necessary controls to mitigate the risks and effectively achieve the Group's business objectives. It is to achieve total customers satisfaction, deliver superior returns to stakeholders and provide a lively environment for the community, continuously improve and sustain the business. The Group also practices transparency in management and operation to ensure integrity and ethical business practice. It also allows the Group to be more proactive than reactive in management and future planning.</p> <p>The key features of the Risk Management Framework are set out in the Statement on Risk Management and Internal Control as presented in the AR 2021.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 9.3 - 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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Risk Management Committee ("RMC") of AEM comprises a majority of Independent Directors to oversee the Company's risk management framework and policies.</p> <p>The RMC discusses solutions and challenges pertaining to risk management and proceedings are reported to the Board at the Board meeting after each Committee meeting.</p> <p>The Terms of Reference of the RMC is available at the Company's website at <a href="http://www.amallionpcb.com">www.amallionpcb.com</a>.</p>



**Intended Outcome**

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

**Practice 10.1**

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 Board has established the Internal Auditors Assessment Policy ("IA Assessment Policy") together with an annual assessment form. IA Assessment Policy is to outline the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.</p> <p>The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.</p> <p>The AC obtained assurance from the Internal Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The AC carried out an annual performance assessment of the Internal Auditors and requested the Executive Directors and the Group Financial Controller to join the assessment.</p> <p>The annual evaluation form provides a checklist for the AC to carry out a formal review of the independence, effectiveness and efficiency of the Internal Auditors of the Company, among others, the following were some of the criteria reviewed by the AC:-</p> <ul style="list-style-type: none"> <li>• Adequacy of resources and experience of the internal audit firm;</li> <li>• Quality processes of the internal audit firm;</li> <li>• Competency of the engagement team;</li> <li>• Governance and independence;</li> <li>• Internal audit fee, scope and planning; and</li> <li>• Internal audit reports and communications.</li> </ul> <p>Details of the Internal Audit function are set out in the AC Report in the AR 2021.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 10.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit functions of the Company had been outsourced to an independent internal audit service provider, namely Vaersa ("Internal Auditors").</p> <p>The Internal Auditors carried out their work by referring to a recognised framework for internal auditing such as the <i>International Professional Practices Framework</i> issued by the Institute of Internal Auditors.</p> <p>The audit personnel from the Internal Auditors are not related to any of the Directors of the Company and have no conflict of interest with the Company which could impair their objectivity and independence.</p> <p>The AC had on 28 May 2021 evaluated the performance of the Internal Auditors for the FPE 2021 upon such evaluation criteria as set out its Annual Assessment Form.</p> <p>The Ac collectively assessed with the relevant input from the Executive Directors and the Financial Controller.</p> <p>In conclusion, the AC was of the view that:</p> <ul style="list-style-type: none"><li>• The Internal Auditors have sufficient experience and resources to satisfy their terms of reference.</li><li>• The Internal Auditors have sufficient resources to adequately deliver quality services to the Group.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

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

**Practice 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group recognises the importance of being transparent and accountable to its stakeholders and as such, maintains an active and constructive communication policy that enables the Board to communicate effectively with investors, the financial community and the public.</p> <p>The Group leverages on several formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through Annual Report, quarterly financial results, announcements to Bursa Securities, circulars, Annual and Extraordinary General Meeting and the Company's website so that the shareholders are constantly kept abreast on the Group's progress and developments.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 11.2**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Company is not required to apply this practice as it is not a large company.</p> <p>Corporate information is disseminated via the Company's website and announcements are published on the website of Bursa Securities. At present, the Board is of the view that the Company's Annual Report is comprehensive enough for stakeholders to make informed decisions. The current Annual Report provides stakeholders with a fairly comprehensive overview of the Company's financial and non-financial information including future prospects. Components such as the Management and Discussion Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, as well as the Sustainability Statement, form an integral part of the non-financial information. Once the level of maturity of non-financial reporting practices is adequate and able to comply with globally recognised integrated reporting standards, the Company will implement this as soon as it is practicable.</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>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>AEM gives its shareholders at least 28 days' notice before the date of the AGM.</p> <p>The Notice of the Twentieth (20<sup>th</sup>) AGM of the Company which is scheduled to be held on 28 September 2021 was given to the shareholders on 25 August 2021, which is more than 28 days before the date of the 20<sup>th</sup> AGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.2**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors attended the Nineteenth AGM (“19<sup>th</sup> AGM”) held on 25 June 2020 and the Extraordinary General Meeting (“EGM”) held on 15 April 2021 to engage directly with shareholders and be accountable for their stewardship of the Company.</p> <p>During the proceedings of the 19<sup>th</sup> AGM and EGM, the Chairman invited shareholders to raise questions pertaining to the Company’s audited financial statements and other agendas tabled for approval at the meetings.</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 12.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board ensures that the location of the general meeting is easily accessible to the shareholders of the Company. The 19<sup>th</sup> AGM held on 25 June 2020 was held at Istana Melaka, Level 02, Park Avenue Hotel, E-1, Jalan Indah Dua, Taman Sejati Indah, 08000 Sungai Petani, Kedah, a venue that was accessible by its shareholders. Shareholders who were unable to attend the AGM were encouraged to appoint his/her/its proxy/proxies to attend and vote at the AGM.</p> <p>Nonetheless, in view of the coronavirus disease (COVID-19) outbreak in Malaysia and having regard for the well-being and safety of our shareholders, the Company's EGM on 15 April 2021 was held on a fully virtual basis and entirely via remote participation and voting. This allows the shareholders to attend the EGM remotely as the health and safety of the shareholders and staff who attended the EGM are our priority.</p> <p>The Company will also hold its forthcoming 20<sup>th</sup> AGM on a fully virtual basis and entirely via remote participation and voting. This allows the shareholders to participate in the AGM while at the same time, follows the health guidance issued by the Government of Malaysia of not having a mass gathering and practicing social distancing to curb the spread of COVID-19. The conduct of meetings by way of fully virtual is also strongly encouraged by the Securities Commission Malaysia.</p> <p><u>Remote shareholders' participation in General Meetings</u> Shareholders can attend, participate, speak (including posing questions to the Company/Board of Directors) and vote remotely at the AGM &amp; EGM without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company's share registrar in hard copy or by electronic means.</p> <p><u>Voting in absentia</u> For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with a pre-determined proxy form.</p>

	Shareholders will be allowed to cast their vote via an online platform at the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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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