

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7031
COMPANY NAME : Amtel Holdings Berhad
FINANCIAL YEAR : November 30, 2018

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board has the ultimate responsibility to set strategic direction and policy in relation to the business and affairs of the Company and the Group for the benefit of the shareholders and other stakeholders of the Company. The Board is accountable to shareholders for the performance of the Group.</p> <p>The Board provides the overall governance as well as stewardship and oversight for the direction and management of the Company and Group. In discharging its duties and functions effectively, the Board delegates certain responsibilities to its Board Committees. All committees have written Terms of Reference. The Board has established the following Board Committees:-</p> <ul style="list-style-type: none"> • Audit Committee • Remuneration Committee • Nomination Committee <p>The Chairman of the respective Board Committee will report to the Board the outcome of the Board Committees meetings for the Board's consideration and final decision.</p> <p>The Board assumes, amongst others, the following roles and responsibilities in discharging its obligation:-</p> <ol style="list-style-type: none"> (i) Review, challenge and decide on Management's proposals for the Company and the Group, which includes corporate strategy and business plans and monitor the implementation by the Management; (ii) Review and adopt corporate objectives of the Company and the Group which includes performance targets and long-term and medium-term goals; (iii) Oversee the resources and operational conducts of the Company

	<p>and the Group's businesses, to evaluate and assess Management's performance to determine whether the businesses are being properly managed;</p> <ul style="list-style-type: none"> (iv) Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken; (v) Identify and understand the principal risks of the business of the Company and the Group and recognise that business decisions involve the taking of appropriate risks; (vi) Set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; (vii) Ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Senior Management; (viii) Ensure that the Company adopts an effective communication strategy to enable effective communication with shareholders and other stakeholders; (ix) Review the adequacy and integrity of the Group's internal control systems and ensure there is a sound framework for internal controls and risk management compliance with applicable laws, regulations, rules, directives and guidelines; (x) Promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour; (xi) Delegates certain responsibilities to the various Board Committees with clearly defined Terms of Reference to assist the Board in discharging its responsibilities; (xii) Ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability; and (xiii) Ensure the integrity of the Company's financial and non-financial reporting.
<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 an Independent Non-Executive Chairman.</p> <p>The Chairman is responsible for leadership of the Board in ensuring Board effectiveness and conduct of the Board. The roles and responsibilities of the Chairman, amongst others, are as follows:-</p> <ul style="list-style-type: none"> (i) Providing leadership to the Board so that the Board can perform its responsibilities effectively, cohesively and independently of Management; (ii) Setting the Board agenda and ensuring the Board members receive complete and accurate information in a timely manner; (iii) Leading Board meetings and discussions, as well as encouraging active participation and allowing dissenting views to be freely expressed; (iv) Promoting constructive and respectful relationship between Board members and managing the interface between Board and Management; (v) Ensuring appropriate steps are taken to provide effective communication with shareholders and other stakeholders and that their views are communicated to the Board as a whole; and (vi) Leading the Board in establishing and monitoring good corporate governance practices in the Company.
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>There is a clear division of the roles and responsibilities between the Company's Chairman and Group Managing Director to ensure a balance of control, power and authority.</p> <p>The Board is led by YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin, the Independent Non-Executive Chairman and the executive management is led by Dato' Koid Hun Kian, the Group Managing Director.</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 board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by suitably qualified, competent Company Secretaries.</p> <p>The Company maintains 2 named Company Secretaries namely, Ms. Lim Lee Chin, a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and Ms. Hoh Yit Foong, a Licensed Secretary (LS).</p> <p>The specific responsibilities of the Company Secretaries include the following:-</p> <ul style="list-style-type: none">(i) ensure compliance of listing and related statutory obligations;(ii) attend Board, Board Committees and general meetings, and ensure the proper recording of minutes;(iii) ensure proper upkeep of statutory registers and records;(iv) assist in preparation for and conduct of meetings; and(v) continuously update the Board on changes to MMLR of Bursa Securities, and other related legislations and regulations. <p>All Directors have access to the advice and services of the Company Secretaries, who are responsible to the Board for ensuring that Board procedures are complied with.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board are supplied with appropriate and timely information to enable it to discharge its duties. The Board papers will be distributed to all Directors prior to the Board meetings and sufficient time are given to enable Directors to evaluate the matters to be discussed in order to discharge their duties effectively and efficiently.</p> <p>The Directors are free to seek any further explanation and information they consider necessary to facilitate informed decision-making. Senior Management officer may be invited to attend Board meetings when necessary, to furnish explanation and comments on the relevant agenda item(s) tabled at the Board meetings or to provide clarification on issues that may be raised by the Board or any Director. All Directors, whether as a full Board or in their individual capacity have unrestricted access to the information, advice and services of the Company Secretaries and the Senior Management team in the Group in carrying out their duties.</p> <p>Upon conclusion of the meetings, the minutes prepared by the Company Secretaries are distributed to all Directors in a timely manner and tabled for review in 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	:	

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 has in place a Board Charter. The responsibilities and duties of the Board, Board Committees, Non-Executive Chairman and Group Managing Director are clearly stated in the Board Charter and it is made available for reference on the Company’s corporate website, www.amtel.com.my.</p> <p>All the Board Members are aware of their duties and responsibilities and also serve as a base for the Board in assessing its collective performance and that of each individual Director.</p> <p>The Board Charter shall be reviewed on a periodic basis and may be amended by the Board from time to time, to ensure its relevance in assisting the Board to discharge its duties with the changes in laws and regulations and to remain consistent with the Board’s objectives and responsibilities.</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 formalised a Directors' Code of Conduct and Ethics, setting out the standards of conduct expected from Directors to inculcate good ethical conduct, whilst the Group has established a Code of Conduct and Ethics for its employees. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company.</p> <p>Both of the Codes are to provide the fundamental guiding principles and standards applicable to the Directors and Employees.</p> <p>Both Codes are available at the Company's corporate website at www.amtel.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 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	:	The Group has in place a whistle blowing policy to provide employees with an accessible avenue to report matter of serious concern and/or improper conduct that may affect the professional and compliant operation of the Group's businesses. The policy sets out and identifies the appropriate communication and feedback channels which facilitate whistleblowing.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board consists of 5 members as follows:</p> <ul style="list-style-type: none"> • One (1) Independent Non-Executive Chairman; • Two (2) Independent Non-Executive Directors; and • Two (2) Executive Directors. <p>As such, more than half of the Board Members are comprised of independent directors.</p> <p>The basis for the presence of an independent voice on the Board is to ensure that objectivity in decision-making of the Board is achieved and that no single party can dominate such decision-making in the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

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

Application	:	Applied - Two Tier Voting
Explanation on application of the practice	:	<p>As disclosed in the Board Charter, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years in accordance with the MCCG 2017. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director being re-designated as a Non-Independent Director. In the event that the Director is to remain as Independent Director, the Board shall first justify and obtain shareholders' approval.</p> <p>The two Independent Directors namely, YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin and Mr. Siow Hock Lee who have served as Directors for a cumulative period exceeding twelve (12) years will be subjected to a two-tier voting process at the forthcoming Annual 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

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee is responsible for making recommendations for the appointment of directors to the Board.</p> <p>In making recommendation of suitable candidates, the Nomination Committee considers the following:</p> <ul style="list-style-type: none"> • candidates’ skills; • knowledge; • experience; • age; • cultural background; and • gender <p>The appointment of Senior Management are based on the policies in the Group’s human resource manual.</p> <p>The Board acknowledges the recommendation of the MCCG 2017 on gender diversity but believes that the overriding factors in selection of a Director must be based on the above criteria, while taking into consideration diversity of the Board.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Although the Company does not currently have a written policy on gender diversity pertaining to the selection of its Board members, the Board has always taken into account gender diversity as one of the selection criteria of Board appointees as it recognises that a diversified Board will provide effective and dynamic discussions at the Board level.</p> <p>The Board currently comprises one (1) women Director, namely, Ms. Tan Woon Huei, who serves as an Non-Independent Executive Director.</p> <p>The Board acknowledges the recommendation of the MCCG 2017 on gender diversity but believes that the overriding factors in selection of a Director must be based on skill, experience, competency and wealth of knowledge, while taking into consideration gender diversity of the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.6

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nomination Committee is responsible for recommending suitable candidates to the Board for its consideration. The Board uses a variety of sources for the identification of suitable candidates.</p> <p>In identifying suitable candidates, the Nomination Committee is also open to referrals from external advisors to facilitate the search.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Nomination Committee is Ir. Chew Yook Boo who is an Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the Nomination Committee, conducts an assessment on the performance of each individual Director and the Board as a whole on an annual basis.</p> <p>The assessment criteria includes the mix of skills, size, current composition, experiences, competencies and other qualities required to meet the needs of the Group and to comply with the provisions of the MMLR of Bursa Securities.</p> <p>All assessments and evaluations carried out by the Nomination Committee are properly documented. The summaries of the assessments prepared by the Company Secretary are tabled at the Nomination Committee meeting, for the Nomination Committee's assessment and evaluation.</p> <p>The conclusion of the Nomination Committee's assessment will be minuted and its minutes are included in the Board papers for Board's notification.</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 6.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee is responsible to review and recommend the remuneration packages of the Executive Directors and Non-Executive Directors and to ensure the levels of remuneration are sufficiently attractive and be able to retain and motivate experienced, qualified and high calibre Directors to support and drive the business strategies, long term objectives, and values of the Group.</p> <p>The Remuneration Policy for Directors can be found at the Company's corporate website at www.amtel.com.my.</p> <p>The remuneration package of the Senior Management is determined based on the criteria set under the remuneration policy approved by the Group Managing Director with the consultation of the Human Resources Department.</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 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Remuneration Committee which comprises of solely Non-Executive Directors.</p> <p>The duties and responsibilities of the Remuneration Committee shall include the following:-</p> <ol style="list-style-type: none">1. Periodically review the remuneration policy for Directors pertaining to the remuneration of Directors;2. To assist the Board in implementation of the remuneration policy for Directors to ensure the remuneration packages are determined on the basis of the Directors' merit, qualification, competency, responsibilities, contributions and experience, having regard to the Company's operating results, individual performance and comparable market statistics;3. To review and recommend to the Board the remuneration packages for the Executive Directors, Group Managing Director and Non-Executive Directors in all its forms, drawing from outside advice if necessary; and4. To carry out any other duties and responsibilities as may be delegated or defined by the Board from time to time. <p>The Terms of Reference of the Remuneration Committee can be found at the Company's corporate website at www.amtel.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

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.

Appli ca- tion	Applied																																																																																																																																																																																																														
Expla na- tion on appli ca- tion of the practi- ce	<p>The remuneration breakdown of individual directors on named basis are disclosed in the Company's annual report for financial year ended 30 November 2018 as follows:</p> <p>(i) Received from Amtel Holdings Berhad</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Directors</th> <th colspan="7">Company</th> </tr> <tr> <th>Fees</th> <th>Salaries</th> <th>Bonus</th> <th>Meeting Allowance</th> <th>Statutory Contributions</th> <th>Benefits in-kind</th> <th>Total</th> </tr> <tr> <th></th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="8">Non-Executive Directors</td> </tr> <tr> <td>YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin</td> <td>56</td> <td>-</td> <td>-</td> <td>3</td> <td>-</td> <td>-</td> <td>59</td> </tr> <tr> <td>Mr. Siow Hock Lee</td> <td>48</td> <td>-</td> <td>-</td> <td>3</td> <td>-</td> <td>-</td> <td>51</td> </tr> <tr> <td>Ir.Chew Yook Boo</td> <td>48</td> <td>-</td> <td>-</td> <td>3</td> <td>-</td> <td>-</td> <td>51</td> </tr> <tr> <td></td> <td>152</td> <td>-</td> <td>-</td> <td>9</td> <td>-</td> <td>-</td> <td>161</td> </tr> <tr> <td colspan="8">Executive Directors</td> </tr> <tr> <td>Dato' Koid Hun Kian</td> <td>6</td> <td>360</td> <td>1</td> <td>3</td> <td>44</td> <td>26</td> <td>440</td> </tr> <tr> <td>Ms. Tan Woon Huei</td> <td>6</td> <td>-</td> <td>-</td> <td>2</td> <td>-</td> <td>-</td> <td>8</td> </tr> <tr> <td></td> <td>12</td> <td>360</td> <td>1</td> <td>5</td> <td>44</td> <td>26</td> <td>448</td> </tr> <tr> <td>Total</td> <td>164</td> <td>360</td> <td>1</td> <td>14</td> <td>44</td> <td>26</td> <td>609</td> </tr> </tbody> </table> <p>(ii) Received on Group Basis</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Directors</th> <th colspan="7">Group</th> </tr> <tr> <th>Fees</th> <th>Salaries</th> <th>Bonus</th> <th>Meeting Allowance</th> <th>Statutory Contributions</th> <th>Benefits in-kind</th> <th>Total</th> </tr> <tr> <th></th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="8">Non-Executive Directors</td> </tr> <tr> <td>YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin</td> <td>92</td> <td>-</td> <td>-</td> <td>3</td> <td>-</td> <td>-</td> <td>95</td> </tr> <tr> <td>Mr. Siow Hock Lee</td> <td>48</td> <td>-</td> <td>-</td> <td>3</td> <td>-</td> <td>-</td> <td>51</td> </tr> <tr> <td>Ir.Chew Yook Boo</td> <td>48</td> <td>-</td> <td>-</td> <td>3</td> <td>-</td> <td>-</td> <td>51</td> </tr> <tr> <td></td> <td>188</td> <td>-</td> <td>-</td> <td>9</td> <td>-</td> <td>-</td> <td>197</td> </tr> <tr> <td colspan="8">Executive Directors</td> </tr> <tr> <td>Dato' Koid Hun Kian</td> <td>6</td> <td>360</td> <td>1</td> <td>3</td> <td>44</td> <td>26</td> <td>440</td> </tr> <tr> <td>Ms. Tan Woon Huei</td> <td>6</td> <td>240</td> <td>1</td> <td>2</td> <td>30</td> <td>17</td> <td>296</td> </tr> <tr> <td></td> <td>12</td> <td>600</td> <td>2</td> <td>5</td> <td>74</td> <td>43</td> <td>736</td> </tr> <tr> <td>Total</td> <td>200</td> <td>600</td> <td>2</td> <td>14</td> <td>74</td> <td>43</td> <td>933</td> </tr> </tbody> </table>	Name of Directors	Company							Fees	Salaries	Bonus	Meeting Allowance	Statutory Contributions	Benefits in-kind	Total		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Non-Executive Directors								YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	56	-	-	3	-	-	59	Mr. Siow Hock Lee	48	-	-	3	-	-	51	Ir.Chew Yook Boo	48	-	-	3	-	-	51		152	-	-	9	-	-	161	Executive Directors								Dato' Koid Hun Kian	6	360	1	3	44	26	440	Ms. Tan Woon Huei	6	-	-	2	-	-	8		12	360	1	5	44	26	448	Total	164	360	1	14	44	26	609	Name of Directors	Group							Fees	Salaries	Bonus	Meeting Allowance	Statutory Contributions	Benefits in-kind	Total		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Non-Executive Directors								YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	92	-	-	3	-	-	95	Mr. Siow Hock Lee	48	-	-	3	-	-	51	Ir.Chew Yook Boo	48	-	-	3	-	-	51		188	-	-	9	-	-	197	Executive Directors								Dato' Koid Hun Kian	6	360	1	3	44	26	440	Ms. Tan Woon Huei	6	240	1	2	30	17	296		12	600	2	5	74	43	736	Total	200	600	2	14	74	43	933
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Expla na- tion for depar -ture		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Mea- sure		
Time- fra- me		

Intended Outcome

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

Practice 7.2

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

Application	:	Departure						
Explanation on application of the practice	:							
Explanation for departure	:	<p>Currently, the Company has only three senior personnel. The aggregate remuneration paid to the top three senior personnel (including salary, bonus, benefits-in-kind and statutory contributions) for the financial year are provided in bands of RM50,000 based on the number of senior personnel in those bands instead of on a named basis due to confidentiality and sensitivity of each remuneration package. These senior personnel were General Manager cum Director of subsidiaries and Group Operations Manager.</p> <p>The aggregate remuneration paid are:</p> <table border="1"> <thead> <tr> <th>Remuneration Bands</th> <th>Senior Personnel</th> </tr> </thead> <tbody> <tr> <td>RM100,000-RM150,000</td> <td>2</td> </tr> <tr> <td>RM200,000-RM250,000</td> <td>1</td> </tr> </tbody> </table>	Remuneration Bands	Senior Personnel	RM100,000-RM150,000	2	RM200,000-RM250,000	1
Remuneration Bands	Senior Personnel							
RM100,000-RM150,000	2							
RM200,000-RM250,000	1							
<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

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee ("AC") and the Chairman of the Board are held by different persons. The Chairman of the AC is Ir. Chew Yook Boo who is an Independent 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

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>None of the Audit Committee members were former key audit partner.</p> <p>The Terms of Reference of the Audit Committee stipulates that a former key audit partner shall not be appointed as a member of the Audit Committee until the lapse of at least two years cooling-off period.</p> <p>The Terms of Reference of the Audit Committee is available for reference on the Company's corporate website at www.amtel.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 an effective and independent Audit Committee.

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

Practice 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee assesses the effectiveness of the External Auditors as well as the independence and objectivity of the External Auditors. In its assessment, the Audit Committee considered several factors, which included competency, audit quality and resources of the firm.</p> <p>Written assurance shall be obtained from the External Auditors annually, confirming their independence in accordance with the By-laws of the Malaysian Institute of Accountants. The External Auditors provide such declaration in their annual audit plan presented to the Audit Committee prior to the commencement of audit for a particular financial year.</p> <p>Based on the results of the assessment for the financial year under review, the Audit Committee are satisfied with the quality of services, adequacy of resources provided, independence, objectivity and professionalism demonstrated by the External Auditors in carrying out their functions.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee comprises solely of Independent Directors and as such are able to provide effective oversight for it to function effectively and exercise objective judgements independently.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee presently comprises three (3) Directors, all of whom are Independent Non-Executive Directors. The Audit Committee meets the requirements as stipulated under paragraph 15.09 of the MMLR of Bursa Securities.</p> <p>The Audit Committee members are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. The qualification and experience of the individual Audit Committee members are disclosed in the Profile of Directors in the Annual Report.</p> <p>The members of the Audit Committee on a continuous basis, has kept abreast with current developments in laws, regulations and business practices in order to aid them in discharging their duties. They are also kept informed of various development programme by the Company Secretaries regularly. They have also completed the Mandatory Accreditation Programme in accordance with MMLR of Bursa Securities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises its overall responsibility in establishing and maintaining a sound risk management and internal control system as well as to review the adequacy and effectiveness of these systems. In view of the limitations that are inherent in any system of risk management and internal control, it is important to note that these systems are designed to manage rather than to eliminate all risks that may impede the achievement of the Group's business objectives and goals. Hence, such systems can only provide a reasonable and not absolute assurance against material misstatement of management and financial information, financial losses or fraud.</p> <p>Risk management is embedded in the Group's operations and management systems.</p> <p>The Board with the assistance of the outsourced internal audit function has established processes for identifying, evaluating and managing the significant risks affecting the core business of the Group.</p> <p>The information on risk management and internal control are set out in the Statement on Risk Management and Internal Control in the Annual Report for the financial year ended 30 November 2018.</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

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

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group’s risk management framework is outlined in its Enterprise Risk Management Policy (“ERM Policy”). It is the policy of the Group to achieve best practices in the management of all significant risks that threatens to adversely impact the Group, which includes its business strategies, operation & key functional areas, employees, assets and its customers. The Group adopts the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) Enterprise Risk Management (“ERM”) methodology to cultivate and promote the risk ownership and continuous monitoring of key risks identified.</p> <p>The Group had formalised an ERM Committee (“ERMC”) which is headed by the Group General Manager. The team comprises of Strategic Business Unit (“SBU”) heads together with key management and is assisted by the Internal Auditors to determine and communicate policy, objectives, procedures and guidelines. The ERMC also directs and monitor the implementation of ERM practices and performance throughout the Group. The ERMC had also presented its ERM Policy Statement and Objectives which was tabled and approved by the Board.</p> <p>The key features of the Group’s risk management framework and internal control system are disclosed in the Statement on Risk Management and Internal Control in the Annual Report for the financial year ended 30 November 2018.</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

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

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

Practice 9.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group outsourced its internal audit function to a professional service firm, PKM Partners (M) Sdn. Bhd. (“PKM”) to assist the Board and Audit Committee in discharging their responsibilities by providing an independent and objective advisory service.</p> <p>The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group’s system of internal control is satisfactory and operating effectively.</p> <p>The Internal Auditors report directly to the Audit Committee and undertake internal audit function in a systematic and cyclic basis and on selected business processes. The Internal Auditors adopt a risk-based approach and prepare its audit plan based on the risk profiles of the major business segments of the Group. The internal audit plan is assessed annually by the Audit Committee and the Board to ensure the plan remains relevant and aligned with the Group’s key business risks and business strategies which may change in response to the dynamics of its operating environment.</p> <p>The Internal Auditors tabled the results of their review to the Audit Committee during its quarterly meeting and as and when necessary. The results of Internal Auditors’ review containing audit findings, management responses and recommendations were presented to the Audit Committee for discussion and deliberation.</p> <p>The details and summary of work of the internal audit function are further disclosed in the Audit Committee Report in the Company’s Annual Report for the financial year ended 30 November 2018.</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

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

Practice 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group outsourced its internal audit function to a professional service firm, PKM Partners (M) Sdn. Bhd. (“PKM”) to assist the Board and Audit Committee in discharging their responsibilities by providing an independent and objective advisory service.</p> <p>The engagement team is headed by its director, Mr. Tee Lay Peng, who is a member of MIA and MICPA.</p> <p>PKM is staffed by 3 personnel of all levels, including the director.</p> <p>The Audit Committee receives assurance from the outsourced Internal Auditors that all assigned Internal Auditors engagement team personnel remain independent, objective and free from any relationships or conflicts of interest in carrying out their internal audit duties throughout the engagement.</p> <p>The internal audit function is carried out by adopting the COSO ERM methodology.</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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Communication and engagement with stakeholders are made through various platforms i.e. media other than general meeting(s), press announcements, analyst briefings and via electronic means such as website.</p> <p>The Company's corporate website at www.amtel.com.my serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, financial information, corporate governance, news, events and announcements to Bursa Malaysia Securities Berhad relating to the Group.</p> <p>The AGMs and any other meetings of the shareholders represent the principal forum for dialogue and interaction with all shareholders and investors. The shareholders are given opportunity and time to participate in the open question and answer session with regard to the agenda items of the general meeting or other concerns over the Group's business as a whole. The Chairman, Group Managing Director, other Committee Chairman, Senior Management team and External Auditors are available during the general meeting to respond to the shareholders' queries.</p> <p>The Board has put in place a Corporate Disclosure Policy and Procedures to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group's matters to regulators, shareholders and stakeholders.</p> <p>The Group has a dedicated electronic email, ahb@amtel.com.my, to which stakeholders can direct their queries or concerns.</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 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable as Amtel Holdings Berhad is not considered a Large Company.	
		While the Company is adopting certain practices based on the integrated reporting, however this may not be in full compliance with the globally recognised framework.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Company dispatches its notice of AGM to shareholders at least 28 days prior to the AGM, in advance of the notice period as required under the Companies Act 2016 and MMLR of Bursa Securities.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	All the Directors, including the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee would attend the General Meetings to allow the shareholders to raise questions and clarify any issues they may have relating to each resolution tabled for approval.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.3

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Company does not have a large number of shareholders nor organise annual general meeting in remote locations. The general meeting of the Company are held at location which is easily accessible to all the shareholders.
		<p>The Company encourages the participation of shareholders through the issuance of proxy forms when there is indication that shareholders are unable to attend and vote in person at a general meeting. An independent scrutineer will be appointed to validate the votes cast at the General Meetings.</p> <p>Moving forward, the Company will consider leverage on technology to facilitate more shareholders’ participation in general meeting in future.</p>
<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
PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA
MALAYSIA**

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

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