

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1694
COMPANY NAME : MENANG CORPORATION (M) BERHAD
FINANCIAL YEAR : 30 JUNE 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 of Directors ("Board") of Menang Corporation (M) Berhad ("Menang" or "the Company") acknowledges that it is ultimately accountable and responsible for the overall performance and affairs of the Company by overseeing and appraising the Company's strategies, policies and performance. While the Management is responsible for day-to-day management and operations of Menang.</p> <p>The Board Charter sets out the principles for the operation of the Board and the Group that describe the functions of the Board and those functions delegated to Management of the Company. The Board reviews its Board Charter regularly and updates the Board Charter to ensure it complies with legislations and best practices in the operations of the Company. The Board Charter was last reviewed on 25 August 2017 in line with the practices in the Malaysian Code on Corporate Governance ("MCCG") and is available on the Company's website at www.menangcorporation.com.</p> <p>During the quarterly Board meetings held, the Board will review and assess the Management's performance and these processes are documented in the Board's minutes of meeting.</p> <p>The Board delegated specific responsibilities to Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee to support and assist in discharging its duties and responsibilities. Each committee operates its functions in accordance with its terms of reference which are periodically reviewed by the Board, and provides recommendations and advices to the Board for consideration and approval. The respective terms of reference are available on the Company's website at www.menangcorporation.com.</p> <p>Nevertheless, the Board remains ultimately responsible for corporate governance and the affairs of the Company. While at all times, the Board retains full responsibility for guiding and monitoring the Company, in discharging its 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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	After the retirement of the former Chairman of the Board at the conclusion of Annual General Meeting of the Company held on 29 November 2016, the Company has not appointed a new Chairman of the Board. Notwithstanding that Y.A.M. Raja Shahrudin Rashid, the Deputy Group Managing Director of the Company was elected to preside as Chairman of at every board meeting.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company has been actively looking for a suitable candidate to be appointed as the Chairman of the Board and may consider seeking independent sources to identify suitable candidates in addition to recommendations from the Directors, Management or Shareholders of the Company for the Board's assessment.
Timeframe	:	Within 2 years

Intended Outcome

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

Practice 1.3

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

Application :	Applied
Explanation on application of the practice :	<p>The Board recognises the importance of exercising objective oversight over Management in order to guard the interest of the Company and its stakeholders. Stemming from this, the Board aims to ensure that there is an appropriate balance of power and authority in the Company to prevent any single individual from dominating deliberations and the decision-making process.</p> <p>Although no Chairman has been appointed for the Board, Y.A.M Raja Shahrudin Rashid was elected to preside as the Chairman of every board meeting. Whilst the position of CEO is held by Mr Too Kok Leng who is responsible for managing the day-to-day business operations of the Group with powers, discretions and delegations authorised from time to time by the Board.</p> <p>The respective roles and responsibilities of the Chairman and Group MD/Group CEO are clearly articulated in the Board Charter.</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 one (1) qualified and competent Company Secretary, namely Ms Tai Yit Chan (MAICSA 7009143). She is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and is qualified to act as company secretary under Section 235(2) of the Companies Act 2016.</p> <p>The Board has accessed to the advice and services of the Company Secretary who ensure effective functioning of the Board and compliance of applicable rules and regulations.</p> <p>In discharging her role as counsel to the Board, the Company Secretary also ensure proper supply of relevant information as well as the accuracy and adequacy of meeting materials, recording of meeting minutes and resolutions of the Board and Board Committees. The Company Secretary also serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</p> <p>The Company Secretary constantly keep herself abreast of changes in the realm of corporate governance through continuous professional development. During the financial year 2018, the Company Secretary had attended internal and external trainings that were relevant to their professional development.</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>Our Board is provided with Notice of Board meetings setting out the agenda and sent to the Directors at least seven (7) days prior to the meeting.</p> <p>During the financial year 2018, for each meeting, the meeting papers detailing the matters to be transacted at the meeting, had been circulated to all Directors at least three (3) business days prior to every Board meeting for Directors' review, to enable them to obtain further information and explanation, where necessary.</p> <p>Upon conclusion of the meeting, the minutes of meetings of Board and Board Committees are prepared within a reasonable period. The draft minutes are circulated together with the Board papers to members of the Board and Board Committee members at the following Board meeting.</p> <p>The minutes of meetings records the decisions, including key deliberations, rationale for each decision made and any concerns or dissenting issues. In addition to the provision, the Directors, either as a group or individually, may upon obtaining prior Board's approval seek independent advice, where necessary, at the Company's expenses on any matters in relation to the discharge of their duties.</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 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 established a Board Charter to clearly set out the roles and responsibilities of the Chairman, Group MD/CEO, Board Committees, Independent Director, Tenure of Directors, Company Secretaries, Communication with stakeholders and Board Structure and procedures. The Board reviews the Board Charter regularly and the last review was carried out on 25 August 2017. The Board Charter is accessible for reference on the Company's website at www.menangcorporation.com.</p> <p>The Board has reserved a formal schedule of matters for its decision to ensure that the direction and control of the Group lies with the Board. This includes strategic issues and planning, formulation of policies, material acquisition and disposal of assets, implementing an appropriate system of risk management, approval of the financial statements, financing and borrowing activities, ensuring regulatory compliance, reviewing sustainability issues, reviewing the adequacy and integrity of internal controls, overseeing the investment and business of the Group, limits of authority and conflict of interest issue relating to a substantial shareholder or a Director including approving related party transactions.</p> <p>In developing and reviewing the Board Charter, the Board has taken into account the applicable rules, laws and regulations as well as internal policies.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Code of Ethics for Company Directors and a Company Staff Employment Policy Handbook that aim to outline the standards of business conduct and ethical behaviour for our Directors, Management and employees of the Group to adhere to whilst discharging their duties and responsibilities, and to enhance the high standards of personal integrity and professionalism of the Directors as well as to observe high standards of corporate governance at all times.</p> <p>The Code of Ethics is made available on the Company's website at www.menangcorporation.com.</p> <p>The Board reviews the Code of Ethics periodically or as and when the need arises to ensure it is kept contemporaneous.</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	:	<p>The Board has established a Whistleblowing Policy to inculcate the culture of good business ethics and governance within the Group and provides a clear line of communication and reporting of genuine concerns for employees and other stakeholders.</p> <p>The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is accorded protection of strict confidentiality to prevent against any form of reprisal or retaliation unless otherwise required by law or for purpose by or against the Company.</p> <p>It is the Audit Committee's prerogative to decide whether to initiate the investigation.</p> <p>The details information can be found in the Company's website at www.menangcorporation.com and is subjected to periodic review by the Audit Committee.</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 4.1

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

Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The Board currently comprises six (6) members. Amongst the six (6) members, there are three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors. The Board is in compliance with Paragraph 15.02(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).</p> <p>Notwithstanding that the current Board composition does not comprise at least half of Independent Directors, the two (2) Independent Directors, who are also the Chairman of the Audit Committee and the Nomination Committee, are able to provide adequate check and balance and are able to provide independent views and advice to all Board deliberations. This represents satisfactory alternative to the requirement of the recommended best practice of having at least half of the Board members to be Independent Directors, with appropriate representations of minority interest through the Independent Non-Executive Directors.</p> <p>An assessment of the independence of Independent Directors would be conducted on an annual basis. Based on the evaluation results for the financial year ended 30 June 2018, the Board was satisfied that each Independent Directors has fulfilled the independence criteria set out in the MMLR of Bursa Securities and they continue to demonstrate their independence through their engagement in all meetings, providing objective challenge to the Management and bringing independent judgement to decisions taken by 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 :	The Board will review the current Board composition and at an appropriate time consider appointing an additional independent director to comply with this Practice 4.1 of MCCG.
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 :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>Mr Chiam Tau Meng has served on the Board for more than 12 years as Independent Director. Since 2016, the Company has sought annual shareholders' approval at the Annual General Meeting (AGM) for him to continue to serve as Independent Director on the Board. The latest shareholders' approval was obtained at the last AGM held on 29 November 2017.</p> <p>Given that the two-tier voting has yet to be adopted by the Company, the Board recommends that a single tier shareholders' approval be sought at the upcoming AGM for him to continue to act as Independent Director. Notwithstanding his extended tenure, the Board has determined that Mr Chiam Tau Meng is able to carry out his duties in a fair, impartial and conscientious manner. The Board is of the opinion that he can continue to bring independent and objective judgement to Board deliberations and the decision making process as a whole. He also possesses vast professional experience, displays dedicated commitment and brings the right mix of skills valued by 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 :	Notwithstanding new developments that may occur regarding the two-tier voting, the Company will take steps to review and assess the unique feature prescribed by MCCG as the prescription is a variation to usual notion of shareholders' voting rights and passing of resolutions.
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

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

Application :	Not Adopted
Explanation on application of the practice :	
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 4.4

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 Board conducts regular reviews of its composition with the aim to ensure it achieves a diverse Board which is able to unearth a breadth of perspectives. In sourcing for suitable candidates, the Company takes into account the benefits of having different facets of diversity including gender, age, cultural, educational background, ethnicity, nationality, professional experience, skills, and knowledge.</p> <p>The Board includes a balanced composition of Executive, Non-executive Directors and Independent Non-executive Directors so that there is a strong element of independence in the Board. Retaining Directors and Senior Management personnel based on merit, in the context of skills, time commitment and experience, in order for the Board and Management to be effective; Ethnic diversity in the boardroom would be encouraged as it provides advantages that can help a company prosper inclusive but not limited to sharing of knowledge in different markets to enhance the Company's global presence as well as sharing of viewpoints by Directors from different ethnic background as when a variety of viewpoints are thrown into the problem-solving mix, new and innovative solutions can be reached. There is no specific target of the board in terms of ethnic of its board members or members of Senior Management. The Board with a wide range of age has the advantage of creating a dynamic, multi-generational workforce with a diverse range of skill sets that are beneficial to the Company.</p> <p>On regular basis, the Nomination Committee is tasked to discuss the measurable objectives for achieving diversity on the Board and Senior Management and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.</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 4.5

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>The Board is of the view that diversity on the board enhances the decision-making capability of the Company and it improves board discussions process by allowing different perspectives to be included in decision making. The current policy adopted by the Board is to avoid any gender bias and treat both genders with fair and equal consideration.</p> <p>It has been a long-standing practice for the Company to have at least one (1) woman director on the Board. Currently, the Board has one (1) woman director, Ms Marianna Binti Aly Shun, who was appointed to the Board as Group Executive Director on 29 November 2016.</p> <p>The Company also encourages gender diversity at its management level by having several women holding key positions of management within the Company.</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 Nominating Committee is responsible for recommending suitable candidates for Directorships to the Board. The responsibilities of the Nomination Committee in this regard are outlined in its Terms of Reference.</p> <p>In evaluating potential candidates, the Nomination Committee will assess directorship suitability based on objective criteria, including:-</p> <ul style="list-style-type: none">• Qualification;• Required competencies, skills, expertise and experience;• Specialist knowledge or technical skills;• Professionalism and integrity; and• Time commitment to the Company. <p>In searching for suitable candidates, the Nomination Committee may receive suggestions from existing Board Members, Management, and major shareholders. The Committee is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.</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 :	<p>The Nomination Committee is responsible for oversight of the structure, size, composition and succession planning of the Board and senior management.</p> <p>The Nomination Committee is chaired by an Independent Director, namely Mr Leou Thiam Lai.</p> <p>The Board acknowledges that an effective recruitment and evaluation process of Directors is the bedrock of an effective and high-performing Board. The Board therefore entrusts and finds Mr Leou Thiam Lai, as an Independent Director, to be a most suitable and qualified person to lead the conduct of the process in an objective manner.</p> <p>In discharging his duties as the Chairman of Nomination Committee, he undertakes to perform the following:-</p> <ul style="list-style-type: none">• lead the annual reviewing of Board Effectiveness Evaluation, ensuring that the performance of the Board, Board Committees and each individual director is assessed objectively and holistically;• lead the succession planning and appointment of Board members as well as Senior Management, if any;• lead the assessment of Directors' training needs periodically with the aim of devising relevant professional development programmes based on such assessment for recommendation to the Board;• lead the assessment on the size and composition of the Board; and• lead the assessment and consider female candidates as new directors of the Company as and when the opportunity arises.
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 Nomination Committee carries out annual assessments to determine the effectiveness of our Board as a whole, the Board Committees as well as the contribution of each individual Director and assessment on the independence of the Independent Directors by way of self and peer evaluation.</p> <p>The annual assessment facilitated by the Company Secretary was based on the recommended questionnaires published under the 2nd edition of the Corporate Governance Guide issued by Bursa Malaysia Berhad. There were a total of 6 questionnaires being developed as follows:-</p> <ul style="list-style-type: none">a. Evaluation on Board Effectiveness;b. Director's Peer Review;c. Board Committee Evaluation;d. Audit Committee Evaluation;e. Audit Committee Members' Self and Peer Evaluation;f. Assessment of the Independent Non-Executive Directors; andg. Independent Directors' Self-Assessment Checklist. <p>The summary of the results of assessment were compiled by the Company Secretary and tabled for review and discussion at the Nomination Committee meeting held on 23 August 2018. The Nomination Committee is satisfied with the current composition of our Board and its Committees in respect of their balanced mix of skills, experience and expertise, as well as individual Director's personal attributes and contribution to the Board after taking into consideration the assessments done.</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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>In determining the remuneration of its Directors and senior management, the Company's objective has always been to provide fair and competitive remuneration to benefit the Company by attracting and retaining a high quality team.</p> <p>The remuneration/fees of the Directors were determined by the Board based on the recommendation of the Remuneration Committee based on the level of responsibilities undertaken and contributions to the Board. Each individual Director concerned abstained from the discussion on their own remuneration/fees.</p> <p>The payment of Directors' fees and benefits payable to the Directors of the Company are always subject to the shareholders' approval at the Company's Annual General Meeting ("AGM").</p> <p>The Executive Directors' and senior management's remuneration packages are structured to link rewards to corporate and individual performance. Performance is measured against the results achieved by the Group and individual achievement against targets set at the beginning of each year.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board will consider formalising a remuneration policy and procedures which will cover Directors and Senior Management.
Timeframe	:	Within 12 months

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 Remuneration Committee consists of three (3) members, comprising wholly of Non-Executive Directors, namely Dr. Christopher Shun Kong Leng, the Chairman of Remuneration Committee, Mr Chiam Tau Meng and Mr Leou Thiam Lai.</p> <p>The Remuneration Committee is responsible for considering and recommending the following matters to the Board for its approval:-</p> <ul style="list-style-type: none">(i) To recommend to the Board the framework of Company Directors' remuneration and the remuneration package for each Director drawing from outside advice as necessary.(ii) To recommend to the Board any performance related pay schemes for Company Directors.(iii) To review Executive Directors' scope of service contracts.(iv) To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfill its functions. <p>The Remuneration Committee's Terms of Reference is periodically reviewed by the Board and made available on the Company's website.</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.

Application	:	Applied																																																																																																																																																								
Explanation on application of the practice	:	<p>Details of Directors' remuneration (both the Company and the Group) who served during the financial year ended 30 June 2018 are as follows:-</p> <p><u>The Group</u></p> <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="6">Remuneration</th> </tr> <tr> <th>Fees (RM)</th> <th>Salary (RM)</th> <th>Bonus (RM)</th> <th>Benefits-in-kind (RM)</th> <th>Emoluments (RM)</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td>Executive Directors</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Too Kok Leng</td> <td>5,000</td> <td>252,000</td> <td>-</td> <td>6,743</td> <td>186,000</td> <td>449,743</td> </tr> <tr> <td>Y.A.M. Raja Shahrudin Rashid</td> <td>5,000</td> <td>204,000</td> <td>-</td> <td>10,922</td> <td>132,000</td> <td>351,922</td> </tr> <tr> <td>Marianna Binti Aly Shun</td> <td>5,000</td> <td>162,000</td> <td>-</td> <td>8,635</td> <td>112,000</td> <td>287,635</td> </tr> <tr> <td>Non-Executive Directors</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Dr. Christopher Shun Kong Leng, CFP[®], RFP[™]</td> <td>5,000</td> <td>-</td> <td>-</td> <td>-</td> <td>84,000</td> <td>89,000</td> </tr> <tr> <td>Chiam Tau Meng</td> <td>5,000</td> <td>-</td> <td>-</td> <td>-</td> <td>84,000</td> <td>89,000</td> </tr> <tr> <td>Leou Thiam Lai</td> <td>5,000</td> <td>-</td> <td>-</td> <td>-</td> <td>84,000</td> <td>89,000</td> </tr> <tr> <td>Total</td> <td>30,000</td> <td>618,000</td> <td>-</td> <td>26,300</td> <td>682,000</td> <td>1,356,300</td> </tr> </tbody> </table> <p><u>The Company</u></p> <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="6">Remuneration</th> </tr> <tr> <th>Fees (RM)</th> <th>Salary (RM)</th> <th>Bonus (RM)</th> <th>Benefits-in-kind (RM)</th> <th>Emoluments (RM)</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td>Executive Directors</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Too Kok Leng</td> <td>5,000</td> <td>12,000</td> <td>-</td> <td>-</td> <td>60,000</td> <td>77,000</td> </tr> <tr> <td>Y.A.M. Raja Shahrudin Rashid</td> <td>5,000</td> <td>12,000</td> <td>-</td> <td>-</td> <td>60,000</td> <td>77,000</td> </tr> <tr> <td>Marianna Binti Aly Shun</td> <td>5,000</td> <td>12,000</td> <td>-</td> <td>-</td> <td>58,000</td> <td>75,000</td> </tr> <tr> <td>Non-Executive Directors</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Dr. Christopher Shun Kong Leng, CFP[®], RFP[™]</td> <td>5,000</td> <td>-</td> <td>-</td> <td>-</td> <td>84,000</td> <td>89,000</td> </tr> <tr> <td>Chiam Tau Meng</td> <td>5,000</td> <td>-</td> <td>-</td> <td>-</td> <td>84,000</td> <td>89,000</td> </tr> <tr> <td>Leou Thiam Lai</td> <td>5,000</td> <td>-</td> <td>-</td> <td>-</td> <td>84,000</td> <td>89,000</td> </tr> <tr> <td>Total</td> <td>30,000</td> <td>36,000</td> <td>-</td> <td>-</td> <td>430,000</td> <td>496,000</td> </tr> </tbody> </table>	Category	Remuneration						Fees (RM)	Salary (RM)	Bonus (RM)	Benefits-in-kind (RM)	Emoluments (RM)	Total (RM)	Executive Directors							Too Kok Leng	5,000	252,000	-	6,743	186,000	449,743	Y.A.M. Raja Shahrudin Rashid	5,000	204,000	-	10,922	132,000	351,922	Marianna Binti Aly Shun	5,000	162,000	-	8,635	112,000	287,635	Non-Executive Directors							Dr. Christopher Shun Kong Leng, CFP [®] , RFP [™]	5,000	-	-	-	84,000	89,000	Chiam Tau Meng	5,000	-	-	-	84,000	89,000	Leou Thiam Lai	5,000	-	-	-	84,000	89,000	Total	30,000	618,000	-	26,300	682,000	1,356,300	Category	Remuneration						Fees (RM)	Salary (RM)	Bonus (RM)	Benefits-in-kind (RM)	Emoluments (RM)	Total (RM)	Executive Directors							Too Kok Leng	5,000	12,000	-	-	60,000	77,000	Y.A.M. Raja Shahrudin Rashid	5,000	12,000	-	-	60,000	77,000	Marianna Binti Aly Shun	5,000	12,000	-	-	58,000	75,000	Non-Executive Directors							Dr. Christopher Shun Kong Leng, CFP [®] , RFP [™]	5,000	-	-	-	84,000	89,000	Chiam Tau Meng	5,000	-	-	-	84,000	89,000	Leou Thiam Lai	5,000	-	-	-	84,000	89,000	Total	30,000	36,000	-	-	430,000	496,000
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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 7.2

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>The Board wishes to give assurance that the remuneration of the Management commensurate with their individual performances, taking into consideration the Group's performance.</p> <p>However, the Board is of the opinion that the disclosure of the Senior Management's remuneration components (salary, bonus, benefits in-kind, other emoluments) is not necessary due to confidentiality and a competitive labour market.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Remuneration Committee will review the pros and cons of disclosure of the top five (5) management members on a named basis.
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 application of the practice :	
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 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Mr Chiam Tau Meng is an Independent Director and also the Chairman of Audit Committee. The Board has yet to appoint a Chairman of the Board following the retirement of former Chairman at Fifty-Second Annual General Meeting held on 29 November 2016.</p> <p>As such, the Chairman of the Audit Committee is distinct from the Chairman of the Board. Having the positions of Board Chairman and Chairman of the Audit Committee assumed by different individuals allows the Board to objectively review the Audit Committee's findings and recommendations.</p> <p>Mr Chiam is a member of Malaysian Institute of Accountants, Chartered Accountants Australia and New Zealand. His full profile can be found on page 4 of the Annual Report.</p> <p>The duties and responsibilities of the Chairman of the Audit Committee are outlined in the Terms of Reference of the Audit Committee, which is also available on the Company's website at www.menangcorporation.com.</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 8.2

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>The Terms of Reference of the Audit Committee require 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.</p> <p>This is to ensure that the independence of the audit process is safeguarded from the potential threats and conflicts, which may arise when a former key audit partner joins the Company.</p> <p>To date, the Company has not appointed any former key audit partner as Director of 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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Audit Committee is responsible for assessing the capabilities and independence of the external auditors and to also recommend to the Board on their appointment, re-appointment or termination of their services to the Company.</p> <p>During the financial year, the Audit Committee together with the Group MD/Group CEO had undertaken an assessment of the performance and suitability of the external auditors based on the quality of services, sufficiency of resources, adequate resources and trained professional staff assigned to the audit. The Audit Committee was satisfied with the independence, performance and suitability of the external auditors based on the assessment and recommended to the Board and subsequently, proposed to shareholders for approval for the re-appointment of Messrs Baker Tilly Monteiro Heng as external auditors of the Company for the financial year ending 30 June 2019.</p> <p>During the financial year, the Audit Committee has also met with the external auditors three (3) times in the absence of the Executive Directors and Management.</p> <p>For the audit of the financial year ended 30 June 2018, Messrs Baker Tilly Monteiro Heng provided the Audit Committee with a written assurance confirming that they were and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>Whilst the Company does not have a formal policy in place to assess the External Auditors, the Audit Committee will assess and review their suitability, objectivity and independence annually.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Audit Committee will formalise policies and procedures to assess the suitability, objectivity and independence of the external auditors.
Timeframe	:	Within 12 months

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 :	Not Adopted
Explanation on application of the practice :	
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 8.5

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 Chairman of Audit Committee, Mr Chiam Tau Meng is a member of the Malaysian Institute of Accountants, Chartered Accountants Australia and New Zealand.</p> <p>All members of the Audit Committee are financially literate. Collectively, the Audit Committee possesses a wide range of necessary skills and experiences to discharge its duties.</p> <p>Through the Nomination Committee, the Board reviews the terms of office of the Audit Committee and assess the performance of the Audit Committee on annual basis.</p> <p>All members of the Audit Committee have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules to enable them to sustain their active participation in the functions of the Audit Committee.</p> <p>During the Audit Committee Meetings, the members of the Audit Committee were briefed by the internal auditors and external auditors on the following key areas:</p> <ul style="list-style-type: none">• Financial Reporting developments;• Adoption of Malaysian Financial Reporting Standards;• Malaysian Code on Corporate Governance; and• Other changes in regulatory environment.
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 acknowledges its responsibility for maintaining a sound risk management framework and internal control system to safeguard the shareholders' investments and the Group's assets, as well as to discharge its stewardship responsibility in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risks.</p> <p>The Board, through the Audit Committee, reviews the adequacy and effectiveness of the Group's risk management and internal control system which has been embedded in all aspect of the Group's activities on continuous basis and reviews the significant risks identified regularly to ensure sufficient measures are taken to mitigate the risk.</p> <p>In relation to internal control framework, the internal audit function which is outsourced to a professional services firm, namely CGRM Infocomm Sdn. Bhd. and reports directly to the Audit Committee, provide the Audit Committee and Board with the assurance they require pertaining to the adequacy and effectiveness of internal control system.</p> <p>Quarterly financial results and annual financial statements are also reviewed by the Audit Committee to ensure information to be disclosed therein gives a true and fair view of the financial position of the Group and of the Company for approval by the Board.</p> <p>Furthermore, the external auditors also provide the required assurance to the Board on the integrity of the Company's financial reporting.</p> <p>Besides the above, Management has also put in place policies and procedures to ensure that Management's directives to mitigate risks for the achievement of objectives are carried out.</p> <p>An overview of the risk management and internal control within the Group can be found in the Statement of Risk Management and Internal Control as set out in the Annual Report 2018 of 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

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>Management is responsible to manage the key business risks of the Group and implement appropriate internal control systems to manage those risks. The Board via the Audit Committee reviews the adequacy and effectiveness of the risk management framework and system of internal controls, and the policies and compliance procedures with respect to business practices.</p> <p>The key features of Menang's risk management framework and practices are disclosed in the Statement of Risk Management and Internal Control as part of the 2018 Annual Report, including the adoption of internationally recognised risk management frameworks, key risks areas and relevant risk responses in mitigating the risk exposures.</p> <p>The Internal Audit function assists the Audit Committee in evaluating the effectiveness of the company's risk management and internal control system through its Internal Audit Plan. The Board also obtains such assurance from Management and other assurance providers in ensuring the adequacy and effectiveness of its risk management and internal control systems.</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 9.3 – 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 application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 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 Audit Committee, as delegated by the Board is responsible to monitor, oversee, review and evaluate the effectiveness and adequacy of the Group's risk management and internal control, financial management and reporting. This shall include ensuring the effectiveness and objectivity of the external auditors and internal auditors which report directly to the Audit Committee.</p> <p>The Internal Audit Function of the Company is carried out by the outsourced Internal Auditors, namely CGRM Infocomm Sdn. Bhd. to provide an independent assurance to the Board on the effectiveness and adequacy of the Group's system of internal control. Details of the internal audit function are set out in the Statement of Risk Management and Internal Control and Audit Committee Report.</p> <p>The report of the internal audit will be tabled at the Audit Committee meeting and reviewed by the Audit Committee. The audit finding of the internal audit will then be reported to the Board.</p> <p>The Internal Auditors has conducted the following audit during the financial year 2018:-</p> <ul style="list-style-type: none">(i) Authority Limit and Corporate Disclosures; and(ii) Corporate Governance Review. <p>The AC had reviewed and assessed the adequacy of the scope, functions, competency, resources and independence of the outsourced internal auditors, namely CGRM Infocomm Sdn. Bhd. for the financial year ended 30 June 2018. The Internal Auditors had discharged their functions and responsibilities effectively and have adequate resources and the necessary authority from the Audit Committee to carry out their work.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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 Company outsourced its internal audit function to an independent internal audit service provider, namely CGRM Inforcomm Sdn. Bhd. to ensure the internal audit function is independent from the operations and influence of the Management which could impair their objectivity and independence. During the financial year ended 30 June 2018, the outsourced Internal Auditors provided a total of three (3) personnel to carry out the internal audit function of the Company. All the personnel were free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of their work.</p> <p>The Internal Auditors made reference to the international Professional Practices Framework and Code of Ethics issued by the Institute of Internal Auditors, Inc (USA) with classification and reporting according to the principles of COSO Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems.</p> <p>Information on the internal audit function is also disclosed in the Company's Annual Report 2018.</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>The Board recognises the importance of an effective communication channel between the Board, shareholders, stakeholders and the general public, and is dedicated to provide disclosure of the latest business and corporate developments in a timely manner to shareholders, stakeholders and general public.</p> <p>Such information is disseminated through our Company's annual reports, quarterly financial reports, press releases and public announcements made to Bursa Malaysia Securities Berhad to provide an overview of our Group's business and corporate developments to shareholders.</p> <p>The Corporate Disclosure Policy and Procedures is in place to raise awareness and provide guidance to the Board, Management, officers and employees on the Company's disclosure requirements and practices.</p> <p>Apart from the public announcements through Bursa Securities, the Company's website, www.menangcorporation.com is accessible by the shareholders, investors and public to obtain information on the Company's corporate information, operation activities and financial performance.</p> <p>Stakeholders may at any time direct questions or request publicly available information via the communication channels provided in the website. The Company places great importance on stakeholders' privacy and will not disclose information of stakeholders unless otherwise required by law.</p> <p>The Board also perceives the general meetings as an ideal opportunity to communicate with its shareholders. During the general meetings, shareholders are encouraged to participate in general meetings and before any proposed resolution is put to a vote, the Chairman of the meeting will open the floor to questions so that all shareholders' queries could be adequately addressed.</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 the Company is not a Large Company as defined by the Malaysian Code on Corporate Governance.
<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	:	<p>The Board recognises the significance of the Annual General Meeting (“AGM”) as a platform for direct and meaningful communication between the Board and the Company’s shareholders. As such, the Board strives to ensure that shareholders are accorded with sufficient time to consider the resolutions that will be discussed and decided upon at the AGM.</p> <p>In this regard, the Notice to the AGM for the year 2018 is provided more than 28 days prior to the 54th AGM which will be held on 29 November 2018 going above and beyond Section 316(2) of Companies Act 2016 and paragraph 7.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which require at least twenty-one (21) days’ notice to be given for calling an AGM.</p> <p>The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the matters to be decided at the AGM.</p> <p>In order to achieve the widest possible dissemination, the notice of AGM is placed both in a nationally circulated newspaper and the Company’s website at www.menangcorporation.com besides being despatched to shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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 the Directors have attended the AGM held in year 2017 and questions raised by the shareholders were addressed by the relevant persons.</p> <p>The Chairman of the Board encourages shareholders' active participation during AGM and other general meetings by giving sufficient time to the floor during the questions and answers session.</p> <p>The Minutes of the Fifty-Third AGM held in year 2017 was made available on the Company's website in accordance with paragraph 9.21(2) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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 :	<p>The Board regards general meetings as an essential platform for the shareholders to meet and exchange views with the Board. In accordance with paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions put to vote will be carried out by poll voting. The Board has always seen good shareholders' participation in previous general meetings and has given foremost consideration to the location of its general meetings to ensure it is easy to reach or easily accessible to shareholders.</p> <p>However, the Board has yet to facilitate remote shareholders' participation or voting in absentia using technological means as the Company would like to allow for an advocacy period in assessing the benefits and costs of this undertaking. In addition, the Company considers the number of registered shareholders physically attending the general meetings of the Company to be small and manageable.</p> <p>Currently, shareholders whom are unable to attend and vote at the Annual General Meeting of the Company are encouraged to submit the proxy form of the Company to the Share Registrar. Hence, this allows them to vote in absence.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	The Board will continue to monitor its shareholding structure and the corresponding attendance level during general meetings. The Board endeavours to promote measures that can encourage shareholder attendance and participation during the general meetings, which may include leveraging on technological means, if necessary.
Timeframe :	

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

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