

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the “Board”) of Glomac Berhad (the “Company” or “Group”) recognises the importance of adopting high corporate governance standards in its efforts to enhance shareholders’ value, besides safeguarding stakeholders’ interest. In its application of pertinent governance practices, the Board has taken into consideration the enumerations of the Malaysian Code on Corporate Governance 2012 (“MCCG 2012” or the “Code”) and the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

This Corporate Governance Statement (“Statement”) sets out how the Company has applied the eight (8) Principles and observed the 26 Recommendations, including Commentaries, of the MCCG 2012 for the financial year ended 30 April 2016. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year under review, the non-observance, including reasons thereof and, where appropriate, the alternative practice, if any, is mentioned in this Statement.

Principle 1: Establishing Clear Roles And Responsibilities

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing, approving and monitoring of overall strategies and direction of the Company, including sustainability of the Group’s businesses;
- overseeing and evaluating the conduct and performance of the Group’s businesses;
- identifying and managing principal risks facing the Group and ensuring the implementation of appropriate systems to manage these risks;
- reviewing the adequacy of the Group’s internal control policy and safeguarding of Group’s assets;
- ensuring appropriate corporate disclosure policy and procedures are in place for effective dissemination of information which is comprehensive, accurate and timely, and leverage on information technology, where applicable;
- reviewing and monitoring the systems of risk management and internal control, continuous disclosure, legal and regulatory compliance and other significant corporate policies; and
- succession planning, including appointing, training, fixing the compensation of, and, where appropriate, replacing members of the Board.

The Executive Directors are responsible for implementing policies of the Board, overseeing the Group’s operations and developing the Group’s business strategies for the Board’s review and adoption. The Independent Non-Executive Directors fulfil a pivotal role in corporate accountability by providing independent views, advices and judgement to enable a balanced and unbiased decision making process in safeguarding shareholders’ interest. Accordingly, the Board has designated Dato’ Ikhwan Salim bin Dato’ Hj Sujak as the Senior Independent Non-Executive Director of the Company to whom concerns may be conveyed.

To enhance its effectiveness, the Board has established Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and ESOS Committee to examine specific issues within their respective terms of reference, as approved by the Board, and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

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The following sections provide explanations on how the other Recommendations of Principle 1 of the MCCG 2012 have been observed by the Board.

(i) Board Charter (“Charter”)

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management for decision. There is a schedule of matters specifically reserved for the Board’s deliberation and decision to ensure the control and direction of the Company’s operations are vested in the Board. Key matters specifically reserved for the Board include the following:

- corporate plans, programmes and new ventures;
- conflict of interest issues relating to a substantial shareholder or a Director;
- material acquisitions and disposition of assets;
- investments in capital projects;
- risk management policies; and
- corporate announcements to regulators.

Such delineation of roles is clearly set out in the Charter which serves as a reference point for Board activities. The Charter also provides guidance for Directors and Management regarding responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship roles and in discharging their fiduciary duties towards the Company as well as boardroom activities.

The responsibilities between the Group Executive Chairman, Group Executive Vice-Chairman and the Group Managing Director/Chief Executive Officer are also clearly defined to ensure a balance of power and authority, as outlined in the Charter.

The Charter is publicly available on the Company’s website at www.glomac.com.my.

(ii) Code of Ethics and Conduct

The Board has formalised a Code of Ethics and Conduct setting out the broad principles and standard of business ethics and conduct for Directors, and has embedded it in the Board Charter. The Code of Ethics and Conduct is disseminated to employees of the Group via internal memorandum, and embedded as part of Glomac’s onboarding session to be introduced to all new employees.

At the date of this Statement, the Company is in the midst of finalising an Employees Handbook, which aims to disseminate the Company’s ethical corporate culture and acceptable behaviour throughout the Group.

The Board has formalised a set of Whistle Blowing Policy and Procedures to provide an avenue for stakeholders of the Company to raise concerns related to possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices. The escalation channels of Glomac’s whistle blowing mechanism consist of the immediate superior of the whistle-blower, the Head of Human Resource and the Senior Independent Director. The Board emphasises good faith in reporting, protection from reprisal as well as confidentiality of the whistle-blower’s identity.

(iii) Sustainability of business

The Board is mindful of its responsibility on the Environmental, Social and Governance (“ESG”) aspects of business sustainability. As such, the ESG aspects are considered by the Board in the review and approval of corporate strategies.

In addition, the Company has carried out various efforts addressing the ESG aspects of its business sustainability, which include capitalising on technology to promote environmental sustainability for selected development projects, and giving back to the community via its sustainability-related activities, details of which are provided on pages 20 to 23 of the Annual Report.

In view of the recent amendments to the Main Market Listing Requirements of Bursa Malaysia pertaining to the Sustainability Statement, Glomac has started to consider various approaches to enhance the incorporation of sustainability in its business. This includes seeking external consultants to provide sustainability training sessions for the Board and Management.

(iv) Access to information and advice

To assist in the discharge of their responsibilities, Directors are entitled to full and unrestricted access, either as a full Board or in their individual capacity, to all information and reports on financial, operational, corporate regulatory, business development and audit matters for decisions to be made on an informed basis. To expedite the conduct of Board meetings, all Directors receive the meeting agenda accompanied with a set of Board papers prior to the meetings.

Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanation on specific items on the meeting agenda, where necessary.

The Board has a policy embedded in the Board Charter enabling Directors to obtain independent professional advice at the Company’s expense, if considered necessary, in furtherance of their duties. If a Director considers such advice necessary for the discharge of his duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman. Similar access is also extended to all Board Committees on the same basis.

(v) Company Secretaries

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities. On an annual basis, the Board discusses and assesses the qualification and competency of the Company Secretary to ensure continuous support to the Board.

(vi) Shareholder communications

The Board has established channels to facilitate effective communication with its shareholders and other stakeholders, including the following:

- annual report and quarterly results;
- announcements, circular to shareholders and other information as required by the Listing Requirements;
- press releases;
- general meetings;
- analyst results briefings; and
- corporate website.

Details of the shareholder communication channel are further provided in Principle 8 of this Statement.

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Principle 2 – Strengthening The Board’s Composition

As of the date this Statement was approved, the Board consists of seven (7) members, comprising three (3) Executive Directors, three (3) Independent Non-Executive Directors and a Non-Independent Non-Executive Director. This composition fulfils the Listing Requirements, which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be independent. The profile of each Director is set out on pages 8 to 15 of this Annual Report. The Directors, with their diverse backgrounds and qualifications, collectively bring with them a wide range of experience and expertise on property development, engineering, entrepreneurship, accounting, audit, legal, economics, and leadership and management.

(i) Nomination Committee

The Board established a Nomination Committee to consider candidates for directorship and Board Committee membership, and to review the effectiveness of the Board, through performance assessment of the Board, Board Committees and individual Directors.

The Nomination Committee comprises the following members:

- Dato’ Ikhwan Salim bin Dato’ Hj Sujak, Chairman of Nomination Committee and Senior Independent Non-Executive Director;
- Datuk Ali bin Tan Sri Abdul Kadir, Independent Non-Executive Director;
- Mr Chong Kok Keong, Independent Non-Executive Director (retired on 20 October 2015)
- General Tan Sri Abdul Aziz bin Zainal (R), Independent Non-Executive Director (appointed on 1 February 2016).

Terms of reference

The Board has stipulated specific terms of reference for the Nomination Committee, which cover, inter-alia, the following salient functions:

- to consider, in making recommendations to the Board, candidates for all directorships/Board Committees, including the position of Independent Non-Executive Director, in respect of their skills, character, knowledge, expertise, experience, professionalism, integrity and time commitment, and in the case of Independent Non-Executive Directors, their abilities to discharge such responsibilities and functions as expected from an Independent Non-Executive Director;
- to assist the Board in reviewing, on an annual basis, the required mix of skills, experience and diversity, including gender, age and ethnicity of the Directors of the Board and Board Committees;
- to recommend to the Board its appropriate balance and size, including non-executive participation, vis-à-vis the needs of the Company; and
- to establish procedures and processes towards an annual assessment of the effectiveness of the Board, as a whole, Board Committees and contribution of each individual Director, including Independent Non-Executive Directors and the Group Managing Director/Chief Executive Officer.

The Board does not intend to formalise any specific target on women Directors as it believes that the Company’s on-boarding Directors, irrespective of gender, should bring with them the requisite skills and experience to enable the Company to realise its corporate strategies and objectives. The detailed terms of reference for the Nomination Committee is publicly available on the Company’s website at www.glomac.com.my.

Key activities for the financial year

For the financial year ended 30 April 2016, the Nomination Committee carried out, and reported to the Board the outcome of, the following key activities:

- assessed and recommended the appointment of General Tan Sri Abdul Aziz bin Zainal (R) and YB Datuk Seri Panglima Hj Abdul Azeez bin Abdul Rahim, who were appointed to the Board on 1 July 2015;
- performed an assessment on the Board, Board Committees and individual Directors for the financial year ended 30 April 2016, including a review on the independence of Independent Non-Executive Directors, particularly in relation to the 9-year limit on the tenure of Independent Non-Executive Directors; and
- reviewed and recommended the re-appointment and/or re-election of Directors retiring pursuant to the Companies Act, 1965 and the Company's Articles of Association, including the two Directors appointed to the Board on 1 July 2015, all of whom were re-appointed and/or re-elected by the shareholders during Glomac's 31st Annual General Meeting held on 20 October 2015; and
- recommended the continuance of a Director exceeding the 9-year tenure limit, who was re-appointed as Independent Non-Executive Director by the shareholders during Glomac's 31st Annual General Meeting held on 20 October 2015.

Subsequent to the financial year ended 30 April 2016, the Nomination Committee carried out, and reported to the Board the outcome of, the following key activities:

- performed an assessment on the Board, Board Committees and individual Directors for the financial year ended 30 April 2016;
- reviewed and recommended the re-appointment and/or re-election of Directors retiring pursuant to the Companies Act, 1965 and the Company's Articles of Association;
- reviewed the independence of Independent Non-Executive Directors, particularly in relation to the 9-year limit on the tenure of Independent Non-Executive Directors; and
- recommended the continuance of an Independent Non-Executive Director exceeding the 9-year tenure limit.

The details of meeting attendance of the Nomination Committee during financial year ended 30 April 2016 are as follows:

Name of Director	Meetings attended	Percentage of attendance [%]
Dato' Ikhwan Salim bin Dato' Hj Sujak (Chairman)	1/1	100%
Datuk Ali bin Tan Sri Abdul Kadir	1/1	100%
Chong Kok Keong (Retired on 20 October 2015)	1/1	100%
General Tan Sri Abdul Aziz bin Zainal (R) (Appointed on 1 February 2016)	-	-

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Performance assessment of the Board, Board Committees and individual Directors

A formal performance assessment of the Board, Board Committees and individual Directors enables the Board to assess its performance and identify areas for improvement. A formal assessment of the Board's effectiveness was conducted for the financial year ended 30 April 2016, and was guided by the Corporate Governance Guide – Towards Boardroom Excellence taking into consideration the following key aspects for assessment:

- appropriate size, composition, independence, mix of skills and experience within the Board and the Board Committees;
- clear definition of the Board and Board Committees' roles and responsibilities;
- functioning of the Board and Board Committees in a productive, objective, timely, effective and efficient manner;
- open communication of information and active participation within Board and Board Committees; and
- proper discharge of responsibilities and leadership by the Chairmen of the Board and Board Committees.

Board nomination and selection process

In relation to the appointment of Directors, the Nomination Committee was guided by the following process on the nomination and election of Directors:

- candidates may be sourced by the Nomination Committee in addressing the needs of the Board, or recommended by the existing Directors or major shareholders;
- the Nomination Committee assesses and recommends the candidates to the Board, as appropriate; and
- the Board appoints the successful candidate as Director and recommends the newly appointed Director for re-election at the upcoming general meeting.

The Company Secretaries are tasked to ensure all appointments are properly made and all necessary information is obtained from the Directors, for the Company's records and for the purposes of meeting statutory obligations as well as obligations arising from the Listing Requirements.

For the re-appointment and/or re-election of Directors, the Nomination Committee assessed and reviewed the Directors submitting themselves for re-appointment and/or re-election and made appropriate recommendations to the Board to be tabled at the Annual General Meeting for shareholders' approval.

In recommending the appointment, re-appointment or re-election of Directors, the Nomination Committee took into account the following:

- the required mix of skills, experience and diversity, including gender, age and ethnicity, where appropriate;
- character, knowledge, expertise, professionalism, integrity and time availability;
- in the case of Directors seeking re-appointment and/or re-election, the results of the assessment on individual Directors, including the Independent Non-Executive Directors and the Group Managing Director/Chief Executive Officer; and
- in the case of Independent Non-Executive Directors, their abilities to discharge such responsibilities and functions as expected from Independent Non-Executive Directors.

(ii) Remuneration Committee

To assist the Board on fair remuneration practices and attracting, retaining and motivating Directors, the Board established a Remuneration Committee to review Directors' remuneration matters and make relevant recommendations to the Board.

The Remuneration Committee comprises the following members:

- Dato' Ikhwan Salim bin Dato' Hj Sujak, Chairman of Remuneration Committee and Senior Independent Non-Executive Director;
- Datuk Ali bin Tan Sri Abdul Kadir, Independent Non-Executive Director; and
- Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor, Group Managing Director/Chief Executive Officer.

Terms of reference

The Board has stipulated specific terms of reference for the Remuneration Committee, which include the following functions:

- to review the annual remuneration packages of each individual Director (both Executive and Non-Executive) such that the levels of remuneration are sufficient to attract and retain the Directors needed to helm the Company successfully; and
- to recommend to the Board the remuneration packages of the Directors (both Executive and Non-Executive) of the Company. In respect of Directors' fees, shareholders' approval is sought.

Directors do not participate in the discussion of their own remuneration. The remuneration package of Directors which include salaries and benefits-in-kind are linked to the Group performance.

The terms of reference for the Remuneration Committee is publicly available on the Company's website at www.glomac.com.my.

Key activities for the financial year

The details of meeting attendance of the Remuneration Committee during financial year ended 30 April 2016 are as follows:

Name of Director	Meetings attended	Percentage of attendance (%)
Dato' Ikhwan Salim bin Dato' Hj Sujak (Chairman)	1/1	100%
Datuk Ali bin Tan Sri Abdul Kadir	1/1	100%
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	1/1	100%

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Details of Directors' remuneration for the financial year ended 30 April 2016 are as follows:

	The Group (RM)	The Company (RM)
Executive Directors		
Salaries	4,020,000	4,020,000
Other emoluments	4,073,286	3,673,886
Benefits-in-kind	105,600	105,600
Total – Executive Directors	8,198,886	7,799,486
Non-Executive Directors		
Directors' fees	218,000	218,000
Other emoluments	-	-
Benefits-in-kind	-	-
Total – Non-Executive Directors	218,000	218,000
Total Directors' remuneration	8,416,886	8,017,486

The number of Directors of the Company, whose remuneration levels fall within successive bands of RM50,000, is as follows:

Range of remuneration	Executive Directors	Non-Executive Directors
RM50,000 and below	-	3
RM50,001 – RM100,000	-	2
RM2,600,001 – RM2,650,000	1	
RM2,650,001 – RM2,700,000	1	
RM2,900,001 – RM2,950,000	1	

Principle 3 – Reinforcing Independence

There is a clear division of responsibilities between the Group Executive Chairman, Group Executive Vice-Chairman and the Group Managing Director/Chief Executive Officer to ensure a balance of power and authority. The Group Executive Chairman is responsible for the Board's effectiveness and standard of conduct whilst the management of the Group's businesses, implementation of policies and the day-to-day running of the businesses are the responsibilities of the Group Managing Director/Chief Executive Officer.

With more than 30 years of experience in the property development industry and being the founder and major shareholder of the Company, the Group Executive Chairman's interest is aligned with that of the Company's shareholders and is well positioned to provide leadership to the Company's Board.

The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgement on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities within which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of minority shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality and objectivity.

The Board is aware that the MCCG 2012 recommends the Board composition to comprise a majority of Independent Non-Executive Directors in the event the Chairman is not an Independent Non-Executive Director. Nonetheless, the Board is of the view that, the adoption of a Board Charter which sets out the Board's Reserved Matters as well as the designation of a Senior Independent Non-Executive Director, jointly provide for the relevant check and balance to ensure no one individual has unfettered powers in making Board's decision.

Following a review of the tenure of Independent Non-Executive Directors, Dato' Ikhwan Salim bin Dato' Hj Sujak, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years as at the end of the financial year under review, has been recommended by the Board to continue to act as an Independent Non-Executive Director, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. Key justifications for his recommended continuance as an Independent Non-Executive Director are as follows:

- he fulfils the criteria under the definition on Independent Non-Executive Director as stated in the Listing Requirements and, therefore, is able to bring independent and objective judgement to the Board;
- his experience in industries relevant to the Group's business enables him to provide the Board and the Audit Committee, as the case may be, with pertinent expertise, skills and competence to enable the Board to discharge its responsibilities;
- his commitment to the Company in terms of time expended on the Group, as evidenced by his meeting attendance; and
- he has been with the Company long enough to understand the Company's business operations which enables him to contribute actively during deliberations or discussions at the Board and Audit Committee Meetings, as the case may be.

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Principle 4 – Fostering Commitment

The Board meets at least four (4) times annually, with the meetings scheduled well in advance at the beginning of each financial year to facilitate the Directors in managing their meeting plans. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings.

At the quarterly meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings. During the financial year under review, the number of Board of Directors' meetings attended by each Director is as follows:

Name of Director	Meetings attended	Percentage of attendance (%)
Tan Sri Dato' Mohamed Mansor bin Fateh Din (Group Executive Chairman)	5/5	100%
Datuk Richard Fong Loong Tuck (Group Executive Vice-Chairman)	5/5	100%
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor (Group Managing Director/Chief Executive Officer)	5/5	100%
Dato' Ikhwan Salim bin Dato' Hj Sujak (Senior Independent Non-Executive Director)	5/5	100%
Datuk Ali bin Tan Sri Abdul Kadir (Independent Non-Executive Director)	5/5	100%
General Tan Sri Abdul Aziz bin Zainal (R) (Independent Non-Executive Director)	3/4*	75%
YB Datuk Seri Panglima Abdul Azeez bin Abdul Rahim (Non-Independent Non-Executive Director)	2/4*	50%

Note: *General Tan Sri Abdul Aziz bin Zainal (R) and YB Datuk Seri Panglima Hj Abdul Azeez bin Abdul Rahim were appointed to the Board of Glomac on 1 July 2015.

The Board has also stipulated in its Charter, the need for Directors to notify the Chairman prior to accepting any new directorship and the notification includes an indication of time that will be spent on the new appointment, in order for the Chairman to assess if Directors are able to commit sufficient time to discharge their duties and responsibilities in the Company.

The Board is mindful that continuous education is vital for Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skill sets and knowledge in discharging its responsibilities. All Directors appointed to the Board have completed the Mandatory Accreditation Programme ("MAP") by Bursa Malaysia. During the financial year under review, all Directors have attended other relevant trainings and seminars organised by relevant regulatory and professional bodies to be apprised of latest developments and changes to regulatory requirements as well as the industry.

The Board identifies the training needs of each Director via the performance evaluation of the individual Directors. The continuous education programmes attended by the Directors during the financial year ended 30 April 2016 comprise the following:

Date(s)	Details of Programme/Seminar	Organizer
TAN SRI DATO' MOHAMED MANSOR BIN FATEH DIN		
23/11/2015	2016 Budget Seminar	Deloitte for Glomac Berhad
11/8/2015	Induction Programme For New Directors	Glomac Berhad
28/7/2015	Leadership Excellence From The Chair	Bursa Malaysia – Board Chairman Series
DATUK FONG LOONG TUCK		
6/4/2016	What's Next for Iskandar Malaysia?	FIABCI Malaysia
2/3/2016	Updates and Hotspots in Northern Region	FIABCI Malaysia
3/2/2016	International Property Measurement Standard	FIABCI Malaysia
6/1/2016	Property Outlook 2016	FIABCI Malaysia
4/11/2015	Budget 2016	FIABCI Malaysia
7/10/2015	China Property Market Outlook & Challenges in Property Development in China	FIABCI Malaysia
11/8/2015	Induction Programme For New Directors	Glomac Berhad
5/8/2015	GST: Legal and Practical Perspectives in Real Estate Industry	FIABCI Malaysia
1/7/2015	Age Care Facilities Within New Townships and the Transformation	FIABCI Malaysia
3/6/2015	The SPA Development and World Trend	FIABCI Malaysia
6/5/2015	Security Trends in Housing Development	FIABCI Malaysia

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Date(s)	Details of Programme/Seminar	Organizer
DATUK SERI FD ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR		
9/3/2016	2016 Property Outlook (Speaker)	REHDA Roundtable Session
24/11/2015	The Challenges & Opportunities In Times Of Uncertainty	Maybank Investment Property Conference
23/11/2015	2016 Budget Seminar	Deloitte for Glomac Berhad
9/10/2015	Managing Perceptions, Past, Present & Future (Speaker)	Conference for Directors of ICU-JPM
11/8/2015	Induction Programme For New Directors	Glomac Berhad
13/5/2015	2015 Kuala Lumpur City Development (Moderator)	DBKL Seminar
23/5/2015	Spearheading The Affordable Housing Supply In Malaysia (Moderator)	ASLI National Affordable Housing Projects Summit 2015
DATO' IKHWAN SALIM BIN DATO' HJ SUJAK		
23/3/2016	Briefing on New and Revised Auditor Reporting Standard	Deloitte for Glomac Berhad
DATUK ALI BIN TAN SRI ABDUL KADIR		
5/4/2016	ACE LR Financial Statements	Privasia Technology Berhad
23/3/2016	Companies Act Updates	Enra Group Berhad
23/3/2016	Briefing on New and Revised Auditor Reporting Standard	Deloitte for Glomac Berhad
11/11/2015 – 12/11/2015	International Conference on The Heart of Borneo/ Ramsar Conference	Sabah Forestry Department
3/11/2015 – 5/11/2015	11th World Islamic Economic Forum (WIEF)	WIEF Foundation
2/7/2015	Shariah Training	Citibank

Date(s)	Details of Programme/Seminar	Organizer
GENERAL TAN SRI ABDUL AZIZ BIN ZAINAL (R)		
29/1/2016	Engagement Session With BNM On DFIA Act 2002	Bank Negara Malaysia <i>(BANK RAKYAT)</i>
28/1/2016	IFSB Industry Engagement Session	Bank Negara Malaysia <i>(BANK RAKYAT)</i>
15/1/2016	Amundi Outlook 2016	Global Agg & FEAlF <i>(AMUNDI)</i>
17/12/2015	Luncheon Talk : Prof. Ahmad Keeler, University Cambridge	Bank Rakyat <i>(BANK RAKYAT)</i>
1/12/2015	Midas Talk (12/2015)	MIDAS <i>(PERNAMA)</i>
2/11/2015 & 3/11/2015	Kursus Kementerian Dalam Negeri	Kementerian Dalam Negeri <i>(PERNAMA)</i>
5/10/2015 – 7/10/2015	FIDE Core Programme : Module B	Bank Negara Malaysia <i>(BANK RAKYAT)</i>
29/9/2015 – 2/10/2015	FIDE Core Programme : Module A	Bank Negara Malaysia <i>(BANK RAKYAT)</i>
11/08/2015	Induction Programme For New Directors	Glomac Berhad
YB DATUK SERI PANGLIMA HJ ABDUL AZEEZ BIN ABDUL RAHIM		
23/11/2015	2016 Budget Seminar	Deloitte for Glomac Berhad
11/08/2015	Induction Programme For New Directors	Glomac Berhad

The Company Secretaries timely circulate the relevant updates on statutory and regulatory requirements for the Boards's reference.

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Principle 5 – Uphold Integrity In Financial Reporting

It is the Board's commitment to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of the Group's results to Bursa Malaysia, the annual financial statements of the Group and Company as well as the reports of the Board of Directors and the Group Managing Director/Chief Executive Officer's review of operations in the Annual Report.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising wholly the three (3) Independent Non-Executive Directors, with Datuk Ali bin Tan Sri Abdul Kadir as the Audit Committee Chairman.

The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report on pages 67 to 68 of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 1965. Such financial statements comprise the quarterly financial report announced to Bursa Malaysia and the annual statutory financial statements.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 30 April 2016, the Group has used appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, has formalised and adopted a Non-Audit Services Policy governing the types of non-audit services permitted to be provided by the External Auditor and its affiliated companies, which includes considerations of the following:

- whether the skills and experience of the External Auditor and its affiliated companies make it a suitable service provider of the non-audit service(s);
- safeguards to eliminate or reduce any threat to objectivity and independence to an acceptable level, taking into consideration the standards of the International Federation of Accountants ("IFAC") and By-Laws of the Malaysian Institute of Accountants ("MIA"); and
- the nature of non-audit services and related fee level in relation to the audit fee.

To address the threats faced by the External Auditor, including self-review and self-interest threats, the Non-Audit Services Policy provides for safeguards which may be considered, including having an engagement team different from the external audit team to provide the non-audit services. The details of the fees paid/payable for audit and non-audit services rendered by the External Auditor and its affiliated companies during the financial year ended 30 April 2016 are as follows:

Fees paid/payable	Group (RM)	Company (RM)
Audit	485,900	70,000
Non-audit	125,200	6,000

In assessing the independence of External Auditors, the Audit Committee obtains written assurance from the External Auditor, confirming that the external audit team and firm are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants. Such written assurance was provided by the External Auditor for the audit engagement performed for the financial year ended 30 April 2016. The Board, upon the recommendation of the Audit Committee and assessment of the External Auditor, Messrs. Deloitte, with regards to its independence and suitability, approved the re-appointment of Messrs. Deloitte subject to the approval by shareholders at the upcoming Annual General Meeting. With the re-appointment, Messrs. Deloitte would be serving as Glomac's External Auditor for the 12th consecutive financial year. Nevertheless, during the above-mention period, Glomac has worked with three different audit teams and partners.

Principle 6 – Recognising And Managing Risks

The Board regards risk management and internal controls as an integral part of the overall management processes. The following represent the key elements of the Group's risk management and internal control structure:

- (i) an organisational structure in the Group with formally defined lines of responsibility and delegation of authority;
- (ii) review and approval of annual business plan and budget of all major business units by the Board. This plan sets out the key business objectives of the respective business units, the major risks and opportunities in the operations and ensuing action plans;
- (iii) quarterly review of the Group's business performance by the Board, which also covers the assessment of the impact of changes in business and competitive environment;
- (iv) active participation and involvement by the Group Managing Director/Chief Executive Officer in the day-to-day running of the major businesses and regular discussions with the senior management of smaller business units on operational issues; and
- (v) monthly financial reporting by subsidiaries to the Company.

Recognising the importance of having risk management processes and practices, the Board has established a Risk Management Committee ("RMC"), which is chaired by the Group Managing Director/Chief Executive Officer, to oversee the identification, evaluation, control, monitoring and reporting of critical risks faced by the Group on an ongoing basis, including remedial measures to be taken to address the risks vis-à-vis the risk appetite of the Group. Meetings of the RMC are observed by a representative from the Audit Committee, who then briefs the Audit Committee on the outcome of risk assessment and the corresponding recommendations.

CORPORATE GOVERNANCE STATEMENT

In line with the Listing Requirements and the MCGG 2012, the Board has established an internal audit function, which reports directly to the Audit Committee on the adequacy and effectiveness of the system of internal controls from the perspective of governance, risk and controls. The internal audit function of the Company is outsourced to an independent professional firm, whose scope of work covered during the financial year under review is provided in the Audit Committee Report as set out on page 68 of this Annual Report. All internal audits carried out are guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc, a globally recognized professional body for internal auditors.

Principle 7 – Ensuring Timely And High Quality Disclosure

Glomac aims to maintain a high standard for dissemination of relevant material and information of the Group. The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, as of the date of this Statement, the Board has formalised pertinent corporate disclosure policies and procedures to govern its corporate disclosure practices. Information that is price sensitive or may be regarded as undisclosed material information about the Group is not disclosed to any party until it is already in the public domain through proper disclosure.

The Company's corporate website at www.glomac.com.my serves as a key communication channel for shareholders, investors, members of the public and other stakeholders to obtain up-to-date information on the Group's activities, financial results, major strategic developments and other matters affecting stakeholders' interests.

To augment the process of disclosure, the Board has earmarked a dedicated section for corporate governance on the Company's website, where information on the Company's announcements to the regulators, the Board Charter, rights of shareholders, and the Company's Annual Report may be accessed.

Principle 8 – Strengthening Relationship Between The Company And Its Shareholders

The Board maintains an open channel of communication with its shareholders, institutional investors and the investing public at large with the objective of providing a clear and complete picture of the Group's performance and position. The Company values feedback and dialogues with its investors and believes that a constructive and effective investor relationship is an essential factor in enhancing value for its shareholders.

The timely release of annual reports, circulars to shareholders, various announcements, press releases and financial results on a quarterly basis provide shareholders and investors with an overview of the Group's performance and operations. The shareholder communication channels of Glomac includes the following:

- **General Meetings**

The AGM of the Company serves as the principal forum that provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, audited Financial Statements, and corporate developments in the Group, the resolutions being proposed and concerns over the Group's businesses, to the Board for clarification. The Chairman as well as the Group Managing Director/Chief Executive Officer and the external auditors, if so required, respond to shareholders' questions during the meeting.

The Notice of AGM is circulated to shareholders at least twenty-one (21) days before the date of the meeting to enable them to go through the Annual Report and papers supporting the resolutions proposed. All the resolutions set out in the Notice of the last AGM were put to vote by a show of hands and duly passed. The outcome of the AGM was announced to Bursa Malaysia on the same day.

In addition, a press conference is generally held after such general meetings whereat, the Directors explain and clarify any issues posed by members of the media regarding the Company, save and except for such information that may be regarded as material or price sensitive in nature, which disclosure is made in strict adherence to the disclosure requirements as prescribed under the Listing Requirements and other various contractual or statutory rules and provisions that the Group may be subjected to.

The Group Executive Chairman, at the commencement of a general meeting, informs shareholders of their rights to demand for poll voting in accordance with conditions provided in the Company's Articles of Association.

- **Analyst results briefings**

The Company holds analyst results briefings biannually; immediately after the announcement of relevant quarterly results to Bursa Malaysia. The Company also actively responds to requests for discussions with institutional shareholders and analysts, locally and abroad, to provide them better insights into the Group. The Board also takes a proactive approach in reaching out to the investing community via visits to project sites, small group meetings, luncheons and participating in roadshows and investor conferences and such activities are usually spearheaded by the Executive Directors.

Such approaches allow shareholders and the investment communities to make more informed investment decisions based not only on past performance but also the future direction of the Company.

- **Corporate website**

Glomac's corporate website (www.glomac.com.my) provides quick access to information about the Group. The information on the Glomac's corporate websites includes corporate profile, corporate structure, Board of Directors profiles, awards and achievements, press releases, corporate news, rights of shareholders, financial results, Bursa Securities announcement, share and dividend information.

Investors may register for Investor Relations alerts from Glomac through the website which enable them to receive an email whenever there is new company information posted in the website.

- **Annual Report**

The Annual Report provides a comprehensive report on the Group's operations and financial performance. The Annual Reports are printed in summary form together with a digital version of the Annual Report in CD-ROM format. An online version of the Annual Report is also available on Glomac's corporate website.

This Statement is issued by the Board based on its resolution dated 28 July 2016.