

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7161
COMPANY NAME : Kerjaya Prospek Group Berhad
FINANCIAL YEAR : December 31, 2017

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	:	The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval and those which the Board may delegate to the Board Committees and the Management and committed to ethical values and standards. On this note, the Board has defined its Board Charter and Code of Conduct setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed and its commitment of fair practices to its stakeholders. Presently, the Board is in the process of reviewing its Charter and Code of Conducts vis-à-vis the changes in the latest MCCG.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman is responsible for instilling good governance practices, leadership and effectiveness of the Board through chairing of board meetings, representing the Board to shareholders, and reviewing and approving together with the Board on the strategic issues of the Group.</p> <p>The Chairman sets the board agenda in consultation with the Company Secretaries and ensures that board members receive complete and accurate information in a timely manner.</p> <p>When chairing the board meetings, the Chairman lead and provide explanation to the Board on the board agenda and encourage participation from other board members during the board meeting.</p> <p>The Chairman lead and engage with investors, analysts, media and shareholders and communicate to the Board on the feedbacks received, if any.</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 1.3

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Presently, the Board Chairman is also the Chief Executive of the Group. The combination of the roles of Chairman and Chief Executive enable the Executive Chairman to align the interest of the board, management and shareholders for maximising shareholders' wealth as well as an interface between board and management.</p> <p>Nonetheless, half of the Board members are Independent Non-Executive Directors who are able to express objective and independent views to safeguard the interest of minority shareholders.</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 and consider this practice for future adoption	
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 presently has two qualified and competent Company Secretaries who are the members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role and play an advisory role to the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.</p> <p>The key responsibilities carried out by the Company Secretaries during the financial year ended 31 December 2017 are as follows:</p> <ul style="list-style-type: none">○ Co-ordinated with the Board on the meeting agenda and schedule;○ Managed all board and Board committee meetings;○ Attended and recorded minutes of all Board and Board Committee meetings;○ Briefed and updated the Board on new Companies Act 2016, latest changes on Main Market Listing Requirements and Malaysian Code on Corporate Governance and their applications;○ Advised the Board on solvency test for share buy-back and dividend; and○ Managed AGM meeting proceedings.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that each Director is provided with timely notices. Board papers are issued prior to the Board meetings to enable the Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations in order to be fully briefed before the meeting.</p> <p>The Company Secretaries ensure that all Board and Board Committees' meetings are properly convened. Upon conclusion of meeting, the Company Secretaries will ensure that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes are circulated to the Board members at least seven (7) days before the next meetings.</p> <p>Separately, all Board members have unrestricted access to timely and accurate information in furtherance their duties and may seek independent professional advice when necessary in discharging its various duties, at the Company's expense.</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 defined its Board Charter and Code of Conduct setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed and its commitment of fair practices to its stakeholders.</p> <p>Separately, the Board has also defined the terms of reference of its Board Committees, namely the Audit, Nomination and Remuneration Committees respectively. These Board Committees are responsible to carry out the functions and responsibilities in accordance to their respective terms of reference and to report back to the Board for decision.</p> <p>The Board Charter, Code of Conducts, Whistleblowing Policy as well as the terms of reference of the Board Committees are published in the Company Corporate website at http://www.kerjayagroup.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

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 defined its Code of Conduct which is published on the Company's website. In addition, the Group practises "No Gift Policy" to manage conflicts of interest and corruption.</p> <p>The Board Charter, Code of Conducts, Whistleblowing Policy as well as the terms of reference of the Board Committees are published in the Company Corporate website at http://www.kerjayagroup.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

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	The Board has established its Whistleblowing Policy & Procedure and encourages employees within the Group to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The Whistleblowing Policy and Procedure which is published in the Company's website provides and facilitates a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse. Stakeholders who knows of, or suspects a violation of this policy may report the incidence and their concerns to Executive Chairman, Datuk Tee Eng Ho by emailing to teeengho@kerjayaproспек.com .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board comprises six (6) members with a mixture of suitably qualified and experienced professionals. Half of the Board is Independent Non-Executive Directors providing effective check and balance in the Board meeting as well as diversity of perspectives and views in Board’s decision-making process.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

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

Application	:	Applied									
Explanation on application of the practice	:	<p>Except for Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof ("Professor Datuk Dr. Nik"), the tenure of office of Mr. Khoo Siong Kee and Mr. Lim Kien Lai@ Lim Kean Lai who are the Senior Independent Director and Independent Director respectively are less than 9 years.</p> <table border="1"><thead><tr><th></th><th>Date of Appointment</th><th>Years of Service on Anniversary Date in 2018</th></tr></thead><tbody><tr><td>Mr. Khoo Siong Kee</td><td>25 Apr 2011</td><td>7 Years</td></tr><tr><td>Mr. Lim Kien Lai@ Lim Kean Lai</td><td>15 Nov 2011</td><td>7 Years</td></tr></tbody></table> <p>Professor Datuk Dr. Nik has served the Board as Independent Director for more than nine (9) years. The Board will seek approval from the shareholders of the Company at the forthcoming Annual General Meeting to retain Professor Datuk Dr. Nik as Independent Director based on the Board's assessment and justifications:-</p> <ul style="list-style-type: none">• He has fulfilled the criteria under the definition of Independent Director as stated in the MMLR;• He has vast and diverse range of experiences in property development and therefore would be able to provide constructive opinion, independent judgment and to act in the best interest of the Company and shareholders;• He has continued demonstrated his independence, integrity and due care during Board meetings; and• He had not entered into any related party transactions with the Group.		Date of Appointment	Years of Service on Anniversary Date in 2018	Mr. Khoo Siong Kee	25 Apr 2011	7 Years	Mr. Lim Kien Lai@ Lim Kean Lai	15 Nov 2011	7 Years
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Mr. Khoo Siong Kee	25 Apr 2011	7 Years									
Mr. Lim Kien Lai@ Lim Kean Lai	15 Nov 2011	7 Years									

	The Company will amend its constitution to adopt the two-tier voting process in relation to re-appointment of Independent Directors.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application :	Applied																																																																								
Explanation on application of the practice :	<p>The 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. The current diversity in the ethnicity, age distribution and skillsets of the existing Board members are as follows. It shall be noted that all Executive Directors are also the top senior management.</p> <table border="1" data-bbox="432 808 1401 1055"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Race/Ethnicity</th> <th colspan="2">Nationality</th> <th colspan="2">Gender</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> <th>Malaysian</th> <th>Foreign</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>--</td> <td>3</td> <td>--</td> <td>--</td> <td>3</td> <td>--</td> <td>2</td> <td>1</td> </tr> <tr> <td>Independent and Non-Executive Director</td> <td>1</td> <td>2</td> <td>--</td> <td>--</td> <td>3</td> <td>--</td> <td>3</td> <td>--</td> </tr> </tbody> </table> <table border="1" data-bbox="427 1088 1401 1301"> <thead> <tr> <th>Age Group</th> <th>40-49 years</th> <th>50-59 years</th> <th>60-69 years</th> <th>70-79 years</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>1</td> <td>2</td> <td>--</td> <td>--</td> </tr> <tr> <td>Independent and Non-Executive Director</td> <td>--</td> <td>--</td> <td>2</td> <td>1</td> </tr> </tbody> </table> <table border="1" data-bbox="427 1339 1401 1615"> <thead> <tr> <th>Skill</th> <th>Accounting & Finance Management</th> <th>Engineering</th> <th>Legal / Law</th> <th>Business Management</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>1</td> <td>2</td> <td>--</td> <td>3</td> </tr> <tr> <td>Independent and Non-Executive Director</td> <td>1</td> <td>1</td> <td>1</td> <td>3</td> </tr> </tbody> </table>									Race/Ethnicity				Nationality		Gender		Malay	Chinese	Indian	Others	Malaysian	Foreign	Male	Female	Executive Director	--	3	--	--	3	--	2	1	Independent and Non-Executive Director	1	2	--	--	3	--	3	--	Age Group	40-49 years	50-59 years	60-69 years	70-79 years	Executive Director	1	2	--	--	Independent and Non-Executive Director	--	--	2	1	Skill	Accounting & Finance Management	Engineering	Legal / Law	Business Management	Executive Director	1	2	--	3	Independent and Non-Executive Director	1	1	1	3
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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>At the start of the financial year 2017, KPGB was not a "Large Company" as defined in the Malaysian Code of Corporate Governance.</p> <p>At present, the Board does not have formal gender diversity policy. Nonetheless, the Board support the gender diversity policy and has a female Executive Director in the Board. The Board will continue to provide a working environment that is conducive, fair and with equal opportunities within the Group and to commit to zero tolerance of workplace harassment, age, religious, ethnicity, race or gender discrimination.</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 and consider this practice for future adoption
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	:	Through the Nomination Committee the Board will consider recommendations from existing board members, management, major shareholders and third-party sources to identify suitably qualified candidates, when necessary. New board candidates proposed to fill vacancy arises from resignation, retirement or any other reasons will be reviewed by Nomination Committee before recommending to the Board for further deliberation. The evaluation process may include, reviewing the candidate’s resume, biographic information, qualifications, skills, knowledge, expertise, experience, competency and his/her understanding of the Group’s business 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

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is currently chaired by Mr. Khoo Siong Kee a Senior Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee undertakes annual assessment to evaluate the performance of each individual Directors, the effectiveness of the Board and the Board Committees.</p> <p>During the annual assessment exercise, the Directors are given performance evaluation sheet for Individual Director Self/Peer Evaluation and Board Evaluation to complete. In addition, Directors who are members of the Board Committees are given additional performance evaluation sheets for the respective Board Committees. In view that the Nomination Committee members are also members of the Remuneration Committee and the Audit Committee, the assessment of the effectiveness and performances of the Nomination Committee, Remuneration Committee and the Audit Committee are carried out by the Board with the members of the respective committees abstained from deliberation.</p> <p>The Board is conducted by way of self-assessment. Directors are required to fill out the self-assessment forms and provide their feedback, views and suggestions for improvement. The results of these self-assessment forms are compiled and tabled to the Nominating Committee for review and deliberation. Amongst others, the criteria used for the Board, Board Committees and Director performance appraisals are:</p> <ul style="list-style-type: none">i. Effectiveness of the composition, structure and proceedings;ii. Abilities covering qualification, knowledge, experience, skill sets and technical abilities;iii. Participation, contribution and performance; andiv. Personality and caliber. <p>Except for board diversity for female director, the Board is satisfied with the overall performance effectiveness of the Board, Board Committees and individual directors and the independence of Independent Directors.</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>The remuneration policy of the Board provides that all Executive Directors and Senior Management are remunerated based on the Group's and individual's performances, market conditions and their responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board Committees, their attendance and/or special skills and expertise they bring to the Board.</p> <p>As mentioned in Practice 2.1, as part of the review of Board Charter, the Board will also review and enhance its remuneration policy in the Charter concurrently.</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 and consider this practice for future adoption
Timeframe	:	

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established its Remuneration Committee and has defined the terms of reference of this Committee which is published in the Company website.</p> <p>The members of the Remuneration Committee are as follows and comprise wholly Non-Executive Independent Directors:</p> <p><u>Chairman:</u> Khoo Siong Kee, Senior Independent Non-Executive Director</p> <p><u>Members:</u> Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof, Independent Non-Executive Director Lim Kien Lai @ Lim Kean Lai, Independent Non-Executive Director</p> <p>The remuneration of the Executive Directors is reviewed and recommended by the Remuneration Committee to the Board for approval. All Directors shall abstain from discussions and decisions on their own remuneration. Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries will be put forward to shareholder for approval in the coming AGM.</p> <p>During the meetings held on 26 February 2018 and 13 April 2018, the Remuneration Committee had reviewed and recommended the remuneration of the Executive Directors and the fees payable to Non-Executive Directors to the Board. The details of the Board members' remunerations are presented in the next practice.</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	:	<table border="1"> <thead> <tr> <th>Received from Subsidiaries</th> <th>Datuk Tee Eng Ho (RM'000)</th> <th>Datin Toh Siew Chuon (RM'000)</th> <th colspan="2">Tee Eng Seng (RM'000)</th> </tr> </thead> <tbody> <tr> <td>Directors' Fee</td> <td>--</td> <td>--</td> <td colspan="2">--</td> </tr> <tr> <td>Meeting Allowances</td> <td>--</td> <td>--</td> <td colspan="2">--</td> </tr> <tr> <td>Salaries</td> <td>1,379</td> <td>888</td> <td colspan="2">888</td> </tr> <tr> <td>Bonus</td> <td>620</td> <td>400</td> <td colspan="2">400</td> </tr> <tr> <td>Benefits-in-Kind</td> <td>21</td> <td>13</td> <td colspan="2">21</td> </tr> <tr> <td>Other Emoluments</td> <td>230</td> <td>150</td> <td colspan="2">150</td> </tr> <tr> <td>Total</td> <td>2,253</td> <td>1,451</td> <td colspan="2">1,459</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Received from the Company</th> <th>Khoo Siong Kee (RM'000)</th> <th>Lim Kien Lai @ Lim Kean Lai (RM'000)</th> <th colspan="2">Prof Datuk Dr. Nik Mohd Zain Bin Nik Yusof (RM'000)</th> </tr> </thead> <tbody> <tr> <td>Directors' Fee</td> <td>66</td> <td>53</td> <td colspan="2">53</td> </tr> <tr> <td>Meeting Allowances</td> <td>9</td> <td>9</td> <td colspan="2">8</td> </tr> <tr> <td>Salaries</td> <td>--</td> <td>--</td> <td colspan="2">--</td> </tr> <tr> <td>Bonus</td> <td>--</td> <td>--</td> <td colspan="2">--</td> </tr> <tr> <td>Benefits-in-Kind</td> <td>--</td> <td>--</td> <td colspan="2">--</td> </tr> <tr> <td>Other Emoluments</td> <td>--</td> <td>--</td> <td colspan="2">--</td> </tr> <tr> <td>Total</td> <td>75</td> <td>62</td> <td colspan="2">61</td> </tr> </tbody> </table>				Received from Subsidiaries	Datuk Tee Eng Ho (RM'000)	Datin Toh Siew Chuon (RM'000)	Tee Eng Seng (RM'000)		Directors' Fee	--	--	--		Meeting Allowances	--	--	--		Salaries	1,379	888	888		Bonus	620	400	400		Benefits-in-Kind	21	13	21		Other Emoluments	230	150	150		Total	2,253	1,451	1,459		Received from the Company	Khoo Siong Kee (RM'000)	Lim Kien Lai @ Lim Kean Lai (RM'000)	Prof Datuk Dr. Nik Mohd Zain Bin Nik Yusof (RM'000)		Directors' Fee	66	53	53		Meeting Allowances	9	9	8		Salaries	--	--	--		Bonus	--	--	--		Benefits-in-Kind	--	--	--		Other Emoluments	--	--	--		Total	75	62	61	
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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 7.2

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	:	Applied	
Explanation on application of the practice	:	Presently, the Group has identified top three senior management, namely Datuk Tee Eng Ho, Datin Toh Siew Chuon, Tee Eng Seng who are also the directors of Board. Apart from the remuneration disclosed in Practice 7.1, Datuk Tee Eng Ho, Datin Toh Siew Chuon, Tee Eng Seng did not receive additional remuneration on senior management of the Group.	
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 7.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	All Executive Directors are also top senior management of the Group. The detailed remuneration of the Executive Directors are disclosed in Practice 7.1.

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>The Audit Committee comprises three (3) independent Non-Executive Directors. The Chairman of the Audit Committee is Mr Khoo Siong Kee.</p> <p>Mr. Khoo Siong Kee is a member of the Malaysian Institute of Accountants and a fellow member of Chartered Accountants Australia and New Zealand and Chartered Tax Institute of Malaysia. Mr. Khoo Siong Kee is not the Chairman of the Board.</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>When considering the appointment of former key audit partner from its current External Auditor's firm, the Audit Committee is mindful of the minimum two (2) years cooling off period best practice under the MCCG before appointing this partner as a member of the Audit Committee.</p> <p>In any case, none of the present members of the Audit Committee were former audit partners of the Company's auditors.</p> <p>By adopting Practice 8.1 and 8.2, the Audit Committee is able to uphold its independence and to provide the comfort that the Company's financial statement is a reliable source of information.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>Annually, the Audit Committee will review the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM. In assessing the External Auditors, the Audit Committee will consider the adequacy of resources of the firm, quality of service and competency of the staffs assigned to the audit as well as the auditors' independence and fee.</p> <p>The Audit Committee will convene meeting with the External Auditors without the presence of the Executive Directors and employees of the Group as and when necessary. As part of the Audit Committee review processes, the Audit Committee will also obtain assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>During the presentation of the External Auditors' report on 13 April 2018, the Audit Committee had undertaken the above procedures in assessing the External Auditors and recommended to the Board for approval for seeking shareholders' approval at the forthcoming AGM on the appointment of Messr Ong & Wong as the External Auditors of the Company for financial year 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 an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established an effective and independent Audit Committee.</p> <p>As disclosed in Practice 4.2, the Board is satisfied with the independence of Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof who has served the Board as Independent Director for more than 9 years. Accordingly, the members of Audit Committee continue to comprise fully Independent Non-Executive Directors.</p>

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 Board had reviewed the terms of office of the Audit Committee members and assessed the performance of the Audit Committee through the annual board committee assessment facilitated by Nomination Committee. Based on this assessment, the Board is satisfied with the performance of the Audit Committee and the level of knowledge and skills of the Audit Committee members needed to discharge their duties and to understand the matters under the Committee’s purview on financial reporting.</p> <p>In order to strengthen the present financial literacy of each member, all members of the Audit Committee will balance their participation in continuous professional development programmes on accounting and auditing standards, practices and rules continuously.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board as a whole responsible for the overall risk management in the Group while Executive Directors together with the senior management team are primary responsible for managing risks in the Group.</p> <p>The features of the Group's risk management and internal control framework covering the risk policy, risk appetite, risk assessment and the review process by the Board and Audit Committee and the key internal controls are presented in the Statement on Risk Management and Internal Control of the Annual Report. The Board has also commented in the said statement that they are satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control. Nevertheless, the Board wishes to advise that system of risk management and internal control is designed to manage risks to a reasonable level rather than to eliminate the risk of failure to achieve the Group's business objectives. It can therefore only provide reasonable but not absolute assurance against material misstatement or financial losses or fraud.</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>The Board has defined its risk policy and risk appetite statement. The Group has also conducted risk awareness workshop previously for the Executive Directors and key senior management staffs. All identified risks were documented in a risk register and presented to the Board for review and deliberation. These risk management processes of identification, assessment and documentation are carried out with reference to the principles of ISO31000 on Risk Management which is the internationally recognised risk management frameworks.</p> <p>Further details on the internal controls as well as the Board review of the adequacy and effectiveness of the risk management and internal control frameworks are presented in the Statement on Risk Management and Internal Control of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee reviewed and approved the Internal Audit Plan to ensure that the direction of the audit is appropriate to the environment in which the Group is operating. The Audit Committee had also discussed with the Internal Auditor on the progress of the audit plan and ensured that the audit direction remains relevant taking into consideration any significant changes in the Group's operating environment.</p> <p>When reviewing the Internal Audit reports, the Audit Committee will consider the impact of the audit issues and assess whether management has provided their comments appropriately reflecting their commitment to the audit recommendations.</p> <p>A private session with the Internal Auditors was held without the presence of management by the Audit Committee during the year. The objective of this private session is to enable the Internal Auditors to exchange their views freely to the Audit Committee and also to allow the Audit Committee to guide the Internal Auditors in discharging their work effectively and independently.</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 Internal Audit Function is carried out by an internal audit consulting firm. There is no engagement between the Group and the firm which may create conflict of interest or impair their objectivity and independence.</p> <p>The internal audit function is headed by a Director who is assisted by an audit team comprising manager and an executive. The Director in charge is a qualified accountant while other team members are accounting graduates from local universities.</p> <p>The Internal Auditors have conducted their work in consideration of the broad principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.</p> <p>The Internal Auditors has confirmed their independence and no relationship with all the Board members and top management.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 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 Group maintains a website at www.kerjayagroup.com. Shareholders or investors may access the information on the Group on corporate information, latest financial results, annual reports, announcements to Bursa Securities, Board Charter and code of conduct under "Investor Relation" link.</p> <p>The following personnel have been identified as the investor contact persons of the Group:</p> <p>Contact Person: (a) Datuk Tee Eng Ho (Executive Chairman) (b) Ms. Hun Chew Yong (Finance Manager)</p> <p>Tel : 603-6277 2480 Email : ir@kerjayagroup.com.my</p> <p>Periodically, the Group had also conducted analyst and media briefings during the year to provide detailed explanation and presentation about the business performance of the Group and its prospect.</p> <p>Shareholders and investors are also encouraged to interact and feedback to the Chairman or any Executive Directors for opinions or concerns. The Board had also identified Mr. Khoo Siong Kee to act as the Senior Independent Director to provide shareholders and investors with an alternative to convey their concerns and seek independent view.</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	:	At the start of the financial year 2017, KPGB was not a "Large Company" as defined in the Malaysia Code of Corporate Governance. While KPGB has not adopted integrated reporting framework, the Company has reported its Sustainability Statement on pages 32 to 48 of its Annual Report 2017 covering the aspects of governance, environment and social responsibility for stakeholders' reference.
<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	:	In order to encourage shareholders' participation and engagement with the Board and senior management effectively in the AGM, the Board would ensure that the Notice of the AGM is sent to shareholders at least 28 days ahead of the date of general meeting. In addition, the Board would also ensure that this Notice contains details of resolutions proposed along with background information and explanatory notes that are relevant.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	All Board members had attended the last AGM. The shareholders questions were fully answered and responded to. Chairmen of the Board Committees will attend to questions raised if any, pertaining to their respective duties.	
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 will consider the convenience of shareholders in selecting a suitable and appropriate location to hold its AGM. The last AGM was held in the city of Kuala Lumpur.</p> <p>Shareholders who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Registered Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.</p> <p>In line with Paragraph 8.29A(1) of the MMLR, all resolutions set out in the Notice of AGM were put to vote by poll. The Company also appointed an independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM was announced to Bursa Securities on the same meeting day.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	