

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 2593  
**COMPANY NAME** : United Malacca Berhad  
**FINANCIAL YEAR** : April 30, 2021

### **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The role of the Board of Directors (the "Board") of United Malacca Berhad ("UMB" or "the Company") is to protect and enhance the interest of the shareholders and stakeholders while enabling the Company to achieve its long-term profitability and sustainability.</p> <p>In line with its value creation role, the Board assumes an active role in developing and overseeing the overall strategic direction of the Company and its subsidiaries (collectively referred to as "the Group").</p> <p>The Board strives to ensure an appropriate governance structure is in place and high standards of corporate governance are practised throughout the Group to facilitate effective, entrepreneurial, and prudent management that can deliver long-term success.</p> <p>On 25 February 2021, Dato' Sri Tee Lip Sin was re-designated Non-Independent Non-Executive Director. Previously, he was the alternate director to Mr. Tee Cheng Hua.</p> <p>On 3 June 2021, the Board appointed Mr. Han Kee Juan as Independent Non-Executive Director. (Note: Mr. Han's appointment was after FY 30 April 2021)</p> <p>All Directors are aware of the Directors' Code of Ethics governing ethical behaviour based on trust and joint responsibility and abide by the Code. The Directors' Code of Ethics is available on UMB's website. In addition, the Company's current policies set out employees' ethical conduct and business practices.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

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

**Intended Outcome**

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

**Practice 1.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of UMB is led by Datin Paduka Tan Siok Choo, a Non-Independent Non-Executive Chairperson. She was first appointed to the Board on 8 December 1988 and was unanimously elected by UMB’s Directors as the Chairperson on 28 July 2011.</p> <p>As Chairperson, she provides leadership and ensures the effective functioning of the Board. The Chairperson’s responsibilities, amongst others, are to:</p> <ul style="list-style-type: none"> <li>• Act as a conduit between the Board and Management, including providing support and advice where necessary;</li> <li>• Lead the Board in setting the Group’s ethics and corporate conduct; and</li> <li>• Facilitate continuous communication with stakeholders and ensure the Board considers input received from stakeholders.</li> </ul> <p>The Chairperson seeks to drive high standards of corporate governance practices throughout the Group. The Chairperson’s responsibilities are codified in the Board Charter, which is available on UMB’s website.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>The Board acknowledges the need to delineate authority and responsibilities between the Chairperson of the Board and the Chief Executive Officer (“CEO”). The roles of Chairperson and CEO are therefore exercised by two individuals to ensure an optimal check and balance, resulting in increased accountability and enhanced decision making.</p> <p>Datin Paduka Tan Siok Choo, a Non-Independent Non-Executive Director, leads the Board as Chairperson and Mr. Peter Benjamin helmed the position of the CEO for the financial year ended 30 April 2021.</p> <p>As outlined under Practice 1.2, the Chairperson is responsible for providing leadership to the Board to chart the Group’s strategic direction. The CEO’s responsibilities include:</p> <ul style="list-style-type: none"> <li>• Managing day-to-day operations;</li> <li>• Liaising between the Board and the Management to facilitate corporate governance and management functions; and</li> <li>• Ensuring accountability to the Board for management’s performance and conduct.</li> </ul> <p>The respective duties and responsibilities of the Chairperson and CEO are encapsulated in the Board Charter which is accessible on UMB’s website.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 1.4**

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of UMB is supported by two qualified and experienced Company Secretaries, Ms. Yong Yoke Hiong and Ms. Pang Poh Chen, both of whom have fulfilled the requirements listed in Section 235(2) of the Companies Act, 2016. Both are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>The Company Secretaries facilitate the flow of information from Management to the Board and ensure timely delivery of meeting materials to the Directors. The Company Secretaries work with the Chairperson and the Chief Executive Officer to determine the agenda of the Board and Board committees. Additionally, the Board is regularly apprised and advised by the Company Secretaries on statutory and regulatory requirements and pertinent governance matters.</p> <p>The Company Secretaries constantly keep abreast of changes in corporate governance. In 2020, both attended external training courses and seminars on changes in regulatory requirements.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.5**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Board members are provided with the notice and meeting agenda together with Board papers, at least five (5) working days in advance of the meeting, as stipulated in the Board Charter. This is in line with Guidance to Practice 1.5 of the Malaysian Code on Corporate Governance (“MCCG”), which specifies “meeting materials should be circulated at least five business days in advance of the board meeting.”</p> <p>Meeting materials provided to the Directors include the following:</p> <ul style="list-style-type: none"> <li>• A meeting agenda;</li> <li>• Minutes of previous meetings;</li> <li>• Reports of Board Committees;</li> <li>• Management proposals on business plans and strategies;</li> <li>• Budget review;</li> <li>• Forecasts of output and financial projections; and</li> <li>• Quarterly and annual financial reports.</li> </ul> <p>The Company Secretaries document proceedings of Board and Board Committee meetings. The minutes reflect key deliberations and decisions, the rationale for each decision, any significant concerns, Directors’ dissenting views and abstentions from voting. The draft meeting minutes are subsequently circulated to all Directors and confirmed at the next Board or Board Committee meeting.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>UMB Board is guided by the Board Charter which provides a concise overview of the role and responsibilities of the Board of Directors, powers of the Board and Board Committees, separation of roles between the Board and Management and the practice of the Board concerning corporate governance matters. It is also a helpful induction tool for new directors.</p> <p>UMB’s Board Charter outlines the following:</p> <ul style="list-style-type: none"> <li>• Board size and composition;</li> <li>• Appointment and re-election of Directors;</li> <li>• Independence of Directors;</li> <li>• Appointment of New Directors;</li> <li>• Tenure of Independent Directors;</li> <li>• Matters reserved for the Board;</li> <li>• Roles and responsibilities of the Board, Board Committees, Chairperson, individual Directors, and the Chief Executive Officer;</li> <li>• Board evaluation and performance;</li> <li>• Directors’ training and continuing education;</li> <li>• Code of Ethics and Conduct; and</li> <li>• Enforcement and review of the Board Charter.</li> </ul> <p>The Board Charter is reviewed periodically to ensure it reflects current policies and expectations of the Board and compliance with the prevailing regulations and corporate governance practices. The Board Charter is available on UMB’s website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

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

**Practice 3.1**

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

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

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>In line with UMB’s commitment to upholding high standards of professionalism, the Board has formalised the Director’s Code of Ethics and a Code of Conduct and Ethics (the “Code”) for all employees within the Group. The Code of Conduct is available on the Company’s website.</p> <p>After the introduction of corporate liability under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, and reinforced in paragraph 15.29 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board approved an Anti-Bribery Policy for the Group. This Policy sets out procedures to prohibit bribery, ensure accountability and responsibility, and the process for reporting violations.</p> <p>The Codes and the Anti-Bribery Policy are available on UMB’s website.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group is committed to upholding transparency and integrity in day-to-day management. In line with this, the Board has formalised a Whistleblowing Policy and Procedures (the “Policy”) enabling all employees to raise legitimate concerns without fear of retribution for revealing any misconduct, non-compliance with legal requirements or other malpractices. Such misconduct may be reported in writing directly to the Chief Executive Officer. If the misdemeanor concerns Management, the complaint can be escalated to the Chairperson.</p> <p>All whistleblowing reports are treated with utmost confidence and investigated thoroughly by the Internal Auditor before the investigation report is presented at the Audit Committee meeting for deliberation. The Audit Committee will then inform the Board of the outcome of the investigation.</p> <p>The Whistleblowing Policy is available on UMB’s website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

<b>Application</b>	: Applied																											
<b>Explanation on application of the practice</b>	<p>At present, the Board comprises eight Directors, of which four are Independent Directors. The Board composition complies with Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which stipulates at least 1/3 of the Board must comprise Independent Directors and MCGG's recommendation that 50% of all directors comprise independent board members.</p> <p>Requiring half of all board members should be Independent Directors strengthens checks and balances and facilitates independent deliberation and objective decision-making. Currently, the Board members are:-</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>1.</td><td>Datin Paduka Tan Siok Choo (Chairperson)</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>2.</td><td>Mr. Tan Jiew Hoe</td><td>Independent Non-Executive Director</td></tr><tr><td>3.</td><td>Mr. Teo Leng</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>4.</td><td>Dato Dr. Nik Ramlah Binti Nik Mahmood</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>5.</td><td>Mr. Ong Keng Siew</td><td>Independent Non-Executive Director</td></tr><tr><td>6.</td><td>Mr. Tee Cheng Hua</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>7.</td><td>Dato' Sri Tee Lip Sin</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>8.</td><td>Mr. Han Kee Juan</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>Additionally, the Board has appointed Dato Dr. Nik Ramlah Binti Nik Mahmood as the Senior Independent Director. She acts as a confidant to Independent Directors and a conduit between the Chairperson and the Independent Directors. She is also tasked to address any enquiries or governance concerns raised by employees or stakeholders whenever such enquiries or concerns are unsuitable to be raised through normal reporting channels.</p> <p>The Senior Independent Non-Executive Director and Independent Non-Executive Directors are independent of Management and have no relationship that could materially interfere with the exercise of their independent judgement.</p>	No.	Name	Directorship	1.	Datin Paduka Tan Siok Choo (Chairperson)	Non-Independent Non-Executive Director	2.	Mr. Tan Jiew Hoe	Independent Non-Executive Director	3.	Mr. Teo Leng	Non-Independent Non-Executive Director	4.	Dato Dr. Nik Ramlah Binti Nik Mahmood	Senior Independent Non-Executive Director	5.	Mr. Ong Keng Siew	Independent Non-Executive Director	6.	Mr. Tee Cheng Hua	Non-Independent Non-Executive Director	7.	Dato' Sri Tee Lip Sin	Non-Independent Non-Executive Director	8.	Mr. Han Kee Juan	Independent Non-Executive Director
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	<p>Independent Directors are free to meet without the presence of Management regularly, to candidly share concerns about the Group and exchange views on potential improvements in governance practices.</p> <p>In accordance with the Board Charter, the Board assesses the independence of Independent Directors annually. The assessment is intended to identify any indicators of less than complete independence and suggest possible measures to improve the Board's independence.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 4.2**

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

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

<b>Application</b> :	Departure	
<b>Explanation on application of the practice</b> :		
<b>Explanation for departure</b> :	<p>At present, the tenure of one Independent Director, namely Mr. Tan Jiew Hoe, has exceeded the thirteen-year mark since his initial appointment as Independent Director on 30 March 2007.</p> <p>The Board will seek shareholders’ approval via a single-tier voting process to retain Mr. Tan Jiew Hoe as an Independent Director at the 107th Annual General Meeting (“AGM”) this year.</p> <p>The Board believes the extended tenure of the Independent Directors should be viewed in tandem with the life cycle of the Company’s business operations. Oil palms mature after four years and reach prime output after seven years. For this reason, the long-term perspectives of Directors add value considerably. Additionally, the Independent Directors’ corporate memory, knowledge, technical expertise and accumulated experience will contribute substantially to formulating the Company’s strategic direction and policies.</p> <p>Nonetheless, the Board will continue to assess and review the performance of Independent Directors to determine their suitability to continue in office as independent directors.</p> <p>The Board will assess the term limit for Independent Directors and watch for indicators of entrenchment through the annual Board Performance Evaluation exercise, taking into consideration the niche skill sets and experience of incumbent Directors and the needs of the Group while considering the application of the prescribed nine-year limit.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 4.3 - Step Up**

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

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

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>The Board is committed to upholding diversity and inclusiveness in its composition. Having a diverse Board would positively enhance a constructive exchange of views and offer checks and balances.</p> <p>Appointment of new Board members is considered and assessed by the Nomination and Remuneration Committee (“NRC”). In assessing the suitability of candidates, the NRC considers the required mix of skills, character, age, academic background, job experience, knowledge and expertise in growing oil palms, and the potential director’s integrity before recommending the nominee to the Board for appointment. The NRC’s Terms of Reference outline the appointment of each Director, Chief Executive Officer (“CEO”) and Senior Management and is available on UMB’s website.</p> <p>The Board comprises Directors with skills, experience, and expertise in law, corporate finance, accounting, banking, engineering, agriculture, agronomy, planting oil palms and palm oil milling. This suggests the Board is diverse in work experience and skills as well as gender.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 4.5**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Currently, there are two women Directors on the Board out of eight Directors: the Chairperson, Datin Paduka Tan Siok Choo, and the Senior Independent Non-Executive Director, Dato Dr. Nik Ramlah Binti Nik Mahmood. Women Directors now make up 25% of the Board composition. This figure is close to the aspirational benchmark set by the government (i.e., 30%). UMB also has notable women representation at the Senior Management level, including the Company Secretaries.
<b>Explanation for departure</b>	:	Please provide an explanation for the departure.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.



**Intended Outcome**

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

**Practice 4.6**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Nomination and Remuneration Committee (“NRC”) is responsible for identifying and recommending suitable candidates as directors. To identify potential candidates, the NRC relies on incumbent directors’ referrals, an effective method to source talented independent candidates with experience in plantations and related sectors.</p> <p>NRC evaluates candidates against a set of criteria, including skills, expertise, and professional experience and availability to attend regular and sometimes urgent meetings in Melaka and Kuala Lumpur.</p> <p>When the need arises, the NRC may consider engaging external search firms to cast a broader net in sourcing for candidates. The NRC will also consider leveraging on directors’ registries and the industry or professional associations as channels for identifying candidates that would otherwise be beyond its radar.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### 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.

<b>Application</b>	:	Applied															
<b>Explanation on application of the practice</b>	:	<p>Dato Dr. Nik Ramlah Binti Nik Mahmood, the Senior Independent Director, chairs the Nomination and Remuneration Committee ("NRC"). The NRC comprises three Independent Non-Executive Directors and one Non-Independent Non-Executive Director.</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>1.</td><td>Dato Dr. Nik Ramlah Binti Nik Mahmood</td><td>Senior Independent Non-Executive Director (Chairperson)</td></tr><tr><td>2.</td><td>Mr. Tan Jiew Hoe</td><td>Independent Non-Executive Director</td></tr><tr><td>3.</td><td>Mr. Ong Keng Siew</td><td>Independent Non-Executive Director</td></tr><tr><td>4.</td><td>Dato' Sri Tee Lip Sin</td><td>Non-Independent Non-Executive Director</td></tr></tbody></table> <p>The Board is aware an effective nomination and evaluation process of Directors is the bedrock of good governance. The Board believes Dato Dr. Nik Ramlah is the most suitable and qualified person to lead this vital process, given her notable past regulatory and governance experience.</p> <p>As the Chairperson of the NRC, Dato Dr. Nik Ramlah leads the recruitment process and annual assessment of the Board, Board Committees, and individual Directors and their training requirements. She also initiates discussions regarding succession planning, particularly the key positions, including the Chairperson of the Board, Chief Executive Officer, and other Senior Management personnel.</p>	No.	Name	Directorship	1.	Dato Dr. Nik Ramlah Binti Nik Mahmood	Senior Independent Non-Executive Director (Chairperson)	2.	Mr. Tan Jiew Hoe	Independent Non-Executive Director	3.	Mr. Ong Keng Siew	Independent Non-Executive Director	4.	Dato' Sri Tee Lip Sin	Non-Independent Non-Executive Director
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<b>Explanation for departure</b>	:																
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<b>Measure</b>	:																
<b>Timeframe</b>	:																

**Intended Outcome**

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

**Practice 5.1**

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

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

<b>Application</b>	Applied
<b>Explanation on application of the practice</b>	<p>The Board conducts an annual performance assessment to assess the effectiveness of the Board, Board Committees, and individual Directors. This evaluation exercise is to identify any areas of concern and bring about constructive changes.</p> <p>During the year under review, the performance assessment was conducted in-house by the Nomination and Remuneration Committee (“NRC”) and facilitated by the Company Secretaries.</p> <p>This evaluation exercise was affected through questionnaires given to Directors using a self and peer rating model. The questionnaires were divided into three segments:</p> <ul style="list-style-type: none"> <li>• Board Performance Assessment;</li> <li>• Board Committee Assessment; and</li> <li>• Board of Directors’ Self-Assessment.</li> </ul> <p>Additionally, the evaluation also included key areas of assessment:</p> <ul style="list-style-type: none"> <li>• Composition of the Board;</li> <li>• Roles and responsibilities of the Board;</li> <li>• Chairperson’s roles and responsibilities;</li> <li>• Board’s resources;</li> <li>• Efficacy of Board Committees;</li> <li>• Interaction and participation of individual directors;</li> <li>• Integrity and independence of individual directors; and</li> <li>• Self-development and competence of individual directors.</li> </ul> <p>The NRC also conducts an annual Competency Evaluation exercise. For the financial year under review, the Competency Evaluation exercise assessed the appropriateness of the Board’s composition and individual Directors against four broad criteria: experience, competencies, knowledge, and membership in professional associations. Based on the findings of the evaluation exercise, the NRC is satisfied with the overall performance of the Board, Board Committees and individual Directors. Individual Directors have actively participated during boardroom discussions and contributed value-added analysis and perspectives of UMB’s businesses and prospects.</p>

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

**Intended Outcome**

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

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

**Practice 6.1**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board acknowledges remuneration as one of the key elements to attract, retain and motivate talented individuals.</p> <p>The Nomination and Remuneration Committee (“NRC”) has formalised a remuneration policy and procedures for the Chief Executive Officer (“CEO”) and the Group’s Senior Management. Although there are no formalised policies and procedures for Directors, the Board and the NRC ensure remuneration is in line with market trends.</p> <p>Remuneration for Senior Management personnel links rewards to performance. Under its terms of reference, the NRC ensures fees and benefits of the Non-Executive Directors do not conflict or impede their responsibilities, objectivity and independent judgement.</p> <p>The Board undertakes a thorough review of the quantum of payment based on broad-based guidance stated in the NRC’s terms of reference. The NRC may also engage an external consultant to review the Board’s remuneration as and when necessary.</p> <p>The Terms of Reference of NRC include guidelines for the remuneration of Directors and Senior Management and this document is accessible on UMB’s website.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

**Intended Outcome**

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

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

**Practice 6.2**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee was merged with the Remuneration Committee on 1 July 2017 to establish the Nomination and Remuneration Committee ("NRC"). The NRC now comprises three Independent Non-Executive Directors and one Non-Independent Non-Executive Director.</p> <p>The NRC implements the policies and procedures relating to the remuneration of Directors, Chief Executive Officer ("CEO") and Senior Management, as outlined in the NRC Terms of Reference.</p> <p>The Terms of Reference which details the roles and responsibilities of the NRC, is available on UMB's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Detailed disclosure of Directors' remuneration is available in the notes to the Financial Statements of UMB's Annual Report 2021 as per paragraph 11, Part A, Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 7.2**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board believes disclosing the top five Senior Management’s remuneration is not in the Group’s best interest. Due to the scarcity of talent in the plantation industry, disclosing such information may place UMB at a disadvantage and make it vulnerable to talent poaching.</p> <p>Together with the Nomination and Remuneration Committee ("NRC"), the Board periodically reviews the remuneration of Senior Management to ensure remuneration is proportionate to UMB's performance, competitive and adequate quantum to attract, retain and motivate talented individuals.</p> <p>Remuneration of Directors and key management including the Chief Executive Officer, Chief Operating Officer/Chief Financial Officer, General Manager (Plantation), Plantation Controllers and Mill Controller, Head of Group Administration &amp; Corporate Affairs, and Head of Group Audit during the financial year is disclosed in aggregate in the notes to the Financial Statements of UMB's Annual Report 2021 to provides stakeholders with a broad overview of the quantum of compensation. The aggregate quantum of the top five senior managers’ remuneration is RM3.1 million as at 30 April 2021.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.



**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>The Audit Committee (“AC”) is chaired by Mr. Ong Keng Siew (Independent Non-Executive Director), and the Committee comprises solely of Independent Non-Executive Directors. Datin Paduka Tan Siok Choo is the Chairperson of the Board. This demarcation of roles allows the Board to review the AC’s findings and recommendations objectively.</p> <p>Mr. Ong Keng Siew is an accountant by profession, a Fellow of the Chartered Association of Certified Accountants, and a member of the Malaysian Institute of Accountants (“MIA”). His vast experience in accounting, finance and investment equips him, together with his long experience as a Financial Controller and CEO of a listed property company, make him well-placed to drive deliberations at the AC. UMB has an implicit policy of rotating the Chairmen of Board Committees, including the Chairman of the AC, to promote a fresh approach in framing and mediating the relevant discussions.</p> <p>Chairman of the AC, Mr. Ong Keng Siew, is guided by the Terms of Reference of the AC, which is available on UMB’s website.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	To safeguard the integrity and independence of the audit process, the Audit Committee ("AC") internalises the Malaysian Institute of Accountants' By-Laws (on Professional Ethics, Conduct and Practice), which requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a Director (including a member of the AC) or an employee of the Group.  To date, UMB has not appointed or employed any former key audit partner as a Director of the Board or an employee of the Group.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.3

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

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>In line with its Terms of Reference, the Audit Committee ("AC") assesses the capabilities and suitability of the external auditor and recommends to the Board the appointment, re-appointment or termination of the external auditor.</p> <p>The AC has formalised an External Auditor and External Auditor Independence Policy which covers the following matters:-</p> <ul style="list-style-type: none"><li>• Selection and appointment;</li><li>• Annual assessment;</li><li>• Independence;</li><li>• Non-audit services; and</li><li>• Annual reporting.</li></ul> <p>During the financial year under review, the AC evaluated the independence and performance of the external auditor, Ernst &amp; Young PLT ("EY"). This evaluation assessed the expertise and performance of the external auditor, the quality and impartiality of the external auditor's communication with the AC, and its independence, objectivity, and professional vigilance. AC members made the evaluation based on questionnaires with input from Management. Based on the evaluation conducted, the AC is satisfied the external auditor has been independent throughout the audit process and the audit services rendered meet the standards expected by the AC.</p> <p>In addition, the AC has received written assurance from EY confirming their personnel have been independent throughout the audit engagement in compliance with relevant professional and regulatory requirements.</p> <p>Stipulations regarding the provision of non-audit services specified in the External Auditor and External Auditor Independence Policy align with the By-Laws of the Malaysian Institute of Accountants. Disclosure on the nature and extent of non-audit services rendered by EY can be found in the Notes to the Financial Statements in the Annual Report.</p> <p>The External Auditor Independence Policy is available on UMB's website.</p>
<b>Explanation for departure</b> :	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted															
<b>Explanation on adoption of the practice</b>	:	<p>The Audit Committee ("AC") currently comprises of four members, all of whom are Independent Directors. Members of the AC include:-</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>1</td><td>Mr. Ong Keng Siew</td><td>Independent Director (Chairman)</td></tr><tr><td>2</td><td>Mr. Tan Jiew Hoe</td><td>Independent Director</td></tr><tr><td>3</td><td>Dato Dr. Nik Ramlah Binti Nik Mahmood</td><td>Senior Independent Director</td></tr><tr><td>4</td><td>Mr. Han Kee Juan</td><td>Independent Director</td></tr></tbody></table>	No.	Name	Directorship	1	Mr. Ong Keng Siew	Independent Director (Chairman)	2	Mr. Tan Jiew Hoe	Independent Director	3	Dato Dr. Nik Ramlah Binti Nik Mahmood	Senior Independent Director	4	Mr. Han Kee Juan	Independent Director
No.	Name	Directorship															
1	Mr. Ong Keng Siew	Independent Director (Chairman)															
2	Mr. Tan Jiew Hoe	Independent Director															
3	Dato Dr. Nik Ramlah Binti Nik Mahmood	Senior Independent Director															
4	Mr. Han Kee Juan	Independent Director															

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.5

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>UMB's Audit Committee ("AC") comprises four experienced and qualified members, namely Mr. Ong Keng Siew as AC Chairman, Mr. Tan Jiew Hoe, Dato Dr. Nik Ramlah Binti Nik Mahmood and Mr. Han Kee Juan.</p> <p>Mr. Ong Keng Siew is a member of the Malaysian Institute of Accountants ("MIA"). This fulfils the requirements in Paragraph 15.09(1)(C) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which states one member of the audit committee must be a member of a professional accountancy body.</p> <p>Mr. Ong Keng Siew has years of experience in a leadership role in accounting, finance, and investment as the Managing Director and Chief Executive Officer ("CEO") of Paramount Corporation Berhad.</p> <p>Having formerly served as the Deputy Chief Executive of Securities Commission Malaysia, Dato Dr. Nik Ramlah has extensive experience in policy making and the capital market. This enables her to provide unique insights on compliance issues within the purview of the AC.</p> <p>An acclaimed botanist with vast experience in rubber planting, oil palm growing, botany and horticulture, Mr. Tan Jiew Hoe also had a stint in an accounting firm. He has extensive knowledge of plants in general and formidable contacts in the world of botany.</p> <p>Mr. Han Kee Juan is a Plantation Adviser with vast knowledge and experience in oil palm agronomy and plantation management.</p> <p>Members of the Audit Committee are required to attend training and continuous professional development programmes to keep in touch with the latest accounting and auditing standards, regulations, and practices. During the financial year under review, Mr. Ong Keng Siew has attended the mandatory continuous professional development programmes.</p>

	AC members also attended webinars on “Navigating Ways Through Tax Audit & Investigation: Good Practices when Dealing with the Inland Revenue Board by KPMG,” “Economic Outlook 2021: Investing at the Right Time and Sector by Securities Industry Development Corporation”, “Sustainable Finance: Making Better Financial Decisions by KPMG,” and “Financial Times Global Boardroom – Shaping the recovery – Virtual forum organised by FT Global”.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		



## Intended Outcome

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

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

### Practice 9.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Facilitated by the Management-level Risk Management Committee ("RMC"), the Board has instituted an Enterprise Risk Management ("ERM") framework to facilitate a continual identification and management of these risks with appropriate policies and control systems.</p> <p>The ERM framework is a triple line of defence plan in addressing risks:</p> <p>1st line of defence: Monitor day-to-day risks in Group operations</p> <ul style="list-style-type: none"> <li>• The Risk Officer liaises between a Management-level Risk Management Committee ("RMC") and Heads of Business Units ("HBU"), who assesses day-to-day risks in the business unit. Both Risk Officer and HBU meet at least once every quarter to assess and evaluate risks and determine which risks are significant and should be escalated to the RMC.</li> </ul> <p>2nd line of defence: Risk Management Committee anticipates risks</p> <ul style="list-style-type: none"> <li>• The RMC comprises the Chief Executive Officer, Chief Financial Officer, Plantation Controllers, Head of Group Administration, Corporate Affairs &amp; Human Resource, Head of Group Audit, Head of Engineering/Mill Controller, Senior Manager of Estate Operations, Senior Manager of Procurement and Marketing and Risk Officer.</li> </ul> <p>RMC meets quarterly to review UMB's risk profile changes and develops action plans to mitigate risks in line with business objectives. Special purpose meetings were also held during the year under review to discuss measures to mitigate operational disruptions brought about by the Covid-19 pandemic.</p> <p>3rd line of defence: Audit Committee ("AC") ensures the adequacy and integrity of Risk Management and Internal Control Systems.</p> <ul style="list-style-type: none"> <li>• RMC members discussed the results of updated risks at RMC meetings. The AC further deliberated significant risk issues before escalation to the Board. The Head of Internal Audit developed a risk-based internal audit plan to address key risks and to provide reasonable assurance on the effectiveness of the internal controls.</li> </ul> <p>The Statement on Risk Management and Internal Controls in the Annual Report detailed the Group's risk management and internal controls framework.</p>

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

**Intended Outcome**

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

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

**Practice 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board determines UMB's risk management and internal controls framework, the framework's adequacy and effectiveness as outlined in the Statement on Risk Management and Internal Controls in UMB's Annual Report.</p> <p>The Statement outlines the different roles and functions of those entrusted with managing risks and internal controls. The Statement also sets out measures put in place to manage and mitigate risks.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 9.3 - Step Up**

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

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

**Intended Outcome**

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

**Practice 10.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established an in-house Internal Audit Department (IA) led by Encik Abdul Razak Md Aris who reports directly to the Audit Committee ("AC"). IA assesses and reports the effectiveness of the Group's internal control processes to the AC.</p> <p>The AC reviews and subsequently approves the annual risk-based internal audit plan and ensures the Internal Audit Department has the appropriate authority, sufficient staff and financial resources independent of Management. The Internal Audit Charter sets out the processes for Internal Audit's operations to provide value-added contributions to the Group.</p> <p>Comprehensive audits on the Group's operations are undertaken regularly at the Head Office, plantation estates and palm oil mills in Peninsular Malaysia, Sabah and Kalimantan in Indonesia. Internal audit reports by the Internal Audit Department are presented to the AC to provide assurance and recommend measures for governance enhancement ensure effective risk management and fortify internal control systems.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 10.2**

The board should disclose–

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Disclosures regarding the Group’s Internal Audit can be found in the Audit Committee Report in UMB’s Annual Report following Practice 10.2 of the Malaysian Code on Corporate Governance (“MCCG”).	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Maintaining effective, transparent, and regular communications with stakeholders is vital to making informed decisions. UMB Board ensures communication with stakeholders is timely and adequate.</p> <p>To foster a close association with stakeholders, the Board ensures UMB’s website is continuously updated and contains timely and significant information, including the following:-</p> <ul style="list-style-type: none"> <li>• Updates regarding the Group’s business activities;</li> <li>• Summary of minutes of the past year Annual General Meeting (“AGM”);</li> <li>• Analysts’ Report;</li> <li>• Annual Report;</li> <li>• Announcements to Bursa; and</li> <li>• Quarterly financial reports.</li> </ul> <p>As part of its investor relations programme, UMB conducts analysts’ briefings regarding the Group’s operations.</p> <p>The Board also designated Dato Dr. Nik Ramlah Binti Nik Mahmood, the Senior Independent Director, to be the primary contact for the Group’s stakeholders, including minority shareholders, to forward their concerns on governance matters in the event the normal reporting channel is unsuitable.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 11.2**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Not applicable as the Company does not fall under MCCG’s definition of large companies.</p> <p>To facilitate stakeholders’ understanding of the Group’s operations and its risk controls, the current Annual Report contains financial and non-financial information, including the Chairperson’s Statement, Management Discussion &amp; Analysis, Sustainability Statement, Corporate Governance Overview Statement and Statement on Risk Management and Internal Controls.</p> <p>UMB’s Annual Report provides a comprehensive picture of the Group’s value creation process.</p> <p>Similar with the preceding year, UMB has included a Sustainability Statement in the Annual Report, following Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This is part of the Group’s continuing effort towards integrated reporting by detailing the critical systems and controls as well as crucial non-financial data in the Annual Report.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.



**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges it is essential to provide shareholders with sufficient time and information to consider the proposed resolutions before voting at the AGM.</p> <p>The notice of AGM dated 27 August 2021 will be disseminated more than 28 days prior to the meeting which will be held on 29 September 2021. By applying Practice Note 12.1 of MCGG, UMB went beyond the minimum notice period stipulated in Section 316(2) of Companies Act 2016 and Paragraph 7.15 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The notice for UMB's AGM includes resolutions for approval at the said meeting, complete with detailed explanatory notes and background information. The AGM notice is published on UMB's website.</p> <p>Shareholders are encouraged to submit in advance questions that Management will answer.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Mindful of their individual and collective responsibility towards shareholders, all Directors were present at the 106th Annual General Meeting ("AGM") held on 29 September 2020. The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") were also in attendance to respond to specific questions pertinent to their respective roles and responsibilities.</p> <p>A summary of the key matters discussed during the 106th AGM is available on UMB's website, in line with Paragraph 9.21(2) of the Main Market Listing Requirements by Bursa Malaysia Securities Berhad.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 12.3**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company's 107th AGM will be conducted on a fully virtual basis from the online meeting platform at <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a> . The Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn. Bhd. will enable shareholders to participate remotely, pose questions to the Board of Directors and/or Management and vote via electronic voting at the virtual AGM.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

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

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

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