

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 1818  
**COMPANY NAME** : Bursa Malaysia Berhad  
**FINANCIAL YEAR** : December 31, 2020

## 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 Board is responsible for the oversight and overall management of the Company. In order to ensure the effective discharge of its functions and responsibilities, it has established a Governance Model for the Group where specific powers of the Board are delegated to the relevant Board Committees and the Chief Executive Officer ("CEO"). The Board Committees comprise 4 Governance Committees i.e. Audit Committee ("AC"), Risk Management Committee ("RMC"), Governance and Nomination Committee ("GNC"), and Remuneration Committee ("RC"); 2 Development Committees i.e. Technology and Cybersecurity Committee, and Market and Development Committee; and 4 Regulatory Committees i.e. Regulatory and Conflicts Committee ("RACC"), Appeals Committee, Market Participants Committee and Listing Committee as set out in the Governance Model of Bursa Malaysia Berhad ("Bursa Malaysia") Group, which is available on Bursa Malaysia's website at <a href="https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/governance_model">https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/governance_model</a>.</p> <p>(1) The Board, together with the Management, is committed to promoting good corporate governance ("CG") culture within the organisation which reinforces ethical, prudent and professional behaviour. As guided by the Malaysian Code on CG and ASEAN CG Scorecard criteria, the Board continuously upholds CG standards and values in the organisation and strives to lead by example in strengthening the competitiveness and investor confidence in our capital market.</p> <p>For the discharge of its duties and responsibilities, the Governance Model and its processes are built upon the Terms of Reference of the Board and its respective Committees ("Governance Model Document") and complemented by the Corporate Authority Manual which clearly delineates relevant matters and applicable limits, including those reserved for the Board's approval, and those which the Board may delegate to the Board Committees, the CEO and the Management.</p>

(2) The Board plays an active role in the development of the Company's strategy and monitoring of its performance and implementation. In July 2020, the Board conducted a mid-year review of the 2020 Business Plan and Budget including financial performance, where the performance targets set by the Board in the 2020 Corporate Scorecard were compared against the actual performance for the year to date. The Board through its RACC also considered a mid-year report on the Regulation Division's performance in August 2020. The RACC is the Board Committee responsible for overseeing the regulatory functions of Bursa Malaysia.

The Board has in place an annual strategy session, whereby the Management presents to the Board its recommended strategy and proposed business and regulatory plans for the following year. The Board at its off-site strategy meeting held on 30 September 2020 and 1 October 2020, considered the progress of the Group's strategy and initiatives in 2020 against the targets set for 2020. Taking stock of the current operating environment, the Board deliberated on the proposed focus areas across the securities market, derivatives market and Islamic capital market (including Bursa Suq Al-Sila'), information services, market operations, technology, sustainability, regulation and human resources.

The Board reviewed and deliberated on the Management's proposals in charting Bursa Malaysia's strategic roadmap for 2021-2023 having regard to various factors including the global exchanges' development in technology and expansion of offerings towards sophisticated, green and sustainable-themed products as well as Shariah-based products. The Board challenged the Management's plans and initiatives for strengthening the core business, diversifying products and services in the capital market. The Board also emphasised on the need to embed sustainability in the organisation and ecosystem in tandem with the rising investment trend in Environmental, Social and Governance. The Board provided its guidance and feedback on the market, business and operational initiatives for the Management's takeaways to further refine the Strategic Roadmap 2021-2023. Given the current and evolving economic climate, opportunities and risks including Covid-19 pandemic and digital transformation for the future, various initiatives through sustainability, innovation and technology were proposed with an aim to increase market vibrancy and liquidity, create opportunities and value for enhancing competitiveness. The final Strategic Roadmap 2021-2023 in line with the vision and mission of Bursa Malaysia and the 2021 Business Plan and Budget were presented and approved by the Board in 2 separate meetings held in November 2020.

(3) At the same Board off-site meeting in October 2020, the Acting Chief Regulatory Officer ("CRO") presented the Regulation Division's status update on the approved key initiatives of the Regulatory Plan 2020 and their key outcomes against the 2017-2020 Key Initiatives. The Acting CRO also presented the proposed Regulatory Plan 2021-2023 to facilitate the Board's deliberations on these focus areas: Rule Framework, Intermediaries, Listing, Corporate Governance and Sustainability, Corporate Surveillance, Investigation and Enforcement, Trading and Human Capital Development. In October 2020, the RACC further reviewed the key regulatory initiatives to be

carried out under the Regulatory Plan 2021-2023 and the related budget and manpower requirements for the regulatory functions. The final Regulatory Plan 2021-2023 and the 2021 Regulatory Budget and Manpower were presented and approved by the Board in November 2020, as recommended by the RACC.

- (4) In ensuring that the strategic plan of Bursa Malaysia supports long-term value creation, Group Sustainability had reviewed and streamlined the Material Matters to reduce potential overlaps, improve connectivity and ensure alignment with emerging best practices, where applicable. The Management Corporate Sustainability Committee (“CSC”) had reviewed and approved a list of 13 out of 17 material sustainability risks and opportunities (“Material Matters”) of the previous year 2019. The Board had in November 2020 considered and approved the proposed 13 Material Matters as recommended by the CSC. These Material Matters represented significant priority issues across economic, environment and social dimensions that have a strategic importance to Bursa Malaysia’s stakeholders. In 2020, a stakeholder engagement process via online survey was conducted to validate the relative importance of the Material Matters to the potential value creation. The previously identified Material Matters remained largely relevant and still play an integral role in guiding future sustainability initiatives and process-targets. Notwithstanding, the Materiality Matters had been refined and categorised into 5 priority areas i.e. strengthening our core, driving our growth, protecting our environment, empowering our workforce and advancing our communities to ensure continued relevance in this ever-evolving business landscape. The Material Matters were further mapped to the selected United Nations Sustainable Development Goals (“SDGs”) where relevant.

Taking into consideration the current and potential impact of these Material Matters on Bursa Malaysia’s financial performance and reputation, and their relevance to key stakeholders, the Board validated and approved the Material Matters for disclosure in the Sustainability Report 2020, which is available on Bursa Malaysia’s website at [https://www.bursamalaysia.com/about\\_bursa/sustainability/sustainability\\_reports](https://www.bursamalaysia.com/about_bursa/sustainability/sustainability_reports).

- (5) The CEO is responsible for the day-to-day management of the business and operations of the Group. He is supported by a Management Committee and other committees established under the Group’s Management Governance Framework. One of them is the CSC, to oversee the formulation, implementation and effective management of Bursa Malaysia’s sustainability strategies. The Management’s performance under the leadership of the CEO is monitored by the Board through a status report which is tabled to the Board and includes a comprehensive summary of the Group’s operating drivers and financial performance during each reporting period. The Board is also kept informed of key strategic initiatives, significant operational issues and the Group’s performance based on the approved Key Performance Indicators in the Corporate Scorecard. The Chief Financial Officer and the Director of Corporate Strategy were in attendance at Board meetings to support the CEO in presenting the updates on the progress of key initiatives, business targets and achievements to date, and to provide clarification on

the queries and issues raised by the Board. The Acting CRO was in attendance at the RACC meetings to present updates and to respond to the enquiries by the RACC on the regulatory activities of the Group. In June 2020, the Acting CRO presented to the Board a recommendation based on a review conducted by the Regulation Division in relation to the quarterly reporting framework pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad.

To ensure effective oversight and monitoring of the regulatory function, the Acting CRO provides the RACC with a status report on a quarterly basis, to report on the progress of actions taken by the Regulation Division and to update on regulatory initiatives and activities. In the first quarter of each year, the Management reports to the Board on Bursa Malaysia's compliance with its regulatory duties and obligations under the Capital Markets and Services Act 2007 ("CMSA") in the previous year. In March 2020, the Board reviewed and approved the Annual Regulatory Report 2019 before it was submitted to the Securities Commission Malaysia ("SC") in compliance with Section 16 of the CMSA. In October 2020, the RACC and the Board considered the proposed amendments to the Main Market and ACE Market Listing Requirements in relation to public security holding spread, and the recommendation to improve the quality and competency of the directors and company secretaries.

- (6) Through the RMC, the Board oversees the risk management matters, including review of frameworks and policies of the Group. The RMC advises the AC and the Board on areas of high risk and the adequacy of compliance and control procedures throughout the organisation.

The RMC assists the Board to fulfil its responsibilities with regards to risk governance and risk management in order to manage the overall risk exposure of the Group. The AC reviews the internal controls of the Group to ensure, as far as possible, the safeguarding of its assets and its shareholders' investment.

The RMC reviews and recommends for the Board's approval the annual Corporate Risk Profile which specifies the key enterprise risks in light of the strategic objectives of the Group. The RMC then monitors the key risks facing the business in order to stay current on governance practices relating to the risk. The RMC is also responsible for overseeing the compliance with regulatory and statutory requirements, business continuity management and Integrity & Governance ("IGU") functions of the Group. The details are as set out under Practice 9 in this report.

- (7) The Board through the GNC is responsible to ensure that there is an effective and orderly succession planning of the Board and senior management in Bursa Malaysia Group. The Terms of Reference of the GNC provides that it is responsible for formulating the nomination, selection and succession policies for the Group's key management positions including the CEO.

- (a) The Board had in May 2020 approved the selection criteria for the proposed new Directors on the Board taking into consideration the appropriate mix of skills, experience and strength in qualities which would

be relevant for the Board to ensure it is equipped to meet the shifting competitive landscape and technological changes faced by the Group, with reference to the Company's objectives and strategic goals. The Board also decided that the candidates for appointment as Independent Non-Executive Directors ("INEDs") of Bursa Malaysia Group must possess these character traits i.e. Integrity, Competence and Humility.

Based on the 'must-have' and 'nice-to-have' criteria, the GNC had conducted a robust review process to search and identify suitable candidates having regard to various factors including their qualifications, experience/skill sets and character traits. In shortlisting the potential candidates which were obtained from internal and external independent sources, the GNC was mindful of the need to achieve diversity in the aspects of age, gender and ethnicity.

In this process, engagement sessions were held with shortlisted candidates, Datuk Bazlan Osman and Encik Syed Ari Azhar Syed Mohamed Adlan in August and September 2020 respectively to enable the GNC's assessment of their background, experience, personality and time commitment. The GNC was satisfied that they met the selection criteria and recommended their proposed appointment for the Board's approval. Hence, Datuk Bazlan and Encik Syed Ari Azhar were appointed as INEDs of Bursa Malaysia on 16 November 2020 after obtaining the SC's concurrence in accordance with Section 10(1)(b) of the CMSA.

- (b) In the recruitment exercise for the INEDs of the Regulatory Subsidiary ("RegSub"), engagement sessions were also held with several shortlisted potential candidates from August to October 2020 to enable the GNC's assessment of their background, experience, personality and time commitment. The Board had agreed with the selection of the final 4 candidates for the INEDs of RegSub based on the GNC's recommendation that they met the selection criteria and other criteria which are prescribed by the SC.
- (c) In September 2020, the GNC reviewed the performance of the CEO of Bursa Malaysia over the last 18 months for the purpose of considering the renewal of his service contract and re-appointment as Director of Bursa Malaysia. Having considered various factors including his performance, achievements and leadership skills, the Board approved the renewal as recommended by the GNC. In this respect, the SC's concurrence had also been obtained on the renewal of the CEO's service contract as well as his re-election at the 44<sup>th</sup> Annual General Meeting of the Company in accordance with Sections 10(1)(b) and 10(5) of the CMSA.
- (d) In 2020, the GNC had considered the proposed appointment of several key management positions in Bursa Malaysia Group including the renewal of the fixed term contract for these positions. The GNC interviewed several candidates for the Director of Securities Market in August 2020 to assess their suitability. Amongst the factors considered by the GNC and the Board in assessing the potential candidates were their qualifications, age, relevant experience, leadership track and industry exposure. The GNC had

in June to September 2020 undertaken the same process to shortlist and select the candidates for the positions including Head of Group Strategic Communications, Head of Information Security and the CEO of the RegSub. In June and July 2020, the GNC had also reviewed the performance of 3 key management personnel and approved the renewal of their fixed term contracts. The renewal of key senior management, Chief Financial Officer's fixed term contract was approved by the Board based on the GNC's recommendation.

In discharging its responsibility on succession planning, the GNC receives succession management as well as talent development updates from Human Resources Division ("HR") in accordance with the approved succession management framework on a quarterly basis. The GNC had in February, June, September and December 2020 reviewed the updates from HR and provided its feedback to the identification and assessment of the suitability and readiness of the potential successors as well as the criteria of Senior Critical Roles, Successor and Talent. The GNC also required the HR to ensure the suitability and diversity of successor candidates as part of the planning exercise.

- (8) In carrying out its governance oversight, the Board also emphasised the importance of embracing the integrity and ethical values across the organisation. The same applies to the Company's financial and non-financial reporting to ensure reliability, timeliness, transparency and compliance with the relevant standards. In April 2020, the GNC reviewed the compliance by Bursa Malaysia with the principles as set out in the Guidelines on Adequate Procedures ("GAP") and adoption of the Corporate Integrity Pledge. Several enhancements were proposed to the Anti-Fraud, Bribery and Corruption Policy and the Code of Ethics for Bursa Malaysia Group. Amongst others was the inclusion of anti-fraud, bribery and corruption as one of the top 13 Material Matters embedded within the Group's operations, in view of achieving one of the SDGs, i.e. Peace, Justice and Strong Institutions.

The Board had in July 2020 approved the Organisational Anti-Corruption Plan ("OACP") with its objective to maintain the highest standard of integrity and governance. The OACP was proposed to chart a comprehensive programme to strengthen governance, integrity and anti-corruption controls within the organisation for the next 3 years. Strategies have been identified for each priority area in the OACP Framework. An IGU has been established and implemented with effect from 1 October 2020 to oversee the implementation, monitoring and evaluation of the OACP.

As required under Paragraph 15.29 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Bursa Malaysia as a listed entity must establish and maintain policies and procedures on anti-corruption as guided by the GAP pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009, and publish the same on its website to inform its stakeholders on Bursa Malaysia's continuous and concerted efforts to prevent corruption.

	<p>(9) Bursa Malaysia actively builds and sustains a high level of investor trust in the market through maintaining robust CG practices and open lines of communication with its stakeholders. Its Investor Relations (“IR”) activities undertaken during the year were implemented in accordance with its IR Policy, and directed towards maximising shareholder value.</p> <p>Information on the engagements with stakeholders is available in Our Stakeholders on Page 40 of the Integrated Annual Report 2020 and Pages 72 to 77 of the Sustainability Report 2020.</p>
<p><b>Explanation</b> :</p> <p><b>for departure</b></p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	



## Intended Outcome

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

## Practice 1.2

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The roles and responsibilities of the Chairman of the Board have been clearly specified in Paragraph 7 of the Board Charter, which is available on Bursa Malaysia's website at <a href="https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/board_charter">https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/board_charter</a>.</p> <p>The Chairman of the Board is responsible for instilling good corporate governance ("CG") practices in the organisation and as such, the Chairman of Bursa Malaysia chaired the Governance and Nomination Committee ("GNC"), which was a Board Committee responsible for the oversight of CG matters in addition to the nomination matters. The CG matters under the GNC's purview include reviewing the CG Report for the Board's approval.</p> <ol style="list-style-type: none"><li>(1) As a Public Interest Director, the non-executive Chairman leads the Board by setting the tone at the top, and managing the Board's effectiveness by focusing on strategy, governance and compliance having regard to public interest. In turn, the Board monitors the functions of the Board Committees in accordance with their respective Terms of Reference to ensure its own effectiveness.</li><li>(2) The Chairman with the assistance of the Company Secretary sets the board agenda for each meeting based on the dates of scheduled Board meetings in the annual meeting calendar, and the same is circulated to the Board Members accordingly.</li><li>(3) The Chairman leads the meeting pace and discussions in an effective manner. The Chairman promotes a Boardroom environment that allows for expression of views in the spirit of 'constructive challenge', effective debate and contribution from the Board members to facilitate informed decision-making by the Board.</li><li>(4) The Chairman, besides the Senior Independent Director, is also one of the contact persons for reporting any individual director's improper conduct or organisational malpractice within the organisation. Stakeholders can provide their views on Bursa Malaysia to the Chairman or the Senior Independent Director, at any point of time.</li></ol>

	(5) The Chairman leads the Board by ensuring that Bursa Malaysia complies and adheres to all the relevant laws and regulations as well as CG best practices.	
<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 1.3

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 distinct and separate roles and responsibilities of the Chairman and CEO are provided in Paragraph 8 of the Board Charter, which is available on Bursa Malaysia's website at <a href="https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/board_charter">https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/board_charter</a>.</p> <p>The positions of Chairman and CEO are held by 2 different individuals. The Chairman, Tan Sri Abdul Wahid Omar leads and manages the Board by focusing on strategy, governance and compliance whereas the CEO, Datuk Muhamad Umar Swift manages the business and operations of the Company and implements the Board's decisions.</p> <p>The distinct and separate roles of the Chairman and CEO, with their clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.</p> <p>The specific authorities of the CEO as delegated and mandated by the Board are as set out in the Corporate Authority Manual of Bursa Malaysia Group.</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 1.4

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 Company Secretaries of Bursa Malaysia, Puan Yong Hazadurah Md Hashim and Ms. Suzanne Hong Soo Yong have legal qualifications, and are qualified to act as company secretaries under Section 235(2) of the Companies Act ("CA") 2016. Both are registered with the Companies Commission of Malaysia ("CCM") under Section 241 of the CA 2016 and are issued with practising certificates by the Registrar of Companies.</p> <p>Puan Yong Hazadurah is licensed by the Registrar of Companies whilst Ms. Suzanne Hong is also an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), and a Chartered Governance Professional under the Chartered Governance Institute.</p> <p>(1) The Company Secretaries manage the logistics of all Board and Board Committee meetings. Attendance and minutes of all Board and Board Committee meetings are properly recorded and kept by the Company Secretaries. The Company Secretaries ensure that deliberations at Board and Board Committee meetings are well documented, and subsequently communicated to the relevant Management personnel for appropriate actions.</p> <p>The Board is updated by the Company Secretaries on the follow-up of its decisions and recommendations by the Management. Action items would stay as matters arising in the minutes of meetings until they are resolved or completed.</p> <p>(2) The Company Secretaries provide support to the Board in fulfilling its fiduciary duties and leadership role in shaping the corporate governance ("CG") of Bursa Malaysia Group.</p> <p>In this respect, they play an advisory role to the Board, particularly with regards to the Company's constitution, Board policies and procedures, CG best practices and its compliance with regulatory requirements, codes, guidelines and legislations. The Company Secretaries also support the Board in managing the Group's Governance Model to ensure its relevance and effectiveness.</p> <p>(3) The Company Secretaries organise induction programmes for new Directors/Committee members. In these programmes, the</p>

Company Secretaries provide new Directors with background on the Governance Model of Bursa Malaysia as an Exchange Holding Company and the Directors' fiduciary duties, public interest responsibilities and other regulatory obligations. In 2020, the Company Secretaries and the relevant Management team members gave briefings to familiarise the following Directors with the business and operations of Bursa Malaysia and its subsidiaries, on the dates as set out in the table:-

No.	Director	Date of Appointment	Date of Induction
1.	Professor Joseph Cherian	1 January 2020 – 29 April 2020	13, 21 and 22 January 2020
2.	Dato' Anad Krishnan a/l Muthusamy	23 April 2020	4, 5 and 6 May 2020
3.	Tan Sri Abdul Wahid Omar	1 May 2020	4, 5 and 6 May 2020
4.	Dato' Wan Kamaruzaman Wan Ahmad	1 September 2020 – 30 December 2020	4, 14, 15 and 17 September 2020
5.	Puan Sharifatu Laila Syed Ali	1 October 2020	21, 22 and 23 October 2020
6.	Datuk Bazlan Osman	16 November 2020	20, 23 and 27 November 2020
7.	Encik Syed Ari Azhar Syed Mohamed Adlan	16 November 2020	20, 23 and 27 November 2020

3 Directors of Bursa Malaysia including 2 former Directors had attended the Mandatory Accreditation Programme ("MAP") as set out below:-

No.	Director	Date of Attendance of MAP
1.	Professor Joseph Cherian	13 & 14 January 2020
2.	Dato' Wan Kamaruzaman Wan Ahmad	19-21 October 2020
3.	Encik Syed Ari Azhar Syed Mohamed Adlan	18-20 January 2021

Induction programmes were also held for the newly appointed Committee members, to familiarise them with the relevant information for discharging their responsibilities as Committee members.

(4) As the Board of Directors must on a continuous basis, evaluate and determine the training needs of its members [in accordance with **Paragraph 15.08(2)** of the MMLR of Bursa Securities], the Board through the GNC had considered the areas/topics of training relating to business operations or capital market development as part of the Directors' continuing education programmes. In this

respect, the Company Secretaries had organised the following development programmes in-house:-

(a) For Directors, to enable them to stay current on relevant laws and issues:-

- Economic Outlook & Lookout: The Good, The Bad, The Uncertain on 29 September 2020;
- Bursa Malaysia [1818]: An Analyst Perspective on 29 September 2020;
- Smart Contracts and Distributed Ledger Technology for Malaysia's Future Post Trade Platform on 29 September 2020;
- An Update on Covid-19 on 24 November 2020;
- Directors' Liability in Anti-Corruption Cases: Airbus and Other Cases on 9 December 2020; and
- Cyber Security in the Boardroom on 9 December 2020.

(b) For Regulatory Committee, the Market Participants Committee ("MPC") had its on-site meeting on 18 November 2020 to provide their members with updates on Bursa Malaysia's supervision approach and observations, proposed enforcement framework and policies. The MPC members were also kept abreast of global trends in the capital market and kept updated with the current market development in managing unusual market activities. Discussions were held with the industry representatives on issues and challenges faced.

(5) The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in CG by attending the relevant training programmes for continuous professional development as required by the CCM and MAICSA.

In 2020, the Company Secretaries had assisted the Board in the review of the Governance Model Document including the development of the Terms of Reference of the Governance Committees, Development Committees, Regulatory Committees, Securities Market Consultative Panel and Derivatives Market Consultative Panel. In this respect, the Board took cognisance of the need to ensure adequate group-wide framework to enable oversight of group financial and non-financial performance, business strategy and priorities, risk management including material sustainability risks and CG policies and practices. This is particularly crucial in view of the establishment and implementation of a Regulatory Subsidiary in 2021.

(6) For the 43<sup>rd</sup> Annual General Meeting which was originally scheduled to be held on 31 March 2020 and subsequently adjourned to 29 April 2020, it was successfully conducted fully virtual during the Movement Control Order period. The Company Secretaries play an

	<p>important role in ensuring that the due processes and proceedings are in place and properly managed. During the meeting, the Group Company Secretary assisted the Chairman and the Board in the conduct of the general meeting at the Broadcast Venue, and thereafter to ensure that the minutes are properly recorded, particularly the questions raised by the shareholders. After the meeting, the Company Secretary reverted to each shareholder with the answer(s) to his/her question(s) via e-mail.</p> <p>(7) The Company Secretaries also monitor the developments in CG and assist the Board in applying best practices to meet the Board's needs and stakeholders' expectations. The Company Secretaries continue to facilitate the Board in ensuring Bursa Malaysia's compliance with all 36 practices as envisaged in the Malaysian Code on Corporate Governance ("MCCG") and ASEAN CG Scorecard.</p> <p>(8) Whilst the Investor Relations unit is generally involved in communication and engagement with stakeholders, the Company Secretaries play an important role in advising the Board on principles and best practices in CG and ultimately serving as the focal point for stakeholders' communication or engagement on CG issues affecting Bursa Malaysia as an Exchange Holding Company and a listed entity.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its functions. This was reflected in the customer satisfaction score of 4.6 on a 5-scale rating.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

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

## Practice 1.5

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>To facilitate the Directors' time planning, the annual meeting calendar is prepared and circulated in advance of each new year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees, the Annual General Meeting and major conferences hosted by Bursa Malaysia, as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results. This calendar is available on iPads provided to all Directors.</p> <p>For the Management's reference on the requirements relating to the preparation and submission of Board Memoranda as well as the presentation thereof, at the Board/Board Committee meetings of the Company, the Company has in place the '<i>Guidelines on Submission and Presentation of Board Memoranda</i>' which provide that the deadline for submission of meeting materials is 5 working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each Board meeting. The said Guidelines have been revised to incorporate salient points for the contents of Board Memoranda and the process from submission to presentation of Board Memoranda at Board/Board Committee meetings of Bursa Malaysia which may be held physically or virtually.</p> <p>Bursa Malaysia provides digital access to meeting materials of all Board and Board Committee meetings instead of distribution of hard copies. The customised solution provides various functionalities which enable Directors and committee members to access various Company documents, including Board policies, procedures, rules and guidelines, which are uploaded onto iPads for convenient reference. With that, Directors and committee members can access meeting materials and relevant information in a timely and efficient manner, thus improving Board performance and overall effectiveness of decision-making.</p> <p>The Notice of Board meetings are sent to the Directors via e-mail at least 7 working days prior to a meeting. The same notification is sent to the Management, which includes the reminder on the deadlines for submission of meeting materials for the Management's attention. Upon receipt from the Management, the Company Secretaries ensure that the meeting materials are uploaded on iPads as soon as practicable.</p>



	<p>The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation.</p> <p>The Company Secretaries will communicate to the relevant Management members the Board's decisions/recommendations via circulation of draft minutes of meetings for appropriate actions to be taken. The Company Secretaries will also follow up with the Management on status of actions taken with reference to the previous minutes of meetings for updating the Board. Action items would stay as matters arising in the minutes of meetings until they are resolved or completed.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

## 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>The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties as directors of Bursa Malaysia being an Exchange Holding Company and a listed entity, as well as the functions of the Board Committees and the Boards of the respective subsidiary companies within the Group. It sets out amongst other things, the key values, principles and ethos of the Company.</p> <p>In accordance with Paragraph 16.1 of the Board Charter, the Board will review the Board Charter annually to keep it up to date and consistent with the Board's objectives and responsibilities as well as the Governance Model of Bursa Malaysia. The Board Charter is available on Bursa Malaysia's website at <a href="https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/board_charter">https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/board_charter</a>.</p> <p>The Governance Model of Bursa Malaysia and its processes are built upon the Terms of Reference of the Board and its respective Committees as set out in the Governance Model Document ("GMD") and complemented by the Group Corporate Authority Manual ("CAM"), which clearly delineates relevant matters and applicable limits, including those reserved for the Board's approval and those which the Board may delegate to the Board Committees i.e. Governance Committees, Development Committees and Regulatory Committees, the Chief Executive Officer ("CEO") and the Management. Key matters reserved for the Board's approval include the annual and quarterly financial results, annual business plan and budget, dividend policy, business continuity plan, new issues of securities, business restructuring, expenditure above a certain pre-determined limit, disposal of significant fixed assets and acquisition or disposal of companies within the Group.</p> <p>The GMD and the CAM are reviewed as and when required, to ensure an optimum structure for efficient and effective decision-making in the organisation. In October 2020, the Board approved the amendments to the TOR of the Risk Management Committee ("RMC") to reflect its responsibilities to ensure an organisation free from corruption, with integrity and good governance in addition to overseeing the Integrity &amp; Governance Unit ("IGU") function of Bursa Malaysia.</p>

During the year, the Board also conducted comprehensive reviews of the Governance Model with the view to enhance its effectiveness and to address any potential or perceived conflict of interest between the regulatory functions and commercial objectives of Bursa Malaysia. Further to this, the Board decided to establish a Nomination and Remuneration Committee (“NRC”) in place of its Governance and Nomination Committee (“GNC”) and Remuneration Committee (“RC”) with effect from 1 January 2021. The Board also approved further changes to the Governance Model to take effect in 2021, which will clearly segregate the regulatory functions under a Regulatory Subsidiary with independent governance to address the potential or perceived conflict of interest. The implementation of this Regulatory Subsidiary would be in the best interest of Bursa Malaysia to fulfil its public interest objective, and further enhance its reputation as a well-governed Exchange Group.

The roles and responsibilities of the Board of Directors, Senior Independent Director, Chairman and CEO are clearly outlined in Paragraphs 5 to 8 of the Board Charter.

The Board Charter also provides the requirement for Directors to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions. In conjunction with the above, the Board is also responsible to ensure continuing education/training for the Directors to update their knowledge and enhance their skills through attendance at relevant programmes, to enable them to sustain their active participation and contribute effectively in Board deliberations.

In this respect, all Directors of Bursa Malaysia (except for those who were appointed as Directors in the 4<sup>th</sup> quarter of 2020) attended at least 3 training programmes in 2020 which focused on capital market developments. The 3 Directors appointed in the 4<sup>th</sup> quarter of 2020 namely, Puan Sharifatu Laila Syed Ali, Datuk Bazlan Osman and Encik Syed Ari Azhar Syed Mohamed Adlan had attended at least 2 development programmes since their appointment on 1 October 2020, 16 November 2020 and 16 November 2020 respectively.

To facilitate identification of appropriate training programmes based on the Board’s assessment of the Directors’ training needs [in accordance with **Paragraph 15.08(3)(a)** of the MMLR of Bursa Securities], the Directors were invited to attend a series of talks organised by Bursa Malaysia together with various professional associations and regulatory bodies, to update/deepen their knowledge and enhance their skills, according to their needs. The Directors may submit their request for attending the conferences in accordance with the training approval process, subject to the Board’s training policy and availability of budget for each individual director.

In accordance with **Paragraph 15.08(3)(b)** of the MMLR of Bursa Securities, the Directors had attended various programmes in 2020 which include the following:-

	<p><b>A. Corporate Governance (including audit, risk management, compliance and internal control)</b></p> <ul style="list-style-type: none"> <li>• Etiqa Risk Landscape 2020, 29 April 2020 (attended by Datuk Karownikaran @ Karunikaran a/l Ramasamy)</li> <li>• Corporate Liability: Section 17A of the Malaysian Anti-Corruption Commission Act 2009, 11 August 2020 (attended by Datuk Karownikaran @ Karunikaran a/l Ramasamy)</li> <li>• Maybank Board Risk Workshop, 12 August 2020 (attended by Datuk Karownikaran @ Karunikaran a/l Ramasamy)</li> <li>• McKinsey-SHIFT: Addressing climate risk to build environmental and economic resilience, 12 October 2020 (attended by Tan Sri Abdul Wahid Omar as a speaker)</li> <li>• An Update on Covid-19, 24 November 2020 (attended by Tan Sri Abdul Wahid Omar, Datuk Muhamad Umar Swift, Datuk Karownikaran @ Karunikaran a/l Ramasamy, Datin Grace Yeoh Cheng Geok, Ms. Chong Chye Neo, Puan Uji Sherina Abdullah, Datuk Bazlan Osman and Encik Syed Ari Azhar Syed Mohamed Adlan)</li> <li>• Fraud Risk Management Workshop, 1 December 2020 (attended by Datuk Muhamad Umar Swift)</li> <li>• Institute of Corporate Directors Malaysia: The Quiet Transformation of Corporate Governance, 3 December 2020 (attended by Datuk Bazlan Osman)</li> <li>• Directors' Liability in Anti-Corruption Cases: Airbus and Other Cases, 9 December 2020 (attended by Tan Sri Abdul Wahid Omar, Datuk Muhamad Umar Swift, Puan Sharifatu Laila Syed Ali, Datuk Karownikaran @ Karunikaran a/l Ramasamy, Mr. Pushpanathan a/l S.A. Kanagarayar, Datin Grace Yeoh Cheng Geok, Ms. Chong Chye Neo, Puan Uji Sherina Abdullah and Encik Syed Ari Azhar Syed Mohamed Adlan)</li> <li>• Cyber Security in the Boardroom, 9 December 2020 (attended by Tan Sri Abdul Wahid Omar, Datuk Muhamad Umar Swift, Puan Sharifatu Laila Syed Ali, Datuk Karownikaran @ Karunikaran a/l Ramasamy, Mr. Pushpanathan a/l S.A. Kanagarayar, Datin Grace Yeoh Cheng Geok, Ms. Chong Chye Neo, Puan Uji Sherina Abdullah and Encik Syed Ari Azhar Syed Mohamed Adlan)</li> </ul> <p><b>B. Information Technology</b></p> <ul style="list-style-type: none"> <li>• Malaysian Institute of Accountants AccTech Virtual Conference: Mobilising Accountants Towards IR 4.0, 25 &amp; 26 June 2020 (attended by Datuk Muhamad Umar Swift)</li> <li>• Smart Contracts and Distributed Ledger Technology for Malaysia's Future Post Trade Platform, 29 September 2020 (attended by Tan Sri Abdul Wahid Omar, Datuk Muhamad Umar Swift, Dato' Anad Krishnan a/l Muthusamy, Datuk Karownikaran @ Karunikaran a/l Ramasamy, Mr. Pushpanathan a/l S.A. Kanagarayar, Datin Grace Yeoh Cheng Geok, Ms. Chong Chye Neo and Puan Uji Sherina Abdullah)</li> </ul> <p><b>C. Leadership, Legal and Business Management</b></p> <ul style="list-style-type: none"> <li>• Ring The Bell For Gender Equality, 6 March 2020 (attended by Ms. Chong Chye Neo)</li> <li>• CPA Australia Virtual Congress 2020, 10 &amp; 12 November 2020 (attended by Tan Sri Abdul Wahid Omar as a speaker)</li> <li>• SIDC Business Foresight Forum: Evolutional Change to Revolutionary Impact – Reimagining a new world post Covid-19, 18 &amp; 19 November 2020 (attended by Tan Sri Abdul Wahid Omar as a moderator)</li> </ul> <p><b>D. Financial and Capital Markets</b></p> <ul style="list-style-type: none"> <li>• Shariah Investing and Socially Responsible Investing: Meeting at the Midway, 17 June 2020 (attended by Datuk Muhamad Umar Swift)</li> </ul>
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	<ul style="list-style-type: none"> <li>• Invest Malaysia 2020 Virtual Series 1: Economic Recovery: Policies &amp; Opportunities, 7 July 2020 (attended by Tan Sri Abdul Wahid Omar, Datuk Muhamad Umar Swift and Datuk Karownikaran @ Karunikaran a/l Ramasamy)</li> <li>• Invest Malaysia 2020 Virtual Series 2: Powering Malaysia’s Growth Engines, 20 July 2020 (attended by Tan Sri Abdul Wahid Omar and Datuk Muhamad Umar Swift)</li> <li>• Invest Malaysia 2020 Virtual Series 3: Advancing Malaysia – 5G and Industry 4.0, 2 September 2020 (attended by Tan Sri Abdul Wahid Omar and Datuk Muhamad Umar Swift)</li> <li>• Economic Outlook &amp; Lookout: The Good, The Bad, The Uncertain, 29 September 2020 (attended by Tan Sri Abdul Wahid Omar, Datuk Muhamad Umar Swift, Dato’ Anad Krishnan a/l Muthusamy, Datuk Karownikaran @ Karunikaran a/l Ramasamy, Mr. Pushpanathan a/l S.A. Kanagarayar, Datin Grace Yeoh Cheng Geok, Ms. Chong Chye Neo and Puan Uji Sherina Abdullah)</li> <li>• Bursa Malaysia [1818]: An Analyst Perspective, 29 September 2020 (attended by Tan Sri Abdul Wahid Omar, Datuk Muhamad Umar Swift, Dato’ Anad Krishnan a/l Muthusamy, Datuk Karownikaran @ Karunikaran a/l Ramasamy, Mr. Pushpanathan a/l S.A. Kanagarayar, Datin Grace Yeoh Cheng Geok, Ms. Chong Chye Neo and Puan Uji Sherina Abdullah)</li> <li>• Islamic Finance for Board of Directors, 6 &amp; 7 October 2020 (attended by Datuk Karownikaran @ Karunikaran a/l Ramasamy)</li> <li>• Securities Commission-Oxford Centre for Islamic Studies Virtual Roundtable: Repurposing Islamic Finance for Longer Term Opportunities, 15 &amp; 16 October 2020 (attended by Tan Sri Abdul Wahid Omar)</li> <li>• Virtual Palm &amp; Lauric Oils Conference, 28 &amp; 29 October 2020 (attended by Tan Sri Abdul Wahid Omar, Datuk Muhamad Umar Swift and Ms. Chong Chye Neo)</li> <li>• Islamic Finance for the Board of Directors Programme, 4 &amp; 5 November 2020 (attended by Tan Sri Abdul Wahid Omar as a panelist)</li> </ul>
<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>Bursa Malaysia has in place a separate code of conduct for Directors and employees of the Company. The Code of Conduct and Ethics ("COCE") for Directors is available at <a href="https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/code_of_conduct_and_ethics_for_directors">https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/code_of_conduct_and_ethics_for_directors</a>,</p> <p>whilst the Code of Conduct for Bursa Malaysia Group is available at <a href="https://www.bursamalaysia.com/about_bursa/sustainability/others/policies_codes_manuals">https://www.bursamalaysia.com/about_bursa/sustainability/others/policies_codes_manuals</a></p> <p>The COCE is reviewed at least once in every 3 years to ensure relevancy and alignment with the prescribed requirements and best corporate governance ("CG") practices. The last review was done in November 2017 to reinforce ethical values as part of good CG culture under its leadership.</p> <p>Accordingly, the COCE was reviewed in April 2020, taking into account the following 5 guiding principles under the Guidelines on Adequate Procedures ("GAP") pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission (MACC) Act 2009:-</p> <table border="1"><thead><tr><th><b>T.R.U.S.T. Key Principles</b></th></tr></thead><tbody><tr><td><b>Principle I:</b> Top Level Commitment</td></tr><tr><td><b>Principle II:</b> Risk Assessment</td></tr><tr><td><b>Principle III:</b> Undertake Control Measures</td></tr><tr><td><b>Principle IV:</b> Systematic Review, Monitoring and Enforcement</td></tr><tr><td><b>Principle V:</b> Training and Communication</td></tr></tbody></table> <p>The COCE articulated the firm stance taken by the Board in promoting better governance culture and ethical behaviour to prevent any corrupt practices in relation to business activities.</p>	<b>T.R.U.S.T. Key Principles</b>	<b>Principle I:</b> Top Level Commitment	<b>Principle II:</b> Risk Assessment	<b>Principle III:</b> Undertake Control Measures	<b>Principle IV:</b> Systematic Review, Monitoring and Enforcement	<b>Principle V:</b> Training and Communication
<b>T.R.U.S.T. Key Principles</b>							
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<b>Principle IV:</b> Systematic Review, Monitoring and Enforcement							
<b>Principle V:</b> Training and Communication							

The COCE was also enhanced to clearly reflect the top-level commitment and assurance from the Board that Bursa Malaysia takes a zero-tolerance approach towards fraud, bribery, corruption and any form of dishonesty in its business dealings.

To observe high standards of business, professional and ethical conduct, the Directors (whether acting in their own capacity or on the Group's behalf) are committed to refrain themselves from offering, soliciting, giving or receiving any gifts, donations (including political donations), sponsorship, and any other form of benefits (in kind, cash, advantages, travel, entertainment and/or favour, etc) from persons or entities who deal with Bursa Malaysia Group where the gift would reasonably be expected to influence the performance of the Director's duties in any aspect.

The COCE for Directors provides principles and standards relating to the Directors' duty to act in public interest and best interest of Bursa Malaysia Group, and covers the areas of transparency, integrity, accountability, sustainability, conflicts of interest ("COI"), anti-corruption/bribery, confidentiality, insider trading, fair dealing and anti-competition, proper use of company's assets, compliance with laws, rules and regulations. Every Director shall uphold the highest integrity and has a duty to safeguard the Company's assets which shall only be used in a safe, ethical and lawful manner. The reporting of unlawful or unethical behaviour is encouraged, particularly through the Whistleblower Policy and Procedures.

The Code of Ethics for employees promotes integrity and ethical conduct/behaviour in all aspects of the Company's operations, including privacy and confidentiality of information, dealings in securities and COI. Accordingly, all employees of Bursa Malaysia Group are required to make annual declarations on their compliance with the policies and procedures as set out in the Code of Ethics. This declaration includes the confirmation by each employee to safeguard the confidentiality of information obtained in the course of employment and uphold personal integrity in the workplace. This serves to maintain awareness amongst staff of the need to build and maintain a value-based culture beyond a culture that is merely driven by compliance.

The Code of Ethics for employees also sets out the prohibited activities or misconduct involving gifts, gratuities, bribes, dishonest behaviour and sexual harassment. In this respect, Bursa Malaysia adopted a "No Gift" policy since July 2019, as set out in the Code of Ethics for employees. All employees of Bursa Malaysia Group, their family members or agents acting for or on behalf of Bursa Malaysia are prohibited from, directly or indirectly, receiving or providing gifts, kickbacks or gratuities from/to third parties.

As a frontline regulator and to support the Government's vision of being a corrupt-free nation, Bursa Malaysia has established an internal Corporate Integrity Taskforce to lead efforts to strengthen the

	<p>organisation’s ethical and anti-corruption framework. In May 2020, enhancements were made to the Anti-Fraud, Bribery and Corruption Policy and Guidelines, Code of Ethics and Whistleblower Policy and Procedures to align with the GAP and in compliance with Paragraph 15.29 of the MMLR of Bursa Securities.</p> <p>The GNC had in July 2020 reviewed the Organisational Anti-Corruption Plan (“OACP”)’s framework. This framework comprised several priority areas which may carry medium residual risk for corruption based on the corruption risk assessment. The OACP was developed and approved by the Board in July 2020 to strengthen governance, integrity and anti-corruption controls within the Exchange Group, particularly with focus to upholding a fair and sound regulatory framework, strengthening organisational culture of integrity, ensuring effectiveness of processes in preventing corruption, and improving efficiency, transparency and integrity in procurement processes.</p> <p>On 9 December 2020, a solicitor was invited to brief the Board and senior management to create Anti-Fraud, Bribery and Corruption awareness and instil business ethics practices as one of the key elements of business sustainability. Case study on Directors’ liabilities in anti-corruption (for example, Airbus and other cases) were also discussed at this session.</p> <p>As an Exchange Holding Company and a frontline regulator, internal guidelines are in place requiring certain standards of practice for the employees of Bursa Malaysia, in carrying out their functions in the organisation having regard to public interest and the need to manage COI. To assist members of the Appeals Committee, Market Participants Committee and Listing Committee of Bursa Malaysia (“Regulatory Committees”) in managing any actual/potential COI which may affect the process as well as the integrity of decision making by the Regulatory Committees, the Guidance on Managing COI in Regulatory Decision Making serves as a reference document so as to ensure the decision making process is carried out fairly and impartially and that public confidence in Bursa Malaysia as a regulator is maintained at all times.</p> <p>During the year 2020, Bursa Malaysia had been involved extensively in the preparatory work for the establishment of a Regulatory Subsidiary (“RegSub”). The underlying rationale for establishing the RegSub is to address the inherent risk of COI within Bursa Malaysia Group which carries both commercial and regulatory functions. This should enable Bursa Malaysia to better manage any future perception of COI, enhance regulatory objectivity and facilitate greater focus of the Board of Bursa Malaysia on strategic development of the market ecosystem. The RegSub is expected to operate with a Board composition that should dispel COI concerns or perceptions.</p>
<p><b>Explanation for departure</b></p>	<p>:</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

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 Whistleblower Policy and Procedures (“WPP”) fosters an environment in which integrity and ethical behaviour are maintained through protocols which allow for the exposure of any violations or improper conduct or wrongdoings within the Group.</p> <p>(1) The Board has in place the WPP for Directors which may be used for reporting any individual director’s improper conduct or organisational malpractice within the organisation.</p> <p>The Board is responsible for overseeing the implementation of the WPP for Directors, and all whistle-blowing reports are addressed to the Non-Executive Chairman of the Board or Senior Independent Director (“SID”) of Bursa Malaysia.</p> <p>(2) The WPP provides an avenue for employees or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Group’s policies and guidelines, in a safe and confidential manner. An employee who makes a report of improper conduct in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions by the Group.</p> <p>(a) The Audit Committee (“AC”) is responsible for overseeing the implementation of the WPP for the Group’s employees, whilst duties relating to the day-to-day administration of the WPP are performed by the Director of Internal Audit.</p> <p>(b) To make the reporting process more efficient, the Board had in April 2020 approved the change for the AC Chairman to be the contact person via a dedicated e-mail address i.e. <a href="mailto:whistleblower@bursamalaysia.com">whistleblower@bursamalaysia.com</a>) in place of the SID’s personal e-mail address.</p> <p>In light of privacy and security concerns, all complaints/reports in relation to Bursa Malaysia Group be channeled to the AC Chairman at</p>

	<p><a href="mailto:whistleblower@bursamalaysia.com">whistleblower@bursamalaysia.com</a> to be kept private and confidential, as Bursa Malaysia's e-mail resides on its dedicated server.</p> <p>Both the WPP for Directors and Bursa Malaysia Group are published on Bursa Malaysia's website.</p> <p><a href="https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/whistleblower_policy_and_procedure">https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/whistleblower_policy_and_procedure</a></p> <p><a href="https://www.bursamalaysia.com/sites/_____/WPP_for_Bursa_Malaysia_Group_-_APPROVED_BY_BOD_ON_30_APRIL_2020.pdf">https://www.bursamalaysia.com/sites/_____/WPP for Bursa Malaysia Group - APPROVED BY BOD ON 30 APRIL 2020.pdf</a></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>As at 31 December 2020, the Board of Bursa Malaysia comprises 11 Directors i.e. 10 Independent Non-Executive Directors (“INEDs”) and 1 Executive Director, who also serves as the Chief Executive Officer.</p> <p>All the 10 INEDs satisfy the independence test under the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). They constitute 90% of the Board.</p> <p>Section 10(1)(a) of the Capital Markets and Services Act 2007 (“CMSA”) provides that one-third of the Board shall be Public Interest Directors (“PIDs”), including the Chairman. Their appointment by the Minister of Finance in consultation with the Securities Commission Malaysia is in line with the requirements of the CMSA for the Company to act in the public interest, having particular regard for investor protection in performing its duties as an Exchange Holding Company. In this respect, 3 of the INEDs on the Board are PIDs including the Chairman.</p> <p>Each of the PIDs upon their appointment, gave to Bursa Securities a letter of confirmation as an Independent Director as defined under Paragraph 1.01 of the MMLR of Bursa Securities [Paragraph 3.2.1 of the Board Charter].</p> <p>Each of the Directors had given confirmations on a quarterly basis, as to whether he/she has any family relationship with any director and/or major shareholder of Bursa Malaysia, any conflict of interest with Bursa Malaysia and any convictions for offences within the past 5 years other than traffic offences. This is one of the criteria to enable the Board/Governance and Nomination Committee to assess the Directors’ independence as and when any new interest or relationship develops.</p> <p>In view of the fact that independent and objective judgement could be compromised by amongst others, familiarity or close relationships with other Board members, the Board recognised the importance to focus beyond the INEDs’ background, economic and family relationships, and consider whether the INEDs could continue to bring independent and objective judgement to Board deliberations.</p> <p>In addition, the assessments of independence of the INEDs are conducted on an annual basis via the following:-</p>

	<p>(a) Self and Peer Assessments under the Board Effectiveness Evaluation (“BEE”), to ensure that the INEDs were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company. Independence and objectivity are one of the INEDs’ performance criteria in accordance with Guidance 5.1 of the MCGG.</p> <p>(b) Forms of declaration of independence by each INED, to facilitate the process of determining the Director’s independence.</p> <p>The outcome of the BEE 2019/2020 results indicated that the Non-Executive Directors (“NEDs”) have demonstrated independence and objectivity in the Board’s decision-making process, have given valuable feedback through sharing of knowledge and experience and have acted in the best interests of Bursa Malaysia, as well as in safeguarding the public interest. In December 2020, the NEDs had also declared that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their objective and independent judgements, decisions and reviews.</p> <p>In addition, the Board has also instituted a policy effective October 2015 that there shall be no Nominee Director on the Board of Bursa Malaysia, i.e. a Director who is nominated by a substantial shareholder to represent its interest on the Board of Bursa Malaysia. This is in line with the responsibility of Bursa Malaysia as an Exchange Holding Company under the CMSA to uphold public interest above its commercial or other interests, and also to avoid any perceived or potential conflict of interest with the unique role of the Board of Bursa Malaysia in ensuring orderly and fair markets.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

**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>	:	Not applicable - Step Up 4.3 adopted	
<b>Explanation on application of the practice</b>	:		
<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 4.3 - Step Up

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

<b>Application</b>	:	Adopted										
<b>Explanation on adoption of the practice</b>	:	<p>The Board has adopted a 9-year policy for Independent Non-Executive Directors (“NEDs”) taking into account the need for progressive refreshing of the Board [Paragraph 4.2.3 of the Board Charter] in line with best corporate governance practice.</p> <p>All Independent NEDs have served the Board for less than 9 years. The Director’s years of service as at 29 January 2021 were set out in the profiles of the Board of Directors on Pages 81 to 91 of the Integrated Annual Report 2020 and summarised as follows:-</p> <table border="1"><thead><tr><th>Years of Service (#)</th><th>0 &lt; # ≤ 1</th><th>1 &lt; # ≤ 3</th><th>3 &lt; # ≤ 6</th><th>6 &lt; # ≤ 9</th></tr></thead><tbody><tr><td>Number of Directors</td><td>5</td><td>3</td><td>1</td><td>2</td></tr></tbody></table> <p>Datin Grace Yeoh Cheng Geok will be retiring by rotation in accordance with Article 18.4 of the Constitution of the Company as she is not seeking re-election at the forthcoming 44<sup>th</sup> Annual General Meeting (“AGM”), after having served the Board for 4 years.</p>	Years of Service (#)	0 < # ≤ 1	1 < # ≤ 3	3 < # ≤ 6	6 < # ≤ 9	Number of Directors	5	3	1	2
Years of Service (#)	0 < # ≤ 1	1 < # ≤ 3	3 < # ≤ 6	6 < # ≤ 9								
Number of Directors	5	3	1	2								

## 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 believes that a truly diverse and inclusive Board will leverage the differences of its members, to achieve effective stewardship and in turn, retains its competitive advantage. In this respect, the Board and the Governance and Nomination Committee (“GNC”) take into account the current diversity in the skills, experience, age, race/ethnicity (cultural background) and nationality of the existing Board in seeking potential candidate(s). This helps to ensure an appropriate balance between the experience perspectives of the longer term directors and new perspectives that bring fresh insights to the Board.</p> <p><u>Board Diversity in 2020</u></p> <p>(a) <i>Board Size</i>; The Board through its GNC conducts an annual review of its size and composition, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company’s objectives and strategic goals. In 2020, based on its annual review in conjunction with the Board effectiveness evaluation exercise, the optimum Board size of 12 had been accepted to enable effective oversight and delegation of responsibilities by the Board, taking into account the regulatory and commercial objectives of Bursa Malaysia. The Board had achieved its optimum size of 12 Directors for a short span from 16 November 2020 to 30 December 2020 before the resignation of Dato’ Wan Kamaruzaman Wan Ahmad as Director of Bursa Malaysia.</p> <p>(b) <i>Board Skills/ Experience</i>; A Board’s Skill Matrix has also been developed based on the Directors’ self-assessment, and used as reference for refreshing the Board and succession planning to complement one another. The following Board’s Skill Matrix is based on the Board composition as at 31 December 2020:-</p> <table border="1"><thead><tr><th>No.</th><th>Areas of Practice/Experience/Skill/Expertise*</th><th>Percentage</th></tr></thead><tbody><tr><td>1.</td><td>Capital Market Experience</td><td>66%</td></tr><tr><td>2.</td><td>International Business Experience</td><td>75%</td></tr><tr><td>3.</td><td>Other Exchange Experience</td><td>48%</td></tr><tr><td>4.</td><td>Corporate Chief Executive Officer/Managing Director</td><td>77%</td></tr><tr><td>5.</td><td>Breadth of Business Experience</td><td>82%</td></tr><tr><td>6.</td><td>Accounting/Financial Management</td><td>75%</td></tr><tr><td>7.</td><td>Human Capital Management Experience</td><td>80%</td></tr><tr><td>8.</td><td>Technology Strategy Experience</td><td>59%</td></tr><tr><td>9.</td><td>Technology Innovation Experience</td><td>55%</td></tr><tr><td>10.</td><td>Corporate Governance</td><td>86%</td></tr><tr><td>11.</td><td>Government Experience</td><td>66%</td></tr><tr><td>12.</td><td>Legal/Regulatory</td><td>64%</td></tr></tbody></table> <p>* Individual Directors may fall into one or more categories</p>	No.	Areas of Practice/Experience/Skill/Expertise*	Percentage	1.	Capital Market Experience	66%	2.	International Business Experience	75%	3.	Other Exchange Experience	48%	4.	Corporate Chief Executive Officer/Managing Director	77%	5.	Breadth of Business Experience	82%	6.	Accounting/Financial Management	75%	7.	Human Capital Management Experience	80%	8.	Technology Strategy Experience	59%	9.	Technology Innovation Experience	55%	10.	Corporate Governance	86%	11.	Government Experience	66%	12.	Legal/Regulatory	64%
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(c) *Board Diversity*; The diversity in the age, gender, race/ethnicity (cultural background) and nationality of the existing Board as at 31 December 2020 is as follows:-

	Age Group					Gender	
	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	Male	Female
Number of Directors	1	0	7	0	3	7	4

	Race/Ethnicity				Nationality	
	Malay/ Bumiputera	Chinese	Indian	Others	Malaysian	Foreigner
Number of Directors	4	2	3	2	10	1

The Board strongly views that diversity of the Board's composition is important to facilitate optimal decision-making by harnessing different insights and perspectives. Whilst the capital market experience is of paramount importance to the Board, a high-performance board should comprise directors with a wide variety of backgrounds, experiences and skills.

The Board has in place its Diversity Policy for Bursa Malaysia [as given under Practice 4.5 in this report]. The Board has met its policy of at least 30% women representation with 4 female and 7 male Directors as at 31 December 2020, having the combination of skills, experience and strength in qualities which are relevant to Bursa Malaysia.

#### Board Succession Planning and Appointment

Appointments of Directors to the Board of Bursa Malaysia are subject to a formal, rigorous and transparent process. In carrying out its review, the GNC takes into account the existing Board composition such as the optimum size and diversity in terms of gender, race/ethnicity and mix of skills/experience. For this purpose, the GNC also considers the strategic direction of the Company as well as the trend in the Board composition of other comparable exchanges or organisations. Based on its review, the GNC determines the selection criteria for the new appointment with the view to close any gap or to strengthen the Board composition. The GNC shall review potential candidates from internal and external sources, and conduct engagement session with shortlisted candidates before its final recommendation to the Board. Upon the Board's approval of the shortlisted candidate, the SC's concurrence will be sought in accordance with Section 10 of the CMSA.

With the retirement of an Independent Non-Executive Director ("INED"), Professor Joseph Cherian at the 43<sup>rd</sup> AGM of the Company in April 2020, the GNC had actively carried out the Board recruitment exercise to meet the optimum Board size and to strengthen certain skills/expertise in the Board composition. Further to this, Datuk Bazlan Osman and Encik Syed Ari Azhar Syed Mohamed Adlan were appointed as INEDs of Bursa Malaysia on 16 November 2020 after obtaining the SC's concurrence in accordance with Section 10(1)(b) of the CMSA.

During the year, the GNC also reviewed the composition of the Regulatory Committees of Bursa Malaysia in view of the expiry of the term of appointment of the members on 31 December 2020. The GNC undertook a rigorous review of the size and membership classifications of the committees and was guided by an internal policy on the maximum tenure of 9 consecutive years for Committee members as well as their performance based on the previous board committee assessment results. Engagement sessions were also held with several new candidates who were identified from the pool of candidates. The appointment of the Listing Committee, Market Participants Committee and Appeals Committee members were subsequently approved by the Board in November 2020.

Senior Management Succession Planning and Appointment

During the year, the GNC (with the CEO) reviewed the detailed succession plans and talent management updates for the senior management roles in the organisation as presented by the Director, Group Human Resources. A number of internal and external appointments for key senior management (“KSM”) positions were made throughout the year in line with the Group recruitment policies and supported by external search consultancies.

In this respect, the appointment of KSM was also made with due regard for diversity in skills, experience, age, gender, race/ethnicity (cultural background) and nationality. The diversity of the KSM as at 31 December 2020 based on their profiles on Page 94 of the Integrated Annual Report 2020 are as set out in the tables below:-

Age Group		Gender	
46-50	51-55	Male	Female
2	4	4	2

Race/Ethnicity				Nationality	
Malay/ Bumiputera	Chinese	Indian	Others	Malaysian	Foreigner
2	2*	1**	1	4	2

Note: \* includes a Singaporean  
 \*\* includes an Indian nationality

**Explanation :**  
**for**  
**departure**

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

**Measure :**

**Timeframe :**

## Intended Outcome

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

## Practice 4.5

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

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board has its Diversity Policy, as set out below [in accordance with <b>Paragraph 15.08A(3)</b> of the MMLR of Bursa Securities]:-</p> <div style="border: 1px solid black; padding: 10px;"><p style="text-align: center;"><b>Board Diversity Policy</b></p><p>Bursa Malaysia's diversity policy is to ensure that the mix and profiles of our Board members in terms of age, ethnicity and gender, provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. We believe that a truly diverse and inclusive Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity and gender, which will ensure that Bursa Malaysia retains its competitive advantage.</p><p>In this regard, the GNC is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions. In reviewing the composition of the Board, the GNC will consider the benefits of diversity in order to maintain an optimum mix of skills, knowledge and experience on the Board. Diversity and its benefits underpinned by meritocracy will continue to be the focus of the GNC when identifying and recommending new candidates for Board memberships, as well as evaluating the performance of the Board and its individual members.</p><p>In connection with its efforts to create and maintain a diverse Board, the GNC will:</p><ul style="list-style-type: none"><li>• Assess the appropriate mix of diversity (including gender, ethnicity and age), skills, experience and expertise required on the Board and address gaps if any;</li><li>• Develop recruitment protocols that seek to include diverse candidates in any director search;</li><li>• Make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience, and expertise on the Board, etc;</li><li>• Periodically review and report to the Board on requirements in relation to diversity on the Board, if any.</li></ul><p>The GNC will discuss and agree annually on all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.</p></div>

	<div data-bbox="438 197 1465 264" style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>The Board shall maintain at least 30% representation of women on boards.</p> </div> <p>The Board has maintained at least 30% women directors, represented by 4 women directors out of 11 Directors as at 31 December 2020.</p> <p>Various steps have been undertaken by the Governance and Nomination Committee (“GNC”) to ensure that suitable women candidates are sought from various sources as part of its recruitment exercise. Apart from the nominations which the GNC may receive from Directors and Committee members for the pool, potential candidates may also be sourced from relevant professional and advocacy bodies and/or the regulator(s), as well as other independent sources, to complement the Board’s Skill Matrix.</p> <p>Invitations were sent to the potential candidates to participate in the pool by providing their particulars and confirming certain personal information which would be relevant for the GNC’s reference in the process.</p> <p>Due diligence is also conducted on the identified candidates to ensure that they satisfy the independence test and conflict of interest assessment as envisaged under the MMLR of Bursa Securities as well as the other prescribed requirements.</p> <p>Bursa Malaysia has also maintained at least 30% women i.e. 2 out of 6 key senior management positions in the organisation are held by women as at 31 December 2020.</p>
<p><b>Explanation</b> :</p> <p><b>for</b></p> <p><b>departure</b></p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## 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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The policies and procedures for recruitment and appointment (including re-election/re-appointment) of Directors are set out in a document approved by the Board referred to as the Protocol for Appointment of Directors and Board Committee Members of Bursa Malaysia (“the Protocol”).</p> <p>The Governance and Nomination Committee (“GNC”) is guided by the Protocol in carrying out its responsibilities in respect of the nomination, selection and appointment process in Bursa Malaysia and its subsidiaries, which also provides the requirements under the relevant laws and regulations on the matter. In this respect, the Board has established a pool of potential Directors/Committee members of Bursa Malaysia (“the Talent Pool”), for its reference when considering new appointments, in line with the sourcing process and criteria for potential candidates as set out in the Protocol.</p> <p>As part of the Board succession planning process, the Talent Pool is also maintained and updated from time to time. The GNC reviews the profiles of the potential candidates in the Talent Pool which are obtained from various sources including from the members of the Board of Bursa Malaysia, the external Board Committee members and other independent sources, for example, the NAM Institute for the Empowerment of Women Malaysia, Malaysian Investment Banking Association, Association of Stockbroking Companies of Malaysia (ASCM), Malaysian Futures Brokers Association (MFBA), LeadWomen Sdn Bhd, 30% Club, Federation of Public Listed Companies Berhad (FPLC) and Financial Institution Directors Education (FIDE) Forum. This is to ensure that the GNC is able to identify the most suitable and qualified candidate.</p> <p>With reference to <b>Paragraph 15.08A(3)(b)</b> of the MMLR of Bursa Securities, the Talent Pool has been refreshed with new potential candidates in 2020, having regard to the selection criteria for the new appointment, to ensure that the list of potential candidates remains relevant and offers the talent/skills required for the GNC/Board’s consideration.</p> <p>The GNC gave its feedback on their profiles, and shortlisted several candidates based on the proposed selection criteria for background</p>

	<p>checks, prior to having engagement sessions with them. In this exercise, the GNC had selected some candidates for engagement sessions to review their suitability having regard to their qualifications and experience/skill sets with reference to the 'must have' and 'nice to have' criteria as determined by the Board. This was in view of filling the casual vacancy in the Board composition as well as meeting the Board's optimum size of 12. Apart from these criteria, the GNC also considered the mix of skills, backgrounds, experiences, personality and time commitments. In addition, the Board had also decided that the candidates for appointment as an Independent Non-Executive Director ("INED") of Bursa Malaysia and the Regulatory Subsidiary must possess these character traits i.e. Integrity, Competence and Humility.</p> <p>In compliance with Paragraph 15.06 of the MMLR of Bursa Securities, the shortlisted candidates for Bursa Malaysia must not hold directorships of more than 5 public listed companies.</p> <p>The proposed candidate will also be required to confirm that he/she meets the criteria for an independent director as prescribed in the MMLR of Bursa Securities and its Practice Note 13 prior to recommending to the Board for approval of his/her proposed appointment as an INED.</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 4.7

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>Since the establishment of the Governance and Nomination Committee (“GNC”) and the Remuneration Committee (“RC”) in place of the Nomination and Remuneration Committee (“NRC”) with effect from 1 July 2019, the GNC was chaired by the Chairman of the Board who is an Independent Director, in accordance with the membership classification as set out in the Terms of Reference (“TOR”) of the GNC. The former Chairman, Datuk Shireen Ann Zaharah Muhiudeen chaired the GNC until 30 April 2020.</p> <p>Tan Sri Abdul Wahid Omar was appointed as Chairman of the Board on 1 May 2020. He then served as Chairman of the GNC until 31 December 2020.</p> <p>Based on the TOR of the GNC, the members of the GNC include the Senior Independent Director of the Company (“SID”).</p> <p>The RC was chaired by the current SID, Datuk Karownikaran @ Karunikaran a/l Ramasamy in accordance with its TOR until 31 December 2020.</p> <p>The current SID is nominated amongst the Independent Non-Executive Directors [Paragraph 6.2 of the Board Charter]. Datuk Karownikaran @ Karunikaran a/l Ramasamy has been serving his extended term of appointment as SID for 2 years from 1 January 2020 to 31 December 2021. The specific responsibilities of the SID are as set out in Paragraph 6.4 of the Board Charter, which is available on Bursa Malaysia’s website.</p> <p>With effect from 1 January 2021, the GNC and the RC were dissolved with the establishment of the NRC, which is chaired by the SID, in accordance with the membership classification under the new TOR of the NRC as set out below:-</p> <table border="1"><thead><tr><th>No.</th><th>Membership Classification of the NRC</th></tr></thead><tbody><tr><td>1.</td><td>SID (Chairman of the NRC)</td></tr><tr><td>2.</td><td>Independent Non-Executive Director who is a Public Interest Director</td></tr><tr><td>3.</td><td>Independent Non-Executive Director who is a Public Interest Director</td></tr><tr><td>4.</td><td>Independent Non-Executive Director</td></tr><tr><td>5.</td><td>Independent Non-Executive Director</td></tr></tbody></table>	No.	Membership Classification of the NRC	1.	SID (Chairman of the NRC)	2.	Independent Non-Executive Director who is a Public Interest Director	3.	Independent Non-Executive Director who is a Public Interest Director	4.	Independent Non-Executive Director	5.	Independent Non-Executive Director
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4.	Independent Non-Executive Director												
5.	Independent Non-Executive Director												

<b>Under 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 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 Governance and Nomination Committee (“GNC”) carries out the Board Effectiveness Evaluation (“BEE”) exercise annually [Paragraph 15.08A(3)(c) of the MMLR of Bursa Securities]. An external consultant is engaged once every 3 years to assist the GNC to facilitate an objective and candid board evaluation as set out in the Board Charter [Paragraph 11.4 of the Board Charter]. An external consultant, Willis Towers Watson conducted the BEE 2016/2017 in 2017. Both BEE 2017/2018 and BEE 2018/2019 were conducted internally and facilitated by the Company Secretaries.</p> <p>In July 2020, the Board resolved to appoint KPMG Management &amp; Risk Consulting Sdn Bhd (“KPMG”) to conduct the BEE for the period from 1 July 2019 to 30 September 2020 (“2019/2020”) exercise, based on the GNC’s recommendation after evaluating the consultants’ proposals based on technical and financial requirements.</p> <p>(1) The BEE 2019/2020 was conducted by way of questionnaires which comprised the Board and Board Committee Effectiveness Assessments, Directors and Board Committee members’ Self and Peer Assessments (“SPA”), one-to-one interview sessions with the 9 Directors (including the Chief Executive Officer) and 3 members of Senior Management.</p> <p>The effectiveness of the Board is assessed in the following areas:-</p> <ul style="list-style-type: none"><li>(a) Board mix and composition;</li><li>(b) Quality of information and decision-making;</li><li>(c) Boardroom activities;</li><li>(d) Board Chairman’s role;</li><li>(e) Relationship with key stakeholders; and</li><li>(f) Group governance.</li></ul> <p>(2) The assessment of individual Directors’ contributions and performance is conducted based on assessments in the following areas which had been incorporated in the Directors’ SPA questionnaires:-</p>

- (a) Participation in boardroom and company's affairs;
- (b) Probing of Senior Management and discourse management;
- (c) Proactive idea contribution;
- (d) Adeptness to market and stakeholders' sensitivities;
- (e) Engendering of mutual trust amongst Board members;
- (f) Professionalism and objectivity;
- (g) Fostering camaraderie and exuding strong presence.

The above had addressed the performance criteria with reference to the Guidance 5.1 of the MCCG as set out below:-

- (i) Will and ability to critically challenge and ask the right questions;
- (ii) Character and integrity in dealing with potential conflict of interest situations;
- (iii) Commitment to serve the company, due diligence and integrity;
- (iv) Confidence to stand up for a point of view;
- (v) Fit and properness;
- (vi) Calibre and personality;
- (vii) Board dynamics and participation;
- (viii) Competency and capability;
- (ix) Independence and objectivity; and
- (x) Contribution and performance.

(3) The effectiveness of the Board Committees is assessed in terms of structure and processes, accountabilities and responsibilities, as well as the effectiveness of the Chairmen of the respective Board Committees.

(4) The SPA for the Board Committee members is similar as the Directors' SPA, which is intended to assess their contribution, performance, calibre and personality in relation to the skills, experience and other qualities they bring to the Board/Board Committees. The SPA also examines the ability of each Board or Committee member to give input at meetings and to demonstrate a high level of professionalism and integrity in the decision-making process. It also takes into account the ability of each individual member to exercise independent judgement and demonstrate objectivity and clarity of thought on issues during deliberations at meetings, provide logical honest opinions, and offer practical and realistic advice to the discussions.

(5) The feedback from the Directors and 3 members of Senior Management was also sought via interview sessions. Observations based on responses, interview insights and review of minutes of meetings were highlighted for the GNC/Board's consideration in developing an action plan for improvement or in enhancing its overall effectiveness.

(6) KPMG had in November 2020 presented to the GNC and the Board the outcome of the BEE 2019/2020. The overall average ratings for

areas of assessments were above 4, based on a 5-scale rating assessment. The Board resolved to adopt the BEE 2019/2020 results after the GNC's review. The results of the BEE 2019/2020 indicated that the performance of the Board, the Board Committees, the individual Directors and members of the Board Committees during the review period had been good i.e. above 80%, and therefore, they had been effective in their overall discharge of functions, roles and duties. The Board was satisfied with each of the Directors' level of performance, and that they had also met the performance criteria in the prescribed areas of assessments. The results of these assessments form the basis of the GNC's recommendations to the Board for the re-election of Directors at the forthcoming 44<sup>th</sup> Annual General Meeting in 2021.

- (7) At the Board meeting in November 2020, the Company Secretaries had provided each Board member his/her own individual results of the Directors' SPA together with a peer average rating on each area of assessment for personal information and development. In December 2020, a member of the Technology and Cybersecurity Committee and the Regulatory Committee members who are non-Directors of Bursa Malaysia were also provided with the results of their respective Committee Effectiveness Assessments including the Committee members' feedback, the individual results of the Committees' SPA together with a peer average rating on each area of assessment for personal information and development.
- (8) In the BEE Report, KPMG highlighted its observations which include key strengths in stakeholder engagement, group governance and crisis management in accordance with Guidance 5.1 of the MCCG. The GNC deliberated at length on each comment/feedback given based on the BEE 2019/2020 assessment and noted that there are no apparent weaknesses identified in the BEE 2019/2020 in relation to the functioning of the Board and its committees. Nevertheless, the Board adopted the following action plans as recommended by the GNC:-
- (a) To institute informal mentorship programmes for new Directors with coaching by the Chairman of the Board or Senior Independent Director ("SID") for up to 6 months from the date of his/her appointment;
  - (b) To include members outside of GNC (i.e. domain experts and Board Committee Chairmen) in the early stages (interview and nomination) of reviewing key senior management/key management personnel candidatures;
  - (c) To return to the establishment of the combined Nomination and Remuneration Committee ("NRC"), with SID as Chairman; and to include another Public Interest Director (who is a Director of Regulatory Subsidiary) in the composition of the new NRC;

	<p>(d) To incorporate the requirement of a common framework in reporting the financial implications of proposed strategies and major project undertakings.</p> <p>(9) As part of implementation of the action plans for the previous BEE 2018/2019, the Board had already initiated some actions for improvement to strengthen the Board and/or its process. For enhancement in quality of Board papers/ presentation to the Board for better utilisation of time and resources, the Board noted that the revised Guidelines on Submission and Presentation of Board Memoranda had been completed in November 2020 which also incorporated the requirement of a common framework in reporting the financial implications such as cost and benefit analysis.</p> <p>(10) In addition to the SPA under the BEE 2019/2020, the Board is also satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of Bursa Malaysia. The quorum of Board meetings had been met with full attendance for 12 Board meetings. Each Director had full attendance for the number of Board meetings held during their tenure in 2020.</p> <p>(11) As an effective practice to facilitate the discharge of their functions, the Non-Executive Directors had also convened their discussion sessions at the conclusion of 2 Board meetings in 2020.</p> <p>Their meeting attendance at Board and Board Committee meetings are evidenced by the attendance record in the CG Overview as set out on Page 99 of the Integrated Annual Report 2020.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## 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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a formal and transparent process for approving the remuneration of the Board and Board Committees ("Board Remuneration Policy"), the Chief Executive Officer ("CEO") and Senior Management of Bursa Malaysia.</p> <p>The remuneration policy is reviewed by the Remuneration Committee ("RC") on an annual basis prior to making its recommendations to the Board for approval. In its review, the RC considers various factors including the Non-Executive Directors ("NEDs")' fiduciary duties, time commitments expected of them and the Company's performance.</p> <p>The fees of the NEDs and any benefits payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting in accordance with Section 230 of the Companies Act ("CA") 2016.</p> <p>The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Company as well as other individuals serving as members of the Board Regulatory Committees. In ensuring remuneration and incentives for Independent NEDs do not conflict with their obligations to bring objectivity and independent judgement, the RC may engage an external consultant to conduct the board remuneration review in conjunction with the engagement of an external consultant for the board effectiveness evaluation once every 3 years [Paragraph 9.5 of the Board Charter].</p> <p>Following a Board remuneration review ("BRR") by an independent consultant, Korn Ferry/Hay Group in June 2017, such review was conducted internally for 2 consecutive years by the RC in November 2018 and November 2019 respectively. In July 2020, the Board resolved to appoint an independent consultant, KPMG to conduct a BRR as recommended by the RC after evaluating the consultants' proposals based on technical and financial requirements. The details of the BRR are set out under Practice 6.2 in this report.</p>

	<p>After due deliberation, the Board approved the recommendation by the RC to maintain the existing Board remuneration which will be put forth to the shareholders for approval at the 44<sup>th</sup> AGM, in accordance with Section 230 of the CA 2016 and Paragraph 7.24 of the MMLR of Bursa Securities.</p> <p>Bursa Malaysia’s compensation strategy is based on 2 main criteria i.e. Pay Positioning (External Comparison) and Pay Positioning (Internal Comparison). The RC referred to the Aon Hewitt McLagan of Malaysia’s survey data in its review process for determination of the senior management’s remuneration package.</p> <p>The RC is responsible to review the Group employees’ compensation policy to ensure alignment of compensation to corporate performance. In February 2020, the RC approved the utilisation of the 2020 provision for annual salary increment and salary adjustment which are guided by a matrix based on individual employees’ performance rating and pay positioning. The RC also considered the distribution of 2019 provision for performance bonuses, which took cognisance of the 2019 Corporate Scorecard results as well as individual performance for the year 2019.</p> <p>The RC is also responsible to implement and administer the Share Grant Plan (“SGP”) in accordance with the SGP By-Laws which were approved by the shareholders since 26 May 2011 and as such, it is responsible for approving the employees share grants for each financial year. The SGP will expire on 17 April 2021 and there were no new share grants in 2019 and 2020.</p> <p>In August 2020, Group Human Resources updated the RC on the options to keep key employees motivated and to boost employee productivity in the medium to long term. In view of a revised strategy, the RC had in December 2020 considered the feasibility of an alternative proposal in place of the current long term incentive plan (“LTIP”). The RC reiterated the importance of having a simple and efficient LTIP with the focus on performance, growth and retention.</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 6.2

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 Board has established a formal and transparent process for approving the remuneration of the Board and Board Committees, the Chief Executive Officer ("CEO") and the Senior Management of Bursa Malaysia. In this respect, the Remuneration Committee ("RC") is responsible to formulate and review the remuneration policies for the Board and Board Committees as well as the Senior Management of the Company to ensure the same remain competitive, appropriate, and in alignment with the prevalent market practices.</p> <p>The RC comprised 4 members who are Independent Non-Executive Directors of the Company in accordance with the membership classification under the Terms of Reference ("TOR") of the RC, as set out below.</p> <table border="1"><thead><tr><th>No.</th><th>Membership Classification of the RC</th></tr></thead><tbody><tr><td>1.</td><td>Senior Independent Non-Executive Director (Chairman of the RC)</td></tr><tr><td>2.</td><td>Independent Non-Executive Director who is a Public Interest Director</td></tr><tr><td>3.</td><td>Independent Non-Executive Director</td></tr><tr><td>4.</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The Board is satisfied that in 2020, the RC has effectively discharged its roles and responsibilities with respect to its remuneration function, which include amongst others, reviews of the remuneration policies for the Board, Board Committees, the CEO and key management personnel.</p> <p><u>For Board</u></p> <p>Section 230(1) of the Companies Act ("CA") 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 44<sup>th</sup> Annual General Meeting ("AGM") on the Directors' remuneration in 2 separate resolutions as follows:-</p>	No.	Membership Classification of the RC	1.	Senior Independent Non-Executive Director (Chairman of the RC)	2.	Independent Non-Executive Director who is a Public Interest Director	3.	Independent Non-Executive Director	4.	Independent Non-Executive Director
No.	Membership Classification of the RC										
1.	Senior Independent Non-Executive Director (Chairman of the RC)										
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3.	Independent Non-Executive Director										
4.	Independent Non-Executive Director										

- **Resolution 5** on payment of Directors' fees in respect of the preceding year 2020; and
- **Resolution 6** on payment of Directors' benefits from 1 April 2021 to the next AGM in 2022.

(1) Board remuneration review

The RC is responsible to conduct an annual review of the Board remuneration policy with the view to ensure that the current remuneration for the members of the Board and Board Committees of Bursa Malaysia Group remain competitive and appropriate to attract, retain and motivate individuals with strong credentials and high calibre to serve on the Board of the Company. In this respect, an external consultant is engaged for the Board remuneration review ("BRR") once every 3 years, to provide the RC with an objective and independent perspective. The last engagement of an independent consultant was in 2017. Accordingly, the Board had engaged KPMG Management & Risk Consulting Sdn Bhd ("KPMG") to facilitate the BRR in 2020.

In November 2020, KPMG presented to the RC its BRR report which adopted comparator companies in the financial services sector, dominant providers and those with similar market capitalisation in Malaysia as well as comparable stock exchanges. The BRR report also reflected the demands, complexities and performance of the Exchange Group particularly, the core activities and responsibilities of the Board/Board Committees as well as having regard to the responsibilities and contribution levels of individual members in terms of statutory duties, fiduciary duties, risk, intensity/complexity of work, time commitment and effort.

(2) Directors' fees

The Board had in November 2020 approved the RC's recommendation for the Directors' fees in respect of the financial ("FY") 2020 to remain unchanged i.e. same as the fees approved for the FY 2018 and 2019, as they are still competitive and at par with the prevalent market rate.

The payment of the NEDs' fees in respect of the preceding FY 2020 will only be made if the proposed **Resolution 5** has been passed at the 44<sup>th</sup> AGM pursuant to Article 19.1 of the Constitution and Section 230(1)(b) of the CA 2016.

(3) Benefits payable to the NEDs

The benefits payable to the NEDs comprise the allowances and other emoluments payable to the Chairman and members of the Board, Board of subsidiaries and Board Committees.

- (a) At the 43<sup>rd</sup> AGM of the Company held on 29 April 2020, the benefits payable to the NEDs of the Company from 30 April 2020 until the 44<sup>th</sup> AGM of the Company was approved for an amount of up to RM2,200,000. The utilisation of this approved amount as at 31 December 2020 was RM1,348,000. Based on the schedule of meetings in the first quarter of 2021, an amount of RM480,000



is expected to be utilised for payment of meeting allowance, fixed allowance and other benefits to the NEDs. Hence, the expected total utilised amount would be approximately 83% of the approved amount.

- (b) Based on the BRR conducted by KPMG in 2020, the Directors' benefits payable to the NEDs are proposed to be maintained for the Current Period as summarised in the table below:-

Description	Chairman	NEDs / Members
<b>Meeting Allowance</b> (per meeting)		
• Board of Bursa Malaysia	RM3,000	RM3,000
• Board of Subsidiary	RM3,000	RM3,000
• Bursa Malaysia Group Committees	RM3,000	RM3,000
<b>Fixed Allowance</b>		
• Bursa Malaysia Group Committees	RM20,000 per annum	RM12,000 per annum (RM1,000 per month)
<b>Monthly Fixed Allowance – Chairman of Bursa Malaysia [Note 1]</b>	RM52,000	Not Applicable
<b>Other Benefits for NEDs of Bursa Malaysia only</b>	Club membership, medical coverage, travel and other claimable benefits	Medical coverage, travel and other claimable benefits

Note 1: Monthly fixed allowance to the Chairman of Bursa Malaysia being an Exchange Holding Company and listed entity is made, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities expected of him, as well as the fact that he does not serve on the boards of any other listed companies or market participants regulated by Bursa Malaysia.

- (c) The total amount of benefits payable to the NEDs is estimated to be up to RM2,000,000 from 1 April 2021 to the next AGM in 2022 ("Current Period"), based on the current Board Remuneration Policy and taking into account various factors including the number of scheduled meetings for the Board/ Board Committees as well as the number of NEDs involved in these meetings. This amount is lower than the approved amount at the 43<sup>rd</sup> AGM which was up to RM2,200,000.

Payment of benefits to the NEDs will be made by the Company on a monthly basis and/or as and when incurred, if the proposed **Resolution 6** has been passed at the 44<sup>th</sup> AGM. The Board is of the view that it is just and equitable for the NEDs to be paid the Directors' remuneration (excluding Directors' fees) on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Current Period.

#### For CEO

The Executive Director/CEO does not receive any Directors' remuneration. The CEO, who sits on the Board of subsidiary companies or serves on the Board Committees within the Group, is also not entitled to any Director's fees or meeting allowance for attending those Board or Board Committee meetings.

The CEO's remuneration package is structured so as to link to corporate and individual performance measures which comprise fixed and variable components, determined

	<p>based on the Key Performance Indicators in the Corporate Scorecard, as approved by the Board. In September 2020, the RC reviewed the CEO’s remuneration package for the proposed renewal of his service contract upon expiry in February 2021. Group Human Resources referred to Aon Hewitt on the compensation mix ratio of financial institutions in Malaysia with a view to drive performance rewards based on other parameters such as company performance, growth (increase in revenue and market share) and shareholders value. The same was approved by the Board in September 2020 based on the RC’s recommendation.</p> <p>The current CEO of Bursa Malaysia is not eligible for any share grant under the SGP.</p> <p><u>For Employees</u></p> <p>In January 2020, the Governance and Nomination Committee (“GNC”) assessed the performance of the key management personnel based on their performance with regards to the Corporate Scorecard and Divisional Scorecard results as well as competencies. To ensure consistency in their performance assessments, the final performance ratings as decided by the GNC is used by the RC for the purpose of determining their performance bonuses and annual increments.</p> <p>In February, June, July and August 2020, the RC had considered the remuneration package of the Acting Chief Regulatory Officer, Chief Financial Officer and other key management personnel such as the Director of Corporate Strategy and Director of Sustainability in conjunction with the renewal of their fixed term contracts. The RC also reviewed and determined the remuneration package of the CEO of the Regulatory Subsidiary, Director of Securities Market, Head of Information Security and Head of Group Strategic Communications.</p> <p><u>Change in Governance Model</u></p> <p>In November 2020, the Board approved the establishment of a new Nomination and Remuneration Committee (“NRC”) in place of the GNC and RC, effective 1 January 2021. It was also decided that the NRC shall be chaired by the Senior Independent Non-Executive Director of the Company. The decision to establish the NRC was made following the Board effectiveness evaluation exercise conducted in 2020, with the view to enhance the Boardroom innerworkings and governing policies in the organisation.</p> <p>In view of the above, the RC was dissolved on 1 January 2021 and its function was transferred to the newly established NRC. The NRC shall comprise 5 members who are Independent Non-Executive Directors of the Company in accordance with the membership classification under the Terms of Reference of the NRC which is available at <a href="https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/governance_model_document">https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/governance_model_document</a>.</p>
<p><b>Explanation :</b> <b>for</b> <b>departure</b></p>	

*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

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> :	<p>In line with best corporate governance practice, the disclosure of the Directors' remuneration on a named basis has been made in the Annual Audited Financial Statements over the years.</p> <p>The remuneration received by each of the Non-Executive Directors ("NEDs") and Chief Executive Officer in 2020 is set out in the tables below:-</p> <p><b>(1) NEDs</b></p> <table border="1"><thead><tr><th>No.</th><th>Name of NEDs as at 31 December 2020</th><th>Directors' Fees for FY 2020* (RM'000)</th><th>Other Allowances (RM'000)</th></tr></thead><tbody><tr><td>1.</td><td>Tan Sri Abdul Wahid bin Omar</td><td>200</td><td>579</td></tr><tr><td>2.</td><td>Datuk Karownikaran @ Karunakaran a/l Ramasamy</td><td>200</td><td>182</td></tr><tr><td>3.</td><td>Pushpanathan a/l S.A. Kanagarayar</td><td>200</td><td>157</td></tr><tr><td>4.</td><td>Datin Grace Yeoh Cheng Geok</td><td>200</td><td>172</td></tr><tr><td>5.</td><td>Chong Chye Neo</td><td>200</td><td>121</td></tr><tr><td>6.</td><td>Uji Sherina binti Abdullah</td><td>200</td><td>165</td></tr><tr><td>7.</td><td>Dato' Anad Krishnan a/l Muthusamy</td><td>138</td><td>84</td></tr><tr><td>8.</td><td>Sharifatu Laila binti Syed Ali</td><td>50</td><td>30</td></tr><tr><td>9.</td><td>Syed Ari Azhar bin Syed Mohamed Adlan</td><td>25</td><td>11</td></tr><tr><td>10.</td><td>Datuk Bazlan bin Osman</td><td>25</td><td>12</td></tr><tr><td></td><td><b>Name of Former NEDs</b></td><td></td><td></td></tr><tr><td>11.</td><td>Johari bin Abdul Muid</td><td>50</td><td>34</td></tr><tr><td>12.</td><td>Professor Joseph Cherian</td><td>67</td><td>13</td></tr><tr><td>13.</td><td>Datuk Shireen Ann Zaharah binti Muhiudeen</td><td>100</td><td>277</td></tr><tr><td>14.</td><td>Datin Mariam Prudence binti Yusof</td><td>67</td><td>44</td></tr><tr><td>15.</td><td>Dato' Wan Kamaruzaman bin Wan Ahmad</td><td>67</td><td>34</td></tr></tbody></table> <p>* Subject to shareholders' approval at the 44<sup>th</sup> Annual General Meeting</p>	No.	Name of NEDs as at 31 December 2020	Directors' Fees for FY 2020* (RM'000)	Other Allowances (RM'000)	1.	Tan Sri Abdul Wahid bin Omar	200	579	2.	Datuk Karownikaran @ Karunakaran a/l Ramasamy	200	182	3.	Pushpanathan a/l S.A. Kanagarayar	200	157	4.	Datin Grace Yeoh Cheng Geok	200	172	5.	Chong Chye Neo	200	121	6.	Uji Sherina binti Abdullah	200	165	7.	Dato' Anad Krishnan a/l Muthusamy	138	84	8.	Sharifatu Laila binti Syed Ali	50	30	9.	Syed Ari Azhar bin Syed Mohamed Adlan	25	11	10.	Datuk Bazlan bin Osman	25	12		<b>Name of Former NEDs</b>			11.	Johari bin Abdul Muid	50	34	12.	Professor Joseph Cherian	67	13	13.	Datuk Shireen Ann Zaharah binti Muhiudeen	100	277	14.	Datin Mariam Prudence binti Yusof	67	44	15.	Dato' Wan Kamaruzaman bin Wan Ahmad	67	34
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<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>	:	Not applicable - Step Up 7.3 adopted	
<b>Explanation on application of the practice</b>	:		
<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 7.3 - Step Up

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

<b>Application</b>	:	Adopted																																																	
<b>Explanation on adoption of the practice</b>	:	<p>The disclosure of the remuneration of the key senior management ("KSM") personnel has been made on a named basis in the Audited Financial Statements for the previous financial years ("FY") 2018 and 2019. The total remuneration of the KSM personnel in respect of the FY 2020 as at 31 December 2020 are set out in the table below:-</p> <table border="1"><thead><tr><th>No.</th><th>Name of Personnel</th><th>Salary (RM'000)</th><th>Bonus (RM'000)</th><th>EPF (RM'000)</th><th>Other emoluments (RM'000)</th><th>Total (RM'000)</th></tr></thead><tbody><tr><td>1.</td><td>Rosidah binti Baharom</td><td>623</td><td>323</td><td>157</td><td>248</td><td>1,351</td></tr><tr><td>2.</td><td>Samuel Ho Hock Guan</td><td>1,160</td><td>532</td><td>-</td><td>631</td><td>2,323</td></tr><tr><td>3.</td><td>Azhar bin Mohd Zabidi *</td><td>148</td><td>-</td><td>20</td><td>22</td><td>190</td></tr><tr><td>4.</td><td>Tay Yu Hui</td><td>551</td><td>254</td><td>134</td><td>113</td><td>1,052</td></tr><tr><td>5.</td><td>Ashish Jaywant Rege **</td><td>813</td><td>378</td><td>-</td><td>102</td><td>1,293</td></tr><tr><td>6.</td><td>Inderjit Singh Sohan Singh</td><td>518</td><td>262</td><td>133</td><td>200</td><td>1,113</td></tr></tbody></table> <p>Note: * Appointed on 12 October 2020 ** Appointed on 6 January 2020</p> <p>Their remuneration is also set out in Note 36(c) to the Financial Statements on Page 226 of the Integrated Annual Report 2020.</p>	No.	Name of Personnel	Salary (RM'000)	Bonus (RM'000)	EPF (RM'000)	Other emoluments (RM'000)	Total (RM'000)	1.	Rosidah binti Baharom	623	323	157	248	1,351	2.	Samuel Ho Hock Guan	1,160	532	-	631	2,323	3.	Azhar bin Mohd Zabidi *	148	-	20	22	190	4.	Tay Yu Hui	551	254	134	113	1,052	5.	Ashish Jaywant Rege **	813	378	-	102	1,293	6.	Inderjit Singh Sohan Singh	518	262	133	200	1,113
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### 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") comprises 4 members who are Independent Non-Executive Directors ("INEDs"), one of whom is also a Public Interest Director.</p> <p>The AC Chairman, Mr. Pushpanathan a/l S.A. Kanagarayar is a member of the Institute of Chartered Accountants of Scotland (ICAS), Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). He is not the Chairman of the Board.</p> <p>Mr. Pushpanathan a/l S.A. Kanagarayar is an INED and was appointed as the AC Chairman since 23 June 2014.</p> <p>The Chairman of the Board of Bursa Malaysia is Tan Sri Abdul Wahid bin Omar with effect from 1 May 2020. Prior thereto, it was Datuk Shireen Ann Zaharah binti Muhiudeen. This has always been the practice by Bursa Malaysia, in line with the requirements in Practice 8.1 of the Malaysian Code on Corporate Governance which had been reflected in the Terms of Reference of the AC.</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>	:	<p>Bursa Malaysia has always recognised the need to uphold independence. None of the members of the Board were former key audit partners within the cooling-off period of 2 years. Hence, there is no such person appointed as a member of the AC.</p> <p>The requirements as to “<i>Any former key audit partner must have observed a cooling-off period of at least 2 years before one is eligible for appointment as AC member</i>” in Practice 8.1 of the Malaysian Code on Corporate Governance is also set out under the Terms of Reference of the AC.</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 8.3

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 the fourth quarter of 2020, the external auditors, Ernst &amp; Young PLT ("EY") presented for the Audit Committee ("AC")'s review its 2020 Audit Plan which outlined its engagement team, audit timeline, the areas of audit emphasis, and their focus on key audit matters with reference to the International Standard on Auditing 701. This formed part of the AC's assessment of the suitability, objectivity and independence of EY on an annual basis. Based on the outcome of its assessment, the AC decides whether or not to recommend to the Board for the shareholders' approval to be sought on the re-appointment of the external auditors at the forthcoming 44<sup>th</sup> Annual General Meeting ("AGM") in 2021.</p> <p>The above had been practised in accordance with the Auditor Independence Policy which provides that the AC shall review the re-appointment of the external auditors based on the Management's annual performance evaluation of the external auditors and/or whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.</p> <p>With reference to the current Auditor Independence Policy which was approved by the Board on 28 November 2019, the lead engagement partner and quality control review partner who are responsible for the financial statements of Bursa Malaysia Group will be subject to a 7-year rotation with a 5-year cooling-off period. Dato' Megat Iskandar Shah bin Mohamad Nor became the lead engagement partner in 2015 and will be due for rotation in 2022. The quality control review partner, Mr. Yeo Beng Yean who was appointed in 2016 will be due for rotation in 2023.</p> <p>The AC had in January 2021 undertaken an annual assessment of the quality of audit which encompassed the performance of EY, the quality of EY's communications with the AC and Bursa Malaysia, and EY's independence, objectivity and professionalism.</p> <p>The AC considered the feedback obtained via assessment questionnaires from Bursa Malaysia personnel who had substantial contact with the external audit team and EY throughout the year. The AC also took into account the openness in communication and interaction with the lead engagement partner and engagement team</p>

	<p>through discussions at private meetings, which demonstrated their independence, objectivity and professionalism.</p> <p>In January 2021, EY in its presentation of the External Auditors' report to the AC provided a written assurance that they had been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statements of the Group for the FY 2020.</p> <p>The AC was satisfied with the suitability of EY based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied in its review that the provision of the non-audit services by EY to the Company for the FY 2020 did not in any way impair their objectivity and independence as external auditors of Bursa Malaysia.</p> <p>Having regard to the outcome of the annual assessment of external auditors, the Board had in February 2021 approved the AC's recommendation for the shareholders' approval to be sought at the 44<sup>th</sup> AGM on the appointment of EY as external auditors of the Company for the FY ending 31 December 2021.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</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 8.4 - 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") comprises wholly of Independent Non-Executive Directors ("NEDs"). A NED of the Company who satisfies the independence test under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is an Independent Director. This is provided in the Terms of Reference ("TOR") of the Board of Directors.</p> <p>The AC comprises 4 members who are Independent NEDs, one of whom is also a Public Interest Director in accordance with the membership classification under the TOR of the AC as set out below:-</p> <table border="1"><thead><tr><th>No.</th><th>Membership Classification of the AC</th></tr></thead><tbody><tr><td>1.</td><td>Independent Non-Executive Director (Chairman of the AC)</td></tr><tr><td>2.</td><td>Independent Non-Executive Director</td></tr><tr><td>3.</td><td>Independent Non-Executive Director</td></tr><tr><td>4.</td><td>Independent Non-Executive Director who is a Public Interest Director</td></tr></tbody></table>	No.	Membership Classification of the AC	1.	Independent Non-Executive Director (Chairman of the AC)	2.	Independent Non-Executive Director	3.	Independent Non-Executive Director	4.	Independent Non-Executive Director who is a Public Interest Director
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1.	Independent Non-Executive Director (Chairman of the AC)											
2.	Independent Non-Executive Director											
3.	Independent Non-Executive Director											
4.	Independent Non-Executive Director who is a Public Interest 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>The review of the composition of the Audit Committee ("AC") shall be conducted annually in accordance with Paragraph 15.20 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad. The AC members shall be appointed by the Board of Directors for a term of 1 year, and the AC members may be eligible for re-appointment.</p> <p>The Board reviews the terms of office of the AC members and assesses the performance of the AC and its members through an annual Board Committee effectiveness evaluation.</p> <p>The AC members are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>The Chairman and members of the AC are financially literate, and have carried out their duties in accordance with the Terms of Reference of the AC.</p> <p>Based on the outcome of the AC Effectiveness Assessment of the Board Effectiveness Evaluation 2019/2020, the Board is satisfied with the AC's performance as its Chairman and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC. The AC was involved in the following:-</p> <p>(1) Financial reporting process</p> <p>The AC reviewed the Company's financial statements with the presence of the external auditors and the Director of Internal Audit, prior to recommending them for approval by the Board and issuance to stakeholders. As part of the governance process in reviewing the quarterly and annual financial statements by the AC:-</p>

- (a) The Chief Financial Officer provided assurance to the AC on a quarterly basis that appropriate accounting policies had been adopted and applied consistently; that the going concern basis applied in the Condensed Consolidated Financial Statements (“CCFS”) and Annual Financial Statements was appropriate; that prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”); that adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS, IFRS, International Accounting Standards (“IAS”) and MMLR; and that the CCFS and Annual Financial Statements did not contain any material misstatement and gave a true and fair view of the financial position of the Group and the respective companies within the Group for 2020.
- (b) The Director of Internal Audit (“IA”) undertook an independent assessment on the internal control system on a quarterly basis and assured the AC that no material issue or major deficiency had been noted which would pose a high risk to the overall system of internal control under review.
- (c) The external auditors, Ernst & Young PLT (“EY”) confirmed that they had conducted their review on the quarterly CCFS in accordance with the International Standard on Review Engagements 2410, *“Review of Interim Financial Reporting Information Performed by the Independent Auditor of the Entity”*. The quarterly financial statements were prepared in all material respects in accordance with MFRS 134 and IAS 34, as nothing had come to their attention which caused them to believe otherwise.
- (d) EY presented their Independent Auditors’ Report on the Annual Financial Statements for the financial year ended 31 December 2020 together with the key audit matters therein as well as their long form report covering their observations, findings and recommendations on certain process improvements noted during their course of the audit.
- (e) There had been co-ordination between internal and external auditors with regards to the use of the work of internal audit by EY in 2020. Besides EY’s normal review and reliance on the internal audit reports issued during the year, 2 internal auditors were assigned to the year-end financial audit under the supervision of EY based on consideration of their competence and objectivity.

The 2 IA staff had been assigned to EY for the FY 2020 financial audit in compliance with EY’s independence requirements and

	<p>appropriate safeguards were observed as to the reporting protocol by the said staff during their assignment period to ensure the independence of the external audit function was not impaired.</p> <p>(2) Continuous education</p> <p>The AC members were invited to various training programmes to keep abreast of relevant industry developments including accounting and auditing standards, business practices and rules, to address any skills or knowledge gaps according to their needs. The AC members play a key role in the Public Interest Enterprise (“PIE”)’s governance structure and are responsible in overseeing the PIE’s financial reporting process.</p> <p>The AC Chairman, Mr. Pushpanathan a/l S.A. Kanagarayar has been actively serving as a Council Member of MICPA. He was appointed as the Chairman, MFRS Application &amp; Implementation Committee (“MAIC”) of the Malaysian Accounting Standards Board (“MASB”) for an initial term of 2 years from 1 March 2019 to 28 February 2021, and this was recently extended for a further term of 2 years to 28 February 2023. MAIC is entrusted to look into issues relating to the existing and potential divergent practices to ensure consistent application and implementation of MFRSs for the benefit of the capital market. As MAIC Chairman, he had been actively involved in resolving pending and transitional practice issues in the implementation of the various extant MFRSs.</p> <p>Mr. Pushpanathan a/l S.A. Kanagarayar also continues to serve as the Chairman of the Insurance Working Group of MASB in the rollout of MFRS 17 - Insurance Contracts, of which the latest implementation date of MFRS 17 is effective from 1 January 2023.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

## 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>The Board affirms its overall responsibility for the Group's system of internal control and risk management and for reviewing the adequacy and integrity of the system. The system of internal control covers governance, risk management, financial, strategy, organisational, operational, regulatory and compliance control matters. The Board recognises that this system is designed to manage, rather than eliminate, the risks of not adhering to the Group's policies and achieving goals and objectives within the risk appetite and risk tolerance established by the Board and Management. Therefore, the system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement, loss or fraud.</p> <p>As the Group's risk management framework which is based on the ISO 31000:2009 Risk Management – Principles and Guidelines, Securities Commission's Guidelines on Financial Market Infrastructures as well as the International Organisation of Securities Commissions (IOSCO) – Principles of Financial Market Infrastructures (PFMI), the Risk &amp; Compliance Division ("R&amp;C") had performed an assessment to align the principles, framework and processes based on ISO31000: 2018.</p> <p>The key enhancements in ISO 31000: 2018 include greater emphasis on the creation and protection of value, leadership and commitment in the integration of risk management in decision-making as well as open and active engagement for recording and reporting of risk.</p> <p>In January 2020, the Risk Management Committee ("RMC") reviewed the proposed enhancements to the Risk Appetite Statement as presented by the R&amp;C and had given its comments with a view to ensuring the Risk Appetite Statement continues to be relevant in line with changing market conditions and in alignment with the Business Plan 2020. The R&amp;C took into consideration Bursa's historical experience, current and forecasted market conditions as well as 2020 targets as proposed by the business units. R&amp;C continues to monitor the key risk indicators for maintaining organisational performance and competitive position as well as for developing strategic sustainability practice to achieve the sustainability goals.</p>



	<p>Bursa Malaysia has always strived for zero tolerance for non-compliance to statutory and regulatory requirements and for minimising disruption to trading and clearing process.</p> <p>The establishment of the Integrity &amp; Governance Unit under the R&amp;C effective 1 October 2020 is to foster the principle of abhorring corruption, abuse of power and malpractices in the organisation through its 4 core functions namely complaints management, detection and verification, integrity enhancement and governance. As the Director of R&amp;C reports directly to the RMC, the RMC shall be responsible to oversee the issues of corruption, fraud, malpractice and unethical conduct within the Group.</p> <p>In conjunction with the above, the R&amp;C conducted a review in November 2020, and presented to the RMC the proposed structure of an Integrated Risk, Integrity and Governance Framework to streamline the interdependencies across the Enterprise Risk Management, Business Continuity Management, Compliance Management and Integrity and Governance frameworks.</p> <p>Notwithstanding the above, the risk management structure remains the same with 3 lines of defence and clearly established functional responsibilities and accountabilities for the management of risk. The Group's risk profile, risk appetite and risk tolerance define the overarching parameters of the Group for the management of risk. Clear risk treatment guidance is in place stipulating the actions to be taken for each type of risk.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

### 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 via the Risk Management Committee ("RMC") oversees the risk management matters relating to the activities of the Group, which include identifying, managing, monitoring, treating and mitigating significant risks across the Group. The RMC also assists the Board to fulfil its responsibilities with regards to risk governance and risk management in order to manage the overall risk exposure of the Group. The RMC is also responsible for overseeing the business continuity management, compliance and Integrity &amp; Governance functions of the Group.</p> <p>The RMC reviews and recommends for the Board's consideration and approval, the risk management frameworks, policies and/or guidelines for managing risks within the Group. The RMC also monitors and assesses the risk appetite and risk tolerance for the Group, to safeguard the shareholders' investments and the Group's assets.</p> <p>The Group has an established and structured process for the identification, assessment, communication, monitoring as well as continual review of risks and effectiveness of risk mitigation strategies and controls at the divisional and enterprise levels. The analysis and evaluation of risks are guided by approved risk criteria. The Group also has risk management tools to support the risk management process and reporting.</p> <p>The Corporate Risk Profile ("CRP") 2020 which specified 8 key enterprise risks were reviewed and recommended by the RMC for the Board's approval in November 2019. The Board at its meeting held in November 2019 considered the residual risk severity of the top 8 risks of the Group and took into consideration the potential impact from any foreseeable future event or situation which could adversely affect the strategic objectives of the Group.</p> <p>In 2020, the RMC had from time to time assessed the risk impact and likelihood of those key risks and determined the risk ratings accordingly for continuous risk mitigation actions. The RMC regularly monitors the key risks facing the business in order to stay current on governance practices relating to the risk. The RMC also noted that several initiatives</p>

	<p>were completed by R&amp;C as part of its roadmap to streamline and strengthen R&amp;C core competencies, and to capitalise on digitalisation for internal process improvements, for example, automation of compliance function, additional configuration on incident management and the Securities Transaction Policy profile in the Integrated Governance Risk and Compliance solution, critical resources dependency mapping via Business Impact Analysis, and the pandemic preparedness plan for deployment of split office operations.</p> <p>In September 2020, the R&amp;C commenced a review of the current risk register, incidents impact and likelihood by issuing a CRP survey to 17 Heads of Divisions to identify top risks for further analysis. Majority of the responses had indicated sustainability related risks, business performance and competition risk, cybersecurity risk and pandemic risk. Based on the survey feedback and the current global risk trends, the annual CRP 2021 was developed for presentation to the RMC in January 2021.</p> <p>Further details on the management and reporting of the key risks of the CRP 2020, and the controls in place to mitigate and manage those risks are provided in the Statement on Internal Control and Risk Management on Pages 114 to 122 of the Integrated Annual Report 2020.</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

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>	:	Adopted										
<b>Explanation on adoption of the practice</b>	:	<p>The Risk Management Committee ("RMC") comprises wholly of Independent Non-Executive Directors ("NEDs"). A NED of the Company satisfies the independence test under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is an Independent Director. This is provided in the Terms of Reference ("TOR") of the Board of Directors.</p> <p>The RMC comprises 4 members who are Independent NEDs, one of whom is also a Public Interest Director, in accordance with the membership classification under the TOR of the RMC as set out below:-</p> <table border="1"><thead><tr><th>No.</th><th>Membership Classification of the RMC</th></tr></thead><tbody><tr><td>1.</td><td>Independent Non-Executive Director (Chairman of the RMC)</td></tr><tr><td>2.</td><td>Independent Non-Executive Director</td></tr><tr><td>3.</td><td>Independent Non-Executive Director</td></tr><tr><td>4.</td><td>Independent Non-Executive Director who is a Public Interest Director</td></tr></tbody></table>	No.	Membership Classification of the RMC	1.	Independent Non-Executive Director (Chairman of the RMC)	2.	Independent Non-Executive Director	3.	Independent Non-Executive Director	4.	Independent Non-Executive Director who is a Public Interest Director
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1.	Independent Non-Executive Director (Chairman of the RMC)											
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4.	Independent Non-Executive Director who is a Public Interest Director											

## 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 (“IA”) function for Bursa Malaysia Group, which is led by the Director of IA who reports directly to the Audit Committee (“AC”), and administratively to the Chief Executive Officer.</p> <p>In this respect, the Director of IA shall be accountable in reporting to the AC on the assessment of adequacy and effectiveness of the Group’s control processes. She has full access to the AC Chairman for consultation and clarification on audit scope and objectives as well as reporting purpose.</p> <p>As guided by the IA’s Audit Charter, IA must be independent of the activities and processes, which it appraises to ensure it is able to perform its duties in an objective manner and provide impartial advice to the AC.</p> <p>The IA function undertakes an independent assessment on the internal control system of the Group through audit engagements carried out in the financial year and provides assurance to the AC that no material issue or major deficiency has been noted which would pose a high risk to the overall system of internal control under review.</p> <p>To ensure that the responsibilities of IA are fully discharged, the AC reviews:-</p> <ul style="list-style-type: none"><li>(a) the appointment and removal of the Director of IA;</li><li>(b) the adequacy of the IA’s scope, competency, experience and resources of the IA function; and</li><li>(c) the appraisal or assessment of performance of the IA function and performance of the Director of IA.</li></ul> <p>The IA engagements were carried out based on the annual audit plan 2020 as approved by the AC in accordance with the International Professional Practices Framework by The Institute of Internal Auditors. IA provides recommendations to mitigate control weaknesses and enhance the governance, risk management and control processes within the Group. The results of the audits as disclosed in the IA reports were reviewed by the AC. The relevant Management members were</p>

	<p>made responsible to ensure that corrective actions on the reported weaknesses were taken within the required timeframes. IA conducted follow-up reviews/audits to ensure that the corrective actions were implemented appropriately. The detailed activities carried out by the IA are provided in the AC Report on Pages 123 to 127 of the Integrated Annual Report 2020.</p> <p>In line with the Malaysian Code on Corporate Governance, the AC is responsible to determine the remit of and decide on the budget for the IA function under its Terms of Reference, to ensure that the IA function is effective and is able to perform independently.</p> <p>The AC had in November 2020 reviewed and approved the IA's 2021-2023 Strategic Roadmap, Audit Plan and Budget for 2021, which comprised the same allocation of 13 personnel (excluding the secretary).</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

## 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>	:	<p>In accordance with the Internal Audit (“IA”)’s Audit Charter [Section 4.0 Independence &amp; Objectivity], IA is required to confirm to the Board (via the Audit Committee (“AC")), at least annually, the organizational independence of the internal audit activity. This is also in accordance with Standard 1110 – “Organisational Independence” of the International Standards for Professional Practice of Internal Auditing.</p> <p>All auditing endeavours are conducted in compliance with the Institute of Internal Auditors’ (“IIA”) Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing as set out in the Terms of Reference (“TOR”) of the AC.</p> <p>IA had in January 2021 confirmed its organisational independence to the AC, where the Director of IA and all the internal auditors had signed the annual declaration that they were and had been independent, objective and in compliance with the Code of Ethics of Bursa Malaysia and the professional standards laid down by the IIA in carrying out their duties for the financial year 2020.</p> <p>All the IA personnel confirmed via the annual declarations that they are free from any relationships or conflicts of interest, which could impair their objectivity and independence. They provided assurance to the AC that whilst carrying out their duties as internal auditors of Bursa Malaysia, they:-</p> <ol style="list-style-type: none"><li>(1) were independent of the process/ area/ division/ department that they are auditing;</li><li>(2) applied and upheld the principles stated in the IIA’s Code of Ethics; and</li><li>(3) complied with the requirements as stated in Bursa Malaysia’s Code of Ethics.</li></ol> <p>The IA function has 14 approved headcount, comprising the Director of IA, 12 internal auditors and a secretary. The Director of IA, Puan Mazliana binti Mohamad is a Member of the Malaysian Institute of</p>

	<p>Accountants (MIA) and a Chartered Global Management Accountant from the Chartered Institute of Management Accountants (CIMA).</p> <p>6 of the internal auditors have relevant certifications or professional qualifications such as Certified Internal Auditor (CIA) and Certification in Risk Management Assurance (CRMA) by the Institute of Internal Auditors (IIA), Chartered Islamic Finance Professionals (CIFP), Certified Information Security Management System (ISMS) Lead Auditor by BSI Group, Certified Bank Auditor and Certification in Internal Auditing for Financial Institutions (CIAFIN).</p> <p>In accordance with the TOR of the AC, the AC had in February 2021 conducted an annual assessment of the performance of the IA function by reviewing the 2020 IA Scorecard results. The AC was satisfied with the competency, experience and resources of the IA function for discharging its role and responsibilities.</p> <p>The AC was also satisfied that the IA function is performed in accordance with the IIA's Definition of Internal Auditing and Code of Ethics and that it conforms to the International Standards for Professional Practice of Internal Auditing. This would enable the IA function to continuously deliver value-added assurance to Bursa Malaysia and to support Bursa Malaysia in achieving its corporate and strategic objectives.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>



### 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>Bursa Malaysia ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure. Depending on stakeholder type and objective, Bursa Malaysia customises its engagement approaches and communicates with its stakeholders through appropriate platforms/methods.</p> <p>(1) Bursa Malaysia is committed to being accountable and responsive to the expectations and interests of its stakeholders. Amongst the Company's key stakeholders are as below:-</p> <ul style="list-style-type: none"><li>(a) Public listed companies (PLCs) or potential PLCs (including advisers and secretarial firms that act on their behalf);</li><li>(b) Investors;</li><li>(c) Intermediaries (including brokers, clearing participants and depository agents);</li><li>(d) Regulators and government agencies;</li><li>(e) Employees;</li><li>(f) Bursa Malaysia's shareholders and analysts;</li><li>(g) Industry associations, professional bodies and industry experts;</li><li>(h) Vendors and suppliers; and</li><li>(i) Community groups (including non-profit organisations which are beneficiaries of our community initiatives).</li></ul> <p>(2) To facilitate the stakeholders' understanding of the Company with respect to the business of the company and its policies on governance, the Company has placed various documents pertaining to the organisation, Board and Management, corporate governance, policies, charters, terms of references as well as other corporate information on its website under 'About Bursa - About Us', for easy reference.</p> <p>The Company has also utilised information technology to broadly and effectively disseminate information with regard to the dates scheduled for release of its quarterly results. After the end of every quarter, the Company Secretary will announce these dates in advance via Bursa LINK.</p>

In 2020, the quarterly financial results were announced via Bursa LINK immediately after the Board's approval between 12.30 p.m. and 1.30 p.m. on the same day and analyst/media briefings were conducted for the second and fourth quarterly financial results. This is important in ensuring equal and fair access to information is provided to the investing public, so that they are able to make informed decisions.

- (3) Bursa Malaysia via its website under 'About Bursa - Investor Relations' provides all relevant information on the Company which is accessible to the public. They include all announcements made by Bursa Malaysia, share price information, annual reports, notices of general meetings, notes of general meetings, slide presentations made at such meetings and webcasts for the benefit of shareholders who are unable to attend these meetings.

Bursa Malaysia's Investor Relations ("IR") function is responsible to ensure and facilitate continuous and effective communication between the Company and its stakeholders. The stakeholders are encouraged to channel their concerns to the Head of IR, Puan Rasmona Abdul Rahman. Her contact number and e-mail address - [ir@bursamalaysia.com](mailto:ir@bursamalaysia.com) are provided on Bursa Malaysia's website, and on Page 96 of the Integrated Annual Report 2020.

- (4) Bursa Malaysia strives to maintain an open and two-way communication with its **employees** to discuss, among others, the Company's performance and growth strategies, Code of Ethics, training and development, performance evaluation and management, remuneration and benefits, occupational safety, health and wellbeing, collective bargaining and employee volunteerism. In 2020, Bursa Malaysia engaged with its employees primarily through its internal employee portal (i.e. MY1818), meetings, feedback sessions, training sessions, talks, surveys and campaigns. In addition to the above, employees can also relay their concerns via the grievance platform and whistleblowing channel.

- (5) Bursa Malaysia engages with its **local communities** (e.g. beneficiaries of Yayasan Bursa Malaysia, scholars) primarily on matters pertaining to Bursa Malaysia's community investment and Corporate Social Responsibility initiatives through meetings, phone calls, Bursa Malaysia's corporate website and events.

The stakeholders are also encouraged to channel their concerns to the Director of Group Sustainability, Ms. Emilia Tee Yoke Hoong who leads the Group Sustainability Department and reports directly to the CEO of Bursa Malaysia. Her contact number and e-mail address are provided in Bursa Malaysia's annual sustainability reports.

- (6) Bursa Malaysia had in 2020 issued an online survey to its key stakeholders seeking input on matters that are important both to

	<p>Bursa Malaysia and its stakeholders (“Material Matters”). A total of 13 Material Matters were listed for validation in the survey. The result of the assessment indicated that all the Material Matters were relevant, and there was a high alignment between the perception of the internal and external stakeholders in these Material Matters.</p> <p>Details of the assessment of Material Matters and stakeholder engagement conducted in 2020 are provided on Pages 68 to 77 of the Sustainability Report 2020.</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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As part of our efforts to develop a strategic corporate reporting approach to better meet the needs of various stakeholders and achieve business benefits, Bursa Malaysia had in the 2016 Annual Report, embarked on its integrated reporting (&lt;IR&gt;) journey. Through the &lt;IR&gt; approach, Bursa Malaysia as a frontline regulator, a market operator, an influencer and a public listed company aims to tell a clear and comprehensive story about itself, its business, strategies as well as how it creates values and shares them with all its stakeholders over the near, medium and long term.</p> <p>Underpinning Bursa Malaysia's commitment to sustainable and long-term value creation, it had issued its first Integrated Annual Report ("IAR") 2018 on 28 February 2019 based on the International Integrated Reporting Council's International Integrated Reporting Framework. The second was the IAR 2019 which was issued on 2 March 2020. This IAR 2020 will be the third as part of the &lt;IR&gt; journey to improve the quality of information disclosures to stakeholders and promote greater transparency and accountability on Bursa Malaysia.</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

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>Bursa Malaysia dispatches the notice of its Annual General Meeting (“AGM”) to shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act (“CA”) 2016 and Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives or proxies. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p> <p>On 2 March 2020, notifications were sent to all shareholders either by way of letter or e-mail to inform that the Notice of the 43<sup>rd</sup> AGM, Proxy Form and Administrative Guide for the 43<sup>rd</sup> AGM which was scheduled to be held on 31 March 2020 were published on Bursa Malaysia’s website. These documents together with the Integrated Annual Report 2019, Sustainability Report 2019 and Corporate Governance Report 2019 were also made available at <a href="https://bursa.listedcompany.com/iar_2019.html">https://bursa.listedcompany.com/iar_2019.html</a>.</p> <p>The notes to the Notice of the 43<sup>rd</sup> AGM dated 2 March 2020 provided detailed explanations for each resolution proposed, e.g. re-election of Directors, Directors’ remuneration comprising the Directors’ fees and benefits, appointment of auditors, to enable shareholders to make informed decisions in exercising their voting rights.</p> <p>The Administrative Guide was intended to provide the shareholders with the detailed procedures of the AGM, their entitlement to attend the AGM, their right to appoint a proxy and information as to who may count as a proxy. The Company allows a member to appoint a proxy who need not be a member of the Company.</p> <p>On 16 March 2020, the Government announced the implementation of the 14-day Movement Control Order (“MCO”) from 18 March 2020 to 31 March 2020, to curb the spread of Covid-19 infection in Malaysia where all business premises except for those providing essential services were required to be closed. On 25 March 2020, the</p>

	<p>Government further announced the extension of the MCO to 14 April 2020.</p> <p>Under such circumstances, the Board of Directors (“the Board”) of Bursa Malaysia had on 31 March 2020 decided that the 43<sup>rd</sup> AGM of the Company shall stand adjourned to 29 April 2020 at 3.00 p.m. at the same venue and via Remote Participation and Voting (“RPV”) facilities which were available on Tricor’s <b>TIIH Online</b> website at <a href="https://tiih.online">https://tiih.online</a>. The above decision of the Board was made pursuant to Article 16.2 of the Company’s Constitution and in accordance with Section 318 of the CA 2016.</p> <p>With reference to the ‘Guidance and FAQs on the Conduct of General Meetings for Listed Issuers’ issued by the Securities Commission Malaysia (“SC”) on 18 April 2020, listed issuers shall only conduct fully virtual general meetings during MCO period. A fully virtual general meeting is to be conducted online, without a physical meeting venue, and shareholders will participate by audio and/or video capabilities. The only venue involved is the Broadcast Venue where only the essential individuals are physically present to organise the fully virtual general meeting.</p> <p>Further to the Government’s announcement dated 23 April 2020 on the extension of the MCO from 29 April 2020 to 12 May 2020, the 43<sup>rd</sup> AGM of the Company which was adjourned to 29 April 2020 could only be conducted fully virtual during the MCO period. Hence, an announcement on the change of venue for the Adjourned 43<sup>rd</sup> AGM of the Company was issued on 24 April 2020 for a fully virtual general meeting to be conducted on 29 April 2020 at 3.00 p.m. at the Broadcast Venue in its office.</p> <p>As no shareholders should be physically present at the Broadcast Venue, all shareholders were urged to attend the Adjourned 43<sup>rd</sup> AGM remotely using the RPV facilities which were available on Tricor’s <b>TIIH Online</b> website at <a href="https://tiih.online">https://tiih.online</a>.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### 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>All 10 directors attended the Adjourned 43<sup>rd</sup> Annual General Meeting (“AGM”) held on 29 April 2020 to engage directly with shareholders and to be accountable for their stewardship of the Company.</p> <p>3 Directors amongst the following 8 essential individuals were physically present at the Broadcast Venue in accordance with the <i>SC’s Guidance and FAQs on the Conduct of General Meetings for Listed Issuers dated 18 April 2020</i>:-</p> <ol style="list-style-type: none"><li>1. Datuk Shireen Ann Zaharah binti Muhiudeen – Chairman</li><li>2. Datuk Muhamad Umar Swift - Chief Executive Officer (“CEO”)</li><li>3. Puan Rosidah binti Baharom - Chief Financial Officer (“CFO”)</li><li>4. Puan Yong Hazadurah binti Md Hashim – Group Company Secretary</li><li>5. Mr. Pushpanathan a/l S.A. Kanagarayar - Audit Committee Chairman</li><li>6. Dato’ Megat Iskandar Shah bin Mohamad Nor – External Auditors, Ernst &amp; Young PLT</li><li>7. Mr. Anthony Tai Yu Kun - Scrutineer, Deloitte Risk Advisory Sdn Bhd</li><li>8. Martin Loo Foo Seng - Audio Visual Support, AudeoNet (M) Sdn Bhd</li></ol> <p>The other 7 Directors (as listed below) attended the Adjourned 43<sup>rd</sup> AGM via video conferencing together with the Joint Company Secretary and the members of senior management:-</p> <ol style="list-style-type: none"><li>1. Datin Mariam Prudence binti Yusof</li><li>2. Dato’ Anad Krishnan a/l Muthusamy</li><li>3. Datuk Karownakaran @ Karunakaran a/l Ramasamy - Remuneration Committee Chairman</li><li>4. Datin Grace Yeoh Cheng Geok - Risk Management Committee Chairman</li><li>5. Ms. Chong Chye Neo</li><li>6. Puan Uji Sherina binti Abdullah</li><li>7. Professor Joseph Cherian</li></ol> <p>The shareholders, corporate representatives and proxies attended the 43<sup>rd</sup> AGM via Remote Participation and Voting (RPV) facilities which were available on Tricor’s <b>TIIH Online</b> website at <a href="https://tiih.online">https://tiih.online</a>. The proceedings of the 43<sup>rd</sup> AGM at the Broadcast Venue included the CEO’s presentation of the Company’s operating and financial performance for 2019, the presentation of the external auditors’ unqualified report to the shareholders, and a Questions &amp; Answers session during which the</p>

	<p>Chairman invited shareholders to use the query box facility to submit questions (real time) during the meeting, pertaining to the Company's financial statements and other items for adoption at the meeting, before putting a resolution to vote.</p> <p>Besides the Directors and CEO, the Management and External Auditors were in attendance to respond to the shareholders' queries. The CEO also shared with the shareholders in attendance, the Company's responses to questions submitted in advance of the AGM by the Minority Shareholders Watch Group.</p> <p>To further encourage engagement between the Directors and shareholders, shareholders were also invited to send questions before the meeting to the Investor Relations at <a href="mailto:ir@bursamalaysia.com">ir@bursamalaysia.com</a> in relation to the agenda items for the 43<sup>rd</sup> AGM.</p> <p>The Group Company Secretary read out the questions received by Investor Relations in advance and those via the query box from the shareholders/corporate representatives/proxies. The CEO, CFO, Group Company Secretary and External Auditors were invited to respond accordingly. The Chairman further informed that the Management will respond to these questions and revert to each shareholder with the answer(s) to his/her question(s) via e-mail after the meeting. This had been implemented accordingly by the Company Secretary. The Notes of the Adjourned 43<sup>rd</sup> AGM (including all the Questions raised at the meeting and the Answers thereto) were also made available on Bursa Malaysia's website.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		



## 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>	:	<p>At its 39<sup>th</sup> AGM held on 31 March 2016, Bursa Malaysia had leveraged technology to facilitate electronic voting (“e-voting”) for the conduct of poll on all resolutions for the first time. Electronic voting devices were used to provide a more efficient and accurate outcome of the results. The voting at the 40<sup>th</sup> and 41<sup>st</sup> AGM held on 29 March 2017 and 28 March 2018 respectively were conducted on a poll in accordance with Paragraph 8.29A of the MMLR of Bursa Securities.</p> <p>In addition to the e-voting in person at the AGM venue, the Company at its 42<sup>nd</sup> AGM held on 28 March 2019 had enabled remote shareholders' participation and online remote voting by leveraging technology in accordance with Section 327(1) and (2) of the CA 2016 and Article 15.4 of the Constitution of the Company. The first experience in Remote Participation and Voting (“RPV”) facilities on 28 March 2019 was useful and timely for convening a fully virtual 43<sup>rd</sup> AGM on 29 April 2020, with online attendance and voting by shareholders during the MCO period.</p> <p>For the Adjourned 43<sup>rd</sup> AGM held on 29 April 2020, Bursa Malaysia had appointed Tricor Investor &amp; Issuing House Services Sdn Bhd (“Tricor”) as Poll Administrator to conduct the polling process, and Deloitte Risk Advisory Sdn Bhd (“Deloitte”) as Scrutineers to verify the poll results.</p> <p>The Company had conducted a fully virtual 43<sup>rd</sup> AGM on 29 April 2020 at the Broadcast Venue by leveraging technology in accordance with Section 327(1) and (2) of the CA 2016, Article 15.4 of the Constitution of the Company and <i>SC's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers dated 18 April 2020</i>.</p> <p><b>(a) Remote shareholders' participation at the 43<sup>rd</sup> AGM</b></p> <p>In view of the Covid-19 outbreak, shareholders were initially advised to take advantage of the RPV facilities which were available on Tricor's <b>TIIH Online</b> website at <a href="https://tiih.online">https://tiih.online</a>. The registration for remote participation was opened from 10.00 a.m. Monday, 2 March 2020 at <a href="https://tiih.online">https://tiih.online</a> and to be submitted online. Detailed procedures were provided to shareholders in the Administrative Guide.</p>

	<p>After verification that one was a shareholder based on the General Meeting Record of Depositors (“ROD”) as at 24 March 2020, the relevant shareholder was notified via e-mail by Tricor that his/her registration for the remote participation at the 43<sup>rd</sup> AGM had been approved. If the shareholder was already a user with <b>TIH Online</b>, he/she could log in with his/her username and password to submit the request to participate remotely via live streaming and online remote voting. An e-mail notification to confirm the shareholder’s registration for RPV was then sent by Tricor after its verification based on the General Meeting ROD as at 24 March 2020 and upon the cut-off date and time for proxy form submission.</p> <p><b>(b) Voting in absentia</b></p> <p>Shareholders logged on with their usernames and passwords at Tricor’s <b>TIH Online</b> website and participated remotely via live streaming at the Adjourned 43<sup>rd</sup> AGM. At the same time, they casted their votes online from 3.30 p.m. on 29 April 2020 until the close of the voting session as announced by the Chairman.</p> <p>The Scrutineers, Deloitte verified and announced the poll results for each resolution, which included votes in favour and against, upon which the Chairman of the Adjourned 43<sup>rd</sup> AGM declared that all the resolutions were carried. The poll results were also announced by Bursa Malaysia via Bursa LINK on the same day for the benefit of all shareholders. The Notes of the Adjourned 43<sup>rd</sup> AGM were also made available on Bursa Malaysia’s website: <a href="https://bursa.listedcompany.com/misc/Notes_of_43rd_AGM.pdf">https://bursa.listedcompany.com/misc/Notes_of_43rd_AGM.pdf</a></p>		
<p><b>Explanation for departure</b></p>	<p>: Please provide an explanation for the departure.</p> <hr/> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<p><b>Measure</b></p>	<p>: Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>		
<p><b>Timeframe</b></p>	<p>: <table border="1" style="width: 100%; height: 30px;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> </table></p>		

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

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

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