

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 9634  
**COMPANY NAME** : POS 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 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.*

## 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 of Directors ("the Board") of Pos Malaysia Berhad ("the Company" or "Pos Malaysia") is accountable to shareholders to create and deliver sustainable value through oversight of the management of the Group's business, approving strategic plans, monitoring their implementation and providing the necessary support in ensuring that it meets its vision and mission.</p> <p>The Board is committed to uphold high standards of corporate governance and strives to ensure that it is practised throughout the Group as a fundamental part of discharging its duties and responsibilities effectively, to protect and enhance the shareholders' value and raise the performance of the Group.</p> <p>The duties, powers and functions of the Board encapsulated in its Board Charter are governed by the Company's Constitution, the Companies Act 2016 ("the Act"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other regulatory guidelines and requirements that are in force.</p> <p>The Board's functions and responsibilities for specified matters are being effectively and adequately discharged for depth deliberation by empowering its Committees, namely Board Audit Committee ("BAC"), Board Nomination and Remuneration Committee ("BNRC"), Board Risk, Sustainability and Compliance Committee ("BRSCC"), Board Tender Committee ("BTC") and Board Digital-First Committee ("BDC"), to examine specific matters within their respective Terms of Reference ("TOR") as approved by the Board. Although specific powers are delegated to the Board Committees, the ultimate responsibility for decision-making, however, lies with the Board. The Board keeps itself abreast of the key issues and decisions made by each Board Committee through the tabling of reports by the Chairmen of the Board Committees at Board meetings.</p>

	<p>Beyond the schedule of matters reserved for the collective decision of the Board as stipulated in the Board Charter, the Board delegates the functions and power to the Group Chief Executive Officer (“GCEO”). The GCEO is responsible for the executive leadership and day-to-day management and operation of the Group. These functions and power are spelt out in the Limits of Authority (“LOA”) adopted throughout the Group. The LOA defines the type and limits of authority designated to the specified positions of responsibility and vary according to the type of authority. The GCEO remains accountable to the Board for the authorities that are delegated to him, and for the performance of the Group.</p> <p>The Board, together with the Management, are committed to promoting good corporate governance culture within the Group, which reinforces ethical, prudent and professional behaviour.</p> <p>To discharge the Board's stewardship responsibilities, the Board has assumed the following principal roles and responsibilities:</p> <ul style="list-style-type: none"> <li>(i) Ensures that the Group’s objectives are clearly established and that strategic plans are in place to achieve those objectives.</li> <li>(ii) Establishes well-defined policies and operational procedures to strengthen the Group’s performance and ensures that the Management continuously seeks to grow the business through innovation, initiative, technology, digitalisation and development of business capital.</li> <li>(iii) Adopts uncompromised performance measures to monitor the implementation and performance of the Group’s objectives, strategies, action plans and policies.</li> <li>(iv) Ensures that the Group adheres to high standards of ethics and corporate behaviour, including transparency in the conduct of business.</li> <li>(v) Oversees and evaluates the conduct and the management of the Group’s business including the Company’s ability to meet its contractual obligations.</li> <li>(vi) Ensures the Group complies with all applicable laws, regulations, rules and Government orders.</li> <li>(vii) Ensures that appropriate public relations and communications initiatives, and investor relations programmes are in place.</li> </ul> <p>The Board is required to comply with the Directors’ Code of Conduct, which amongst others, includes the declaration of any personal, professional or business interest, direct or indirect, which may cause conflict with the directors’ responsibilities as a Board member as well as refrain from voting on such a transaction.</p>
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	<p>The Board acknowledges the importance of the following:</p> <ul style="list-style-type: none"> <li>(i) A sound system of internal control and a robust risk management practice for good corporate governance with the objective of safeguarding the Group's assets, shareholders' investment and the interests of stakeholders. For this purpose, the Board has adopted a risk management policy/framework;</li> <li>(ii) The need to safeguard and minimise the impact on the environment in the course of achieving the Group's objectives by monitoring operations and procedures across the Group to improve environmental and financial performance and ensure consistent compliance with environmental requirements and regulations including the Environment Act 1974 and Road Transport Act 1987. The Board's agenda reflects the commitment to economic support for longer-term sustainability with a focus on the positive impact on the environment, community and society; and</li> <li>(iii) The need for effective Investor Relations and Communications with shareholders/stakeholders and to provide them with all relevant information affecting the Group.</li> </ul> <p>The strategic plan, execution and challenges were discussed and highlighted by the Management at board meetings throughout the year. In addition, a Strategy Discussion meeting was held on 26 October 2020, to deliberate on the review of the Group's strategy, business plan and performance in 2020 against the 2020 Annual Management Plan, as well as consider the Company's strategic direction, moving forward.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.2

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 key roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter, which is available on Pos Malaysia's website at <a href="http://www.pos.com.my">www.pos.com.my</a>.</p> <p>The Chairman leads the Board by setting the tone at the top, and manages the Board's effectiveness by focusing on strategy, governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective TOR to ensure its effectiveness.</p> <p>The Chairman is responsible for representing the Board to the shareholders and for ensuring the integrity and effectiveness of the governance process of the Board.</p> <p>The Chairman sets the pace of the meeting and leads discussions in an effective manner. The Chairman acts as a facilitator at meetings of the Board and promotes a Boardroom environment that allows for constructive expression of views, effective debate and contribution from the Board members to facilitate informed decision-making by the Board.</p> <p>The key roles and responsibilities of the Chairman include the following:-</p> <ul style="list-style-type: none"><li>(i) Provides governance in matters requiring corporate justice and integrity;</li><li>(ii) Manages Board communication and Board effectiveness and effective supervision over the Management;</li><li>(iii) Creates conditions for good decision-making during Board and shareholders meetings;</li><li>(iv) Ensures Board proceedings are in compliance with good conduct and practices;</li><li>(v) Protects the interest and provide for (if permissible) the information needs of various stakeholders;</li><li>(vi) Maintains good contact and effective relationship with external parties, investing public, regulatory agencies and trade associations;</li><li>(vii) Ensures that quality information to facilitate decision-making is delivered to the Board by the Management in a timely manner; and</li><li>(viii) Ensures compliance with all relevant regulations and legislations.</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

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 the GCEO are provided in the Board Charter, which is available on Pos Malaysia's website at <a href="http://www.pos.com.my">www.pos.com.my</a>.</p> <p>There is a clear division of responsibilities between the Chairman and the GCEO. The separation of authority enhances independent oversight of executive management by the Board and helps to ensure that no one individual has unfettered powers or authority over decision-making.</p> <p>During the Financial Year Ended ("FY") 31 December 2020, the Chairman of the Company was Datuk Yasmin binti Mahmood who had resigned on 1 April 2021 and succeeded by Dato' Sri Syed Faisal Albar bin Syed A.R Albar on 2 April 2021. Meanwhile, the GCEO of the Company is Syed Md Najib bin Syed Md Noor.</p> <p>The Chairman is responsible for the leadership and management of the Board, as well as for promoting high ethical standards to ensure the integrity and effectiveness of the governance process of the Board.</p> <p>The overall business and day-to-day operations of the Group is managed by the GCEO, who is not a Board member. The GCEO is accountable to the Board for the overall organisation, management and staffing of the Group and its procedures in financial and operational matters, including conduct and discipline. The GCEO is also responsible for promoting the Company's culture and standards among the employees of the Company. The authority limits of the GCEO are stipulated in the LOA duly approved by the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretaries, Sabarina Laila binti Mohd Hashim and Kamilia Nor binti Mohamad Kamal, have legal qualifications and are qualified to act as company secretaries under Section 235(2) of the Act. Both of them are licensed by the Registrar of Companies ("Companies Commission of Malaysia ("CCM")) and associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>(i) The Company Secretaries are responsible for developing and maintaining the processes that enable the Board to fulfil its roles, ensuring compliance with the Company's Constitution and the relevant guidelines, regulatory and statutory requirements, and advising the Board on all governance matters and its compliance thereof. The Company Secretaries also oversee the adherence to Board policies and procedures.</p> <p>(ii) The Company Secretaries manage the affairs and logistics of all the Board, Board Committees and shareholders' meetings and ensure that deliberations at these meetings are properly documented and subsequently communicated to the relevant management for their further actions. The Company Secretaries, together with the Directors, ensure that these meetings are properly conducted according to the applicable rules and regulations. The Company Secretaries also ensure proper upkeep of statutory registers and records of the Group.</p> <p>(iii) The Company Secretaries constantly keep themselves abreast with the latest changes and developments in corporate governance by attending relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes, seminars, workshops and conferences organised by Bursa Securities, MAICSA, Securities Commission, CCM and other relevant training organisations.</p> <p>(iv) The Company Secretaries also assist the Board in applying best practices to meet the Board's needs and stakeholders' expectations, in accordance with the recommendation of the</p>



	<p>Malaysian Code on Corporate Governance (“MCCG”) and other regulators.</p> <p>(v) The Company Secretaries also assist and facilitate the Board’s training and development. The Directors can exploit continuous learning opportunities through the information provided by the Company Secretaries on relevant training programmes. The records of all training programmes attended by the Directors are maintained by the Company Secretaries.</p> <p>(vi) All Directors have unrestricted access to the advice and services of the Company Secretaries, to enable them to discharge their duties and responsibilities as Directors effectively. The Company Secretaries ensure effective flow of information to the Board and the Board Committees.</p> <p>The roles and responsibilities of the Company Secretaries are clearly set out in the Board Charter.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretaries set the annual meeting calendar of the Board and Board Committees' meetings in advance prior to the new financial year to facilitate the Directors' time planning.</p> <p>The Board meets at least four times a year, with additional meetings for particular matters convened as and when necessary, to review financial, operational and business performances. In the intervals between Board meetings, Board decisions for urgent matters are sought via circular resolutions, to which the board paper with relevant and sufficient information is provided, in order for the Board to make an informed decision.</p> <p>During FY 31 December 2020, the Board had met eight times and approved nine circular resolutions. In view of the Covid-19 pandemic and Movement Control Order in 2020, several of the Board meetings were held online.</p> <p>Notices of meetings are normally distributed at least two weeks prior to the meeting date. The agenda of meetings together with the relevant board papers are distributed at least five business days prior to the meeting date, to allow sufficient time for the Board and Board Committee members to review and evaluate the matters to be deliberated at the meetings. Occasionally, Board or Board Committee meetings may be held at short notice, when decisions of a time-critical nature need to be made. Senior Management of the Group attends the Board meetings to provide thorough insights into the business and affairs of the Group. External advisers, whenever necessary, are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.</p> <p>The Directors shall have unrestricted access to the Management and to information pertaining to the Group's business affairs, including from the Company's auditors and consultants, to enable them to discharge their duties.</p> <p>Pos Malaysia's digitalisation initiative has also encouraged a paperless environment for all Board and Board Committee meetings, which enables digital access to meeting materials. The digital access eases the</p>

	<p>process of distribution of Board papers, Circular Resolutions and minimises leakage of sensitive and confidential information.</p> <p>All Board and Board Committees' deliberations and decisions, including views of the Board and Board Committee members, decision rationale and action items to be undertaken by the Management are well documented in the minutes. The Board and Board Committees' decisions and action items are also communicated to the Management after each meeting, for appropriate action. The Company Secretaries will follow up with the Management on the status of actions taken, which will be tabled, as matters arising, to the Board at the next meeting.</p> <p>The minutes will be signed by the Chairman as a correct record of the proceedings of the meeting, upon confirmation by the Board or Board Committees at the following meetings.</p> <p>A Director who has an interest in any proposal or transaction, either direct or indirect, which is being presented to the Board for approval, will declare his or her interest and abstain from deliberation and voting of the same at the Board meeting.</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 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 has a formalised Board Charter which sets out inter alia, the roles and responsibilities of the Board, Board Committees, individual Directors, Chairman, GCEO and Company Secretary. The Board Charter aims to assist the Directors to better appreciate their roles and responsibilities, thus ensuring the long-term objectives of the Group are met.</p> <p>The Board Charter also covers the composition of the Board, procedures for convening Board meetings, Directors' remuneration and training, Board evaluation, Directors' Code of Conduct, relationship with shareholders and stakeholders, Board reserved matters for Board's approval and TOR of the Board Committees. Key matters reserved for the Board's approval include the conduct of the Board, remuneration, operational, planning &amp; investments, financials and other matters pertaining to the Board.</p> <p>The Board Charter will be reviewed from time to time, when necessary, to keep it up to date and consistent with the Board's objectives and responsibilities, as well as the regulatory changes. The Board Charter is available on Pos Malaysia's website at <a href="http://www.pos.com.my">www.pos.com.my</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

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>Pos Malaysia Code of Conduct and Business Ethics ("PMCCBE") provides the commitment of the Company to carry out its business in the most professional, fair and transparent manner, by avoiding self-interest and improper work ethics.</p> <p>The PMCCBE contains detailed policy statements on the standards of behaviour and ethical conduct expected of all employees of the Group to achieve and retain a high standard of integrity and personal ethics and to display favourable conduct, while performing duties at the workplace. PMCCBE not only promotes legal and procedural compliance but also provides a moral compass to ensure that the individual's behaviour is in line with the Group's Core Values and business objectives.</p> <p>It is the responsibility of the employees to uphold and preserve the image and the reputation of the Company, as well as the Company's assets, through a just and consistent administrative manner and concurrently produce disciplined, efficient and productive employees.</p> <p>The PMCCBE includes, amongst others, references to specific Group policies and procedures such as:</p> <ul style="list-style-type: none"><li>(i) Tone from the top on organisational commitment on Integrity, Transparency and Good Corporate Governance, and with zero-tolerance on bribery and corruption.</li><li>(ii) Responsibility and Accountability, which specify the responsibility of each individual in promoting good business conduct – the roles of senior, middle and lower management as well as vendors, suppliers and contractors;</li><li>(iii) Job value, which specifies the commitment of each employee to serve his/her duty without compromising the Company's</li></ul>

	<p>integrity – the value of trust, avoidance of personal interest and healthy work practice, amongst others;</p> <p>(iv) Company image, which specifies the responsibility of each individual to protect the Company's interest and provide healthy work practice, which includes the professional appearance, protection of company's asset, protection of intellectual property and safekeeping of confidential information;</p> <p>(v) Personal declaration of individual property and involvement in business;</p> <p>(vi) Dealing with outsiders, which specifies the professionalism and integrity in venturing into legitimate and ethical business by avoiding self-interest, corruption, money laundering, bribery, insider trading and personal contribution;</p> <p>(vii) Dealing with government, non-governmental organisations (NGOs) and political organisations – compliance with various acts such as Anti-Money Laundering, Anti-Terrorism Financing Act 2001, Anti-Corruption Act 1997 and Personal Data Protection Act 2012;</p> <p>(viii) Dealing with vendor and competitors – transparency in doing business, protection of legitimate business information and principle of fair competition; and</p> <p>(ix) Disciplinary and Misconduct – the disciplinary actions that will be taken for non-compliance of PMCCBE.</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

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>Pos Malaysia has in place, a Whistle Blowing Policy ("WB Policy") since 2008, with the objective of developing a culture of openness and promoting high standards of business and personal ethics amongst the employees of the Group in the conduct of their duties and responsibilities and also to comply with the relevant laws, regulations as well as the procedures and policies of the Company.</p> <p>The WB Policy was revisited in February 2017 for enhancement in terms of its scope, to receive reports from not only employees but also members of the public regarding any breach or suspected breach of any laws or regulations, including business principles and the Group's policies and guidelines, in a safe and confidential manner.</p> <p>Disclosure of information can be made to one or more of the following persons within the Company:</p> <ol style="list-style-type: none"><li>1. Head, Internal Audit</li><li>2. GCEO</li><li>3. BAC Chairman</li><li>4. Senior Independent Director</li></ol> <p>Any complaints and concerns regarding the Head, Internal Audit can be channelled directly to the BAC Chairman. Any complaints and concerns regarding the GCEO and any members of the Board can be channelled directly to the BAC Chairman and/or Senior Independent Director.</p> <p>The WB Policy and its disclosure procedure are available to the public for reference on the Company's website at <a href="http://www.pos.com.my">www.pos.com.my</a> and displayed at branches to raise concerns on any wrongdoings or acts of corruption. The disclosure of information can be made via:</p> <ul style="list-style-type: none"><li>• Email: <a href="mailto:wb@pos.com.my">wb@pos.com.my</a></li><li>• Telephone: 03-22672050</li><li>• Mail: Internal Audit Department, Level 5, Dayabumi Complex, 50670 Kuala Lumpur, Malaysia</li></ul>

	Whistle Blowing awareness programmes are administered by the Internal Audit Department, whereby concerns received are directed to the Special Audit Unit (Investigation) for necessary actions. All cases are dealt with the utmost confidentiality and investigated comprehensively, before being presented to the BAC.	
<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>During FY 31 December 2020, the Board of the Company consisted of eight members, comprising three Non-Independent Non-Executive Directors and five Independent Non-Executive Directors.</p> <p>A majority of the Board members are Independent Non-Executives Directors, to ensure balance of power and authority in the Board.</p> <p>A self-assessment on independence was carried out by all the Independent Non-Executive Directors, using the criteria of independence prescribed under the Listing Requirements of Bursa Securities. All the Independent Non-Executive Directors were rated satisfactory. The Board through BNRC, reviewed the same and agreed that the Independent Non-Executive Directors are able to exercise independent and objective judgment in carrying out their duties as Independent Directors.</p> <p>Each of the Directors had given confirmations on a biannual basis as to whether he/she has any family relationship with any director and/or major shareholder of Pos Malaysia, any conflict of interest with Pos Malaysia and any convictions for offences within the past five years other than traffic offences.</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 4.2

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>	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years	
<b>Explanation on application of the practice</b>	:	<p>The Board adopted Practice 4.2, whereby any retention of Independent Non-Executive Director who served for more than nine years to be put up for shareholders’ approval and consideration.</p> <p>Dato’ Ibrahim Mahaludin bin Puteh was the only Director, who had served on the Board for a cumulative term of more than nine years during FY 31 December 2020.</p> <p>Following the resignation Dato’ Ibrahim Mahaludin bin Puteh effective 1 January 2021, none of the other Independent Directors exceed the cumulative term limit of nine years.</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 4.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The BNRC is responsible for reviewing and recommending to the Board, any new appointment of Director, which is based on merit, skills and experience, with due regard to the requirements of Chapter 2, Paragraph 2.20A of the Listing Requirements of Bursa Securities.</p> <p>In evaluating the suitability of individuals for the appointment of Board membership, the BNRC considers the requisite mix of skills, knowledge, expertise, experience, professionalism, competency, integrity, character, time commitment, number of directorships and composition requirements for Board and Board Committees, as a priority to ensure that there is an appropriate mix of diversity, skills, experience and expertise represented on the Board.</p> <p>Diversity of gender, ethnicity and age within the Board is also important, and this includes an appropriate mix of skills, experience and competencies which are relevant to enhance the Board's composition and functions. The Board takes cognisance of board diversity whenever a vacancy arises, to ensure a balanced and diverse Board composition.</p> <p>To ensure an appropriate balance of the Board, the Company has adopted a Board Skills Matrix as a reference for the Board's competencies and succession planning to complement one another. The Company focuses on two areas; Primary Industry and Functional Experience. The result of Board Skills Matrix as at 31 December 2020, showed that all Directors are equipped with the relevant and up to date skills and experience in Functional Experience especially in operations, corporate strategic &amp; planning, economic/investment, finance/accounting, administration, public policy, human capital, succession planning, taxation and project management. However, due to the niche business of the Company, a majority of the Directors lack the skills and experience in the Primary Industry, such as aviation services, logistics services, Ar-Rahnu (islamic pawn broking) and total office solutions. Therefore, the Company is planning to collaborate with external parties to conduct special programmes, seminars, workshops and conferences to enhance the Directors' skills and experience in the said Primary Industry.</p> <p>The BNRC during FY 31 December 2020 also reviewed the composition of all Board Committees and the following factors were considered:</p>

	(i) The need to ensure that the workload of directors, including committees, is equitably shared. (ii) Whenever possible, to avoid too much overlapping of members in the committees. (iii) Some common membership amongst committees can also help to ensure adequate communication and coordination.  Appointments of the GCEO and other Senior Management are also based on objective criteria, merits and due diligence processes, and with due regard for diversity in skills, experience, age, cultural background and gender.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During FY 31 December 2020, there were three women directors on the Board, namely Datuk Yasmin binti Mahmood, Datuk Puteh Rukiah binti Abd Majid and Sharifah Sofia binti Syed Mokhtar Shah, representing 37.5% of the total Board members.</p> <p>The Board supports the boardroom gender diversity as recommended under the MCCG, by taking various steps to ensure women candidates are considered in the recruitment exercise. Pos Malaysia recognises that advancing gender equality throughout business operations and value chains can tap better talent, higher productivity, better organisational effectiveness and overall corporate success.</p> <p>Following the resignation Datuk Yasmin bin Mahmood effective 1 April 2021, the percentage of women directors has reduced to below 30%.</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 4.6

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>One of the functions of the BNRC is to propose to the Board for its consideration, suitable candidates for the appointment as Directors of Pos Malaysia.</p> <p>The Board will seek recommendation/referral from various sources including its existing Directors, major shareholders and a wide network of industry contacts including independent sources, when required, to source and nominate suitable candidates for appointment as Directors. Nomination for the appointment of Director also comes from the Minister of Finance Incorporated ("MOF Inc.") as the Special Shareholder holding one (1) Special Rights Redeemable Preference Share in Pos Malaysia. MOF Inc. has the right to appoint up to two (2) Board representatives on the Board of Pos Malaysia.</p> <p>The list of candidatures obtained from external sources is limited due to the nature of the industry and the highly regulated environment in which the Group operates.</p> <p>During FY 31 December 2020, the BNRC had reviewed and recommended to the Board a list of potential candidates to fill the vacancy for the position of Independent Director, following the resignation of Dato' Ibrahim Mahaludin bin Puteh effective 1 January 2021.</p> <p>When evaluating a candidate for a new appointment, the BNRC takes into account the candidates' skills, knowledge, expertise, experience, professionalism and integrity. The BNRC also considers gender diversity in reviewing the appropriate proportion of female to male Directors on the Board, for any new appointment. In the case of a candidate for the position of an Independent Director, the BNRC would consider the candidate's ability to discharge such responsibilities/functions as expected of an Independent Director. The Board will then make the final decision on the appointment of the Director, upon recommendation from the BNRC.</p> <p>As Pos Malaysia is licensed by Bank Negara Malaysia ("BNM") under the Money Services Business Act 2011 for its remittance business and is also licensed by the Malaysian Communications and Multimedia Commission ("MCMC") under the Postal Services Act 2012 for its postal</p>

	<p>services, all new appointments of Directors are also subject to the fulfilment of a “fit and proper” test as prescribed by BNM and MCMC.</p> <p>To ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, the criterion as agreed by the Board for determining potential candidates is that they must not hold directorships of more than five public listed companies (as prescribed in Paragraph 15.06 of the Listing Requirements of Bursa Securities).</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 4.7**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>During FY 31 December 2020, Dato’ Ibrahim Mahaludin bin Puteh, the Senior Independent Director chaired the BNRC.</p> <p>Following his resignation effective 1 January 2021, Datuk Idris bin Abdullah @ Das Murthy, an Independent Non-Executive Director was appointed as the Chairman of BNRC effective from 1 January 2021 to spearhead BNRC moving forward.</p> <p>The membership classification of the BNRC is set out in its TOR specified in the Board Charter.</p>	
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

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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board took cognisance of the MCCG's recommendation to engage independent experts periodically to facilitate objective and candid board evaluations and endeavours to engage an independent consultant in the future.</p> <p>The Board, through the BNRC, has undertaken a formal and objective Board Effectiveness Evaluation ("BEE") exercise pursuant to Paragraph 15.08A(3)(c) of the Listing Requirements of Bursa Securities to ensure that the Board has the appropriate mix of skills and experiences and discharges its duties effectively.</p> <p>During FY 31 December 2020, the BEE was conducted internally through self-assessment methodologies and facilitated by the Company Secretaries. The BEE is designed to improve the Board's effectiveness as well as to bring to the Board's attention, key areas that needed to be addressed in order to maintain Board cohesion. The results of the BEE were presented to the Board and it acknowledged the findings and areas that necessitated further improvements.</p> <p>The criteria used in the assessment for the Board and Board Committees encompassed their roles and responsibilities, mix of characteristics, experiences, skills, conduct of meetings, participation and contribution of members during the meetings, their overall performance and Board diversity (including gender diversity).</p> <p>The effectiveness of the Board Committees was assessed in terms of composition, meetings, information, skills &amp; competencies and committee outcomes.</p> <p>Based on the results of the evaluation, the Board as a whole and its Board Committees have been effective in their overall discharge of</p>

	<p>function and duties. The Board is clear in the strategic direction, ethics oversight as well as legal and regulatory compliance of the Company.</p> <p>The details of the training programmes attended by the Directors during FY 31 December 2020 were as follows:</p> <ol style="list-style-type: none"> <li>1. Accelerating multi-stakeholder partnerships to achieve the SDGs on 23 January 2020 (Sharifah Sofia binti Syed Mokhtar Shah)</li> <li>2. Epidemics, Pandemics and Outbreaks on 1 April 2020 (Datuk Idris bin Abdullah @ Das Murthy)</li> <li>3. Audit Committee Conference on 9 April 2020 (Datuk Puteh Rukiah binti Abd Majid)</li> <li>4. Digital Transformation (Datuk Idris bin Abdullah @ Das Murthy on 13 April 2020 and Sharifah Sofia binti Syed Mokhtar Shah on 3 May 2020)</li> <li>5. Smart Device &amp; Mobile Emerging Technologies on 11 May 2020 (Datuk Idris bin Abdullah @ Das Murthy)</li> <li>6. Corporate Liability on Corruption Under the MACC Act 2009, Including Whistle Blower Protection Act 2010 &amp; Witness Protection Act 2009 on 16 July 2020 (Ahmed Fairuz bin Abdul Aziz)</li> <li>7. MS ISO 37001:2016 Anti Bribery Management System Workshop on 20 July 2020 (Datuk Puteh Rukiah binti Abd Majid)</li> <li>8. How to Drive, Survive and Thrive Though The Economic Crisis on 28 August 2020 (Datuk Puteh Rukiah binti Abd Majid)</li> <li>9. How to be an Effective Non-Executive Director in a Disruptive World? on 21 September 2020 (Datuk Idris bin Abdullah @ Das Murthy)</li> <li>10. Directors as gatekeepers of market participants on 5 October 2020 (Ahmad Suhaimi bin Endut)</li> <li>11. The Malaysian Economic Summit 2020 "Covid 19: Assessing Financial and Economic Impacts &amp; Its Aftermath" on 12 October 2020 (Sharifah Sofia binti Syed Mokhtar Shah)</li> <li>12. Business Challenges and Regulatory Expectations - What directors need to know (Fund Management) on 12 October 2020 (Ahmad Suhaimi bin Endut)</li> <li>13. Risk Oversight and Compliance, Action Plan for Board of Directors on 13 October 2020 (Ahmad Suhaimi bin Endut)</li> <li>14. Current and Emerging Regulatory Issues in Capital Market on 19 October 2020 (Ahmad Suhaimi bin Endut)</li> <li>15. Managing Recurrent Related Party Transaction on 27 October 2020 (Datuk Puteh Rukiah binti Abd Majid)</li> <li>16. Climate Action: The Board's Leadership in Greening the Financial Sector on 2 November 2020 (Dato' Sri Syed Faisal Albar bin Syed A.R Albar)</li> <li>17. Briefing on Malaysian Budget 2021 on 9 December 2020 (Datuk Idris bin Abdullah @ Das Murthy, Dato' Sri Syed Faisal Albar bin Syed A.R Albar and Sharifah Sofia binti Syed Mokhtar Shah)</li> </ol>
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	<div>18. Cyber Security Awareness and Budget 2021 Tax proposals on 16 December 2020 (Datuk Puteh Rukiah binti Abd Majid, Datuk Idris bin Abdullah @ Das Murthy and Sharifah Sofia binti Syed Mokhtar Shah)</div> <div>19. Artificial Intelligence in Marketing on 16 December 2020 (Datuk Idris bin Abdullah @ Das Murthy)</div> <div>20. Webiner on "Fraud Risk Management - Tools and Techniques" on 21 and 22 December 2020 (Ahmed Fairuz bin Abdul Aziz)</div>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board endeavours to engage an independent consultant to facilitate the evaluation exercise, periodically or as and when necessary, in future.
<b>Timeframe</b>	:	Others

### 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 BNRC ensures that the level and composition of the remuneration framework of Directors, GCEO and Senior Management are fair to attract and retain them to ensure the right calibre, experience and quality needed to drive and manage the Group successfully.</p> <p><u>Remuneration framework for Non-Executive Directors</u></p> <p>The Board determines and decides the fees and remuneration payable to Non-Executive Directors, as a whole, based on their experience, expertise and level of responsibilities undertaken by the Non-Executive Directors. Non-Executive Directors will be paid annual Directors' fees for services rendered on the Board, as well as Board Committees, and meeting allowances for the number of Board, Board Committee and general meetings attended. The Company also reimburses reasonable expenses incurred by the Directors in the course of their performance of duties as Directors.</p> <p>In accordance with Section 230 of the Act and Article 91 of the Company's Constitution, the fees and benefits payable of the Non-Executive Directors are subject to shareholders' approval at the Company's AGM.</p> <p>The Directors' Fees and meeting allowances entitled to Non-Executive Directors for FY 31 December 2020 are as follows:-</p> <table><tr><th rowspan="2">Board/Board Committees</th><th colspan="2">Directors' Fees per annum (RM)</th></tr><tr><th>Chairman</th><th>Members</th></tr><tr><td>Board</td><td>120,000</td><td>80,000</td></tr><tr><td>Board Audit Committee</td><td>15,000</td><td>10,000</td></tr><tr><td>Other Board Committees</td><td>8,000</td><td>6,000</td></tr></table>	Board/Board Committees	Directors' Fees per annum (RM)		Chairman	Members	Board	120,000	80,000	Board Audit Committee	15,000	10,000	Other Board Committees	8,000	6,000
Board/Board Committees	Directors' Fees per annum (RM)															
	Chairman	Members														
Board	120,000	80,000														
Board Audit Committee	15,000	10,000														
Other Board Committees	8,000	6,000														

	Meeting Allowances		Amount per meeting attended
	a.	Board of Directors	RM1,000
	b.	Board Audit Committee	RM2,500
	c.	Board Nomination and Remuneration Committee	RM1,000
	d.	Board Risk, Sustainability and Compliance Committee	RM1,000
	e.	Board Tender Committee	RM1,000
	f.	Board Digital-First Committee	RM1,000
	g.	General meeting	RM1,000
<u>Remuneration framework for the GCEO and other Senior Management</u>			
The Company has a structured remuneration framework for the GCEO and Senior Management, to ensure the rewards are linked with the corporate and individual performances. The BNRC determines and recommends to the Board for approval, the Corporate Key Performance Indicators (“KPIs”) and structures the rewards for the GCEO and Senior Management based on their performance against the pre-determined Corporate KPIs.			
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

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 BNRC comprises three Non-Executive Directors, two of whom are Independent.</p> <p>The Board has delegated to the BNRC, the responsibility to determine the level and composition of the remuneration framework and implement policies and procedures on matters relating to the remuneration of Board, GCEO and Senior Management.</p> <p>The written TOR of the BNRC which deals with its authority, duties and responsibilities, is available on Pos Malaysia's website at <a href="http://www.pos.com.my">www.pos.com.my</a> and in the Board Charter.</p> <p>The BNRC shall meet at least once a year and upon request by its members, as and when necessary. The BNRC met five times during FY 31 December 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

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>To ensure the adoption of the best corporate governance practice, the Company has disclosed the Directors’ remuneration on a named basis in the Annual Report 2020.</p> <p>The details of the remuneration of the individual Directors for the financial year ended 31 December 2020, are set out below:</p> <table><tr><th rowspan="2">No.</th><th rowspan="2">Director</th><th colspan="3">2020 Fees</th><th rowspan="2">Meeting Allowance (RM’000)</th><th rowspan="2">TOTAL (RM’000)</th></tr><tr><th>Board (RM’000)</th><th>Board Committee (RM’000)</th><th>Total (RM’000)</th></tr><tr><td>1.</td><td>Datuk Yasmin binti Mahmood</td><td>87</td><td>6</td><td>93</td><td>7</td><td>100</td></tr><tr><td>2.</td><td>Dato’ Ibrahim Mahaludin bin Puteh</td><td>76</td><td>26</td><td>102</td><td>40.5</td><td>142.5</td></tr><tr><td>3.</td><td>Dato’ Syed Faisal Albar bin Syed A.R Albar</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>4.</td><td>Datuk Puteh Rukiah binti Abd Majid</td><td>76</td><td>28</td><td>104</td><td>42.5</td><td>146.5</td></tr><tr><td>5.</td><td>Dato’ Idris bin Abdullah @ Das Murthy</td><td>76</td><td>30</td><td>106</td><td>38</td><td>144</td></tr><tr><td>6.</td><td>Sharifah Sofia binti Syed Mokhtar Shah</td><td>20</td><td>1.5</td><td>21.5</td><td>4</td><td>25.5</td></tr><tr><td>7.</td><td>Ahmad Suhaimi bin Endut</td><td>76</td><td>6</td><td>82</td><td>7</td><td>89</td></tr><tr><td>8.</td><td>Ahmed Fairuz bin Abdul Aziz</td><td>76</td><td>15</td><td>91</td><td>32.5</td><td>123.5</td></tr><tr><td colspan="2"><b>TOTAL</b></td><td><b>487</b></td><td><b>112.5</b></td><td><b>599.5</b></td><td><b>171.5</b></td><td><b>771</b></td></tr></table> <p>Notes:</p> <p>* During the financial year ended 31 December 2020, the Directors waived part/all their fees and allowances. These waivers differ between Directors.</p>	No.	Director	2020 Fees			Meeting Allowance (RM’000)	TOTAL (RM’000)	Board (RM’000)	Board Committee (RM’000)	Total (RM’000)	1.	Datuk Yasmin binti Mahmood	87	6	93	7	100	2.	Dato’ Ibrahim Mahaludin bin Puteh	76	26	102	40.5	142.5	3.	Dato’ Syed Faisal Albar bin Syed A.R Albar	-	-	-	-	-	4.	Datuk Puteh Rukiah binti Abd Majid	76	28	104	42.5	146.5	5.	Dato’ Idris bin Abdullah @ Das Murthy	76	30	106	38	144	6.	Sharifah Sofia binti Syed Mokhtar Shah	20	1.5	21.5	4	25.5	7.	Ahmad Suhaimi bin Endut	76	6	82	7	89	8.	Ahmed Fairuz bin Abdul Aziz	76	15	91	32.5	123.5	<b>TOTAL</b>		<b>487</b>	<b>112.5</b>	<b>599.5</b>	<b>171.5</b>	<b>771</b>
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<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 7.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board opined that disclosing the remuneration component of Senior Management on a named basis including salary, bonus, benefits-in-kind and other emoluments will neither be in the best interest nor to the advantage of the Group, considering the highly competitive employment market for talents.	
		The aggregated total remuneration of key management personnel of the Group is disclosed in Note 6 of the Audited Financial Statements of the Company for FY 31 December 2020.	
		The top five Senior Management’s remuneration (including salary, bonus, allowances and other emoluments) are disclosed in the bands of RM50,000, as follows:-	
		Range of remuneration (per annum)	Number of Senior Management Personnel
		RM700,001 to RM750,000	1
		RM750,001 to RM800,000	1
RM800,001 to RM850,000	1		
RM950,001 to RM1,000,000	1		
RM1,000,001 to RM1,150,000	1		
		Currently, the performance of Senior Management is evaluated on an annual basis and measured against their KPIs set for the year. The Board will ensure that the remuneration for the Senior Management commensurate with their performance, in order to attract, retain and motivate the talent in the Group.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board will closely monitor developments in the market in respect of such disclosure for future consideration.	
Timeframe	:	Others	

**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the BAC is Ahmed Fairuz bin Abdul Aziz, an Independent Non-Executive Director, who is not the Chairman of the Board.</p> <p>Details of the composition and activities of the BAC are set out in the Audit Committee Report contained in the Annual 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 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>	:	None of the members of the BAC of Pos Malaysia was a former key audit partner.  The requirements for appointing a former key audit partner are set out under the TOR of the BAC of the Company.	
<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>The TOR of the BAC cites, amongst others, the functions and duties of the BAC, recommendations to be made to the Board and the terms of engagement of the external auditor.</p> <p>The Company has established a Policy on Rotation of External Auditors, with the purpose of ensuring the independence of the external auditors, which is essential to the provision of objective opinion and independent audit of the financial statements of the Company. Under the said Policy, the lead engagement partner and quality control review partner, who are responsible for the financial statements of the Group, will be subject to a five-year rotation with a five-year cooling-off period.</p> <p>The BAC has adopted the Policy on Assessment of Independence of External Auditors in 2014, to assess the suitability, objectivity and independence of the external auditors on an annual basis.</p> <p>Furthermore, a formal procedure of obtaining quotations from the external auditors will be undertaken every three years and will be evaluated accordingly.</p> <p>The BAC had in March 2021, undertaken an annual assessment on the quality of audit, independence, communication, objectivity and professionalism of the external auditors, KPMG PLT ("KPMG"), through online evaluation questionnaires.</p> <p>KPMG had, thereafter, provided a written assurance confirming their independence throughout their term of engagement in accordance with the terms of all relevant professional and regulatory requirements in respect to the audited financial statements for FY 31 December 2020.</p> <p>Based on the satisfactory assessment of the effectiveness and independence of KPMG as the External Auditors, the BAC recommended for the External Auditors to be re-appointed for FY 31 December 2021 subject to the shareholders' approval at the 29th AGM of the Company.</p> <p>The TOR of the BAC is available on Pos Malaysia's website at <a href="http://www.pos.com.my">www.pos.com.my</a> and in the Board Charter.</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 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>During FY 31 December 2020, the BAC comprised three members, all of whom are Independent Non-Executive Directors.</p> <p>All Independent Non-Executive Directors of the Company satisfy the independence test under the Listing Requirements of Bursa Securities.</p>



### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All members of the BAC are financially literate and have sufficient understanding of the Group's businesses. They are well-equipped with relevant knowledge and experience to effectively discharge their duties and responsibilities as members of the BAC in accordance with the TOR of the BAC.</p> <p>The Chairman of the BAC, Ahmed Fairuz bin Abdul Aziz, is a Fellow Member of the Institute of Chartered Accountants, England and Wales and a member of the Malaysian Institution of Accountants. He graduated from the London School of Economics and Political Science, United Kingdom with a Bachelor of Accounting and Finance. His present appointment in KUB Malaysia Berhad is as the Managing Director and was formerly its Group Chief Executive Officer.</p> <p>The qualification and experience of each member of the BAC are disclosed in the Profile of the Board of Directors' section of the Annual Report 2020 of the Company.</p> <p>The Board through the BNRC, reviews the term of office of the BAC members and assesses their performances, individually and collectively, through an annual evaluation. Based on the outcome of the evaluation for FY 31 December 2020, the Board are satisfied with the BAC's performance.</p> <p>All members of the BAC attended continuous professional development programmes to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p> <p>The members of the BAC were briefed on the relevant changes in the financial reporting standards by the External Auditors at the BAC meeting.</p>

	The detailed report of the BAC's activities for FY 31 December 2020 is set out in the Audit Committee Report contained in the Annual Report 2020 of the Company.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that an effective risk management practice is a critical component of a sound system of risk management and internal control. In view thereof, there is a systematic process to identify, evaluate and manage significant risks faced by the Group that may impede the achievement of the Group's objectives.</p> <p>Pos Malaysia has adopted an Enterprise Risk Management ("ERM"), as a holistic, integrated, structured and disciplined approach to managing risks and maximising shareholders' value. It aligns strategy, processes, technology, governance, people and culture to Pos Malaysia's vision, mission and goals, as set out in the strategic plan and its operations, to identify and manage the enterprise risks, while creating value. ERM increases the likelihood of Pos Malaysia to achieve its objectives, by providing a systematic approach to evaluate and improve the effectiveness of risk management and control. The Company further ensures that existing and emerging risks are identified and managed within the acceptable risk appetite.</p> <p>The Board has a stewardship responsibility to understand these risks, communicate the requirements of this policy and to guide the Group in dealing with these risks.</p> <p>The policies of the Board are as follows:</p> <ul style="list-style-type: none"><li>(i) To manage risks proactively and in an integrated and transparent manner in accordance with good governance practices; and</li><li>(ii) To ensure that an effective and formalised ERM Policy/ Framework is established and maintained by the Group.</li></ul> <p>The Management of risk is a shared responsibility at all levels within Pos Malaysia. The Risk Management Department ("RMD") oversees the ERM framework, facilitating and coordinating, tracking and monitoring risks and reports their status to the Risk Management and Compliance Committee ("RMCC") and the BRSCC.</p> <p>The Group adopts ISO 31000 Risk Management Standards as a primary foundation and reference for the ERM framework. Via this standard, the</p>

	<p>Group aims to achieve a consistent and effective ERM implementation across the Group.</p> <p>At the same time, the framework facilitates Management in making sound business decisions with the aspiration to lead the Group towards a more proactive and inclusive risk management approach to mitigate threats and to capitalise on opportunities.</p> <p>The TOR of the BAC specifies the function and duties that BAC shall undertake in relation to internal control as follows:-</p> <p>(i) To assess the quality and effectiveness of the systems of internal control and the efficiency of the Group’s operations, particularly those relating to areas of significant risks. Evaluate the process that is in place for assessing and continuously improving internal controls.</p> <p>(ii) To assess the internal processes for determining and managing key risks other than those that are dealt with by other specific Board committees.</p> <p>(iii) To review the evaluation by the internal and external auditors of the Group’s system of internal control and thereafter, report the same to the Board.</p> <p>(iv) To review External Audit Reports and Management’s response and ensure that appropriate action is taken in respect of these reports.</p>	
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

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 Group adopts ISO 31000 Risk Management Standards as a primary foundation and reference for the establishment of the ERM framework. The key features of the ERM framework are elaborated as follows:-</p> <ul style="list-style-type: none"><li>i. <b>Establishing the Context:</b> To identify strategic objectives in both the external and internal environment in which these strategic objectives are being pursued. External environmental factors include the effects of competition and regulations, while internal environmental factors consist of business processes, capabilities, organisational culture and strategic plans.</li><li>ii. <b>Risk Identification:</b> To identify and define the specific risks and sources of risks such as the threat of substitution and/or digitalisation that will impact the Group business performance. Risks that have been identified will be categorised into one of the following categories:-<ul style="list-style-type: none"><li>a. <b>Strategic Risk</b> – exposure to risk arising from long-term or short-term policy decisions based on the current strategy of the Group.</li><li>b. <b>Market and Business Risk</b> – exposure to risk due to competition and/or fiscal policy changes which are external to the Group and beyond its control.</li><li>c. <b>Operational Risk</b> – exposure to risk arising from daily tactical business activities related to business operation, process or technology.</li><li>d. <b>Reputational Risk</b> – exposure to risk arising from the brand or image of the Group.</li><li>e. <b>Information/System Risk</b> – exposure to risk arising from cyber threats, loss or inaccuracy of data, non-functioning Information Technology (“IT”) systems and reported information.</li><li>f. <b>Financial Risk</b> – exposure to risk related to loss of revenue resources or the incurring of unacceptable liabilities.</li></ul></li></ul>

	<p>g. <b>Organisational Risk</b> – exposure to risk associated with the Group’s structure, management and employees (skills, competencies, etc).</p> <p>h. <b>Compliance Risk</b> – exposure to risk arising from inadequacy in compliance with required mandatory or established regulations and policies.</p> <p>i. <b>Sustainability Risk</b> – exposure to risk related to environmental, economic and social to the Group’s operation.</p> <p>j. <b>Corruption Risk</b> – exposure to risk related to corruption including, the giving or offering, receiving and soliciting bribes, abuse of power/position and intention to deceive (false claim).</p> <p>iii. <b>Risk Analysis:</b> This involves due consideration of the causes of risk, their positive and negative impact and the likelihood of occurrence. Risk is assessed by considering its impact and likelihood.</p> <p>iv. <b>Risk Evaluation:</b> Risk evaluation involves making decisions on appropriate actions to be taken by the Group after the risk analysis has been conducted, including deciding on whether a risk needs to be managed or mitigated and the priority to be given based on the risk rating after considering the current state of internal controls and cost-benefit analysis.</p> <p>v. <b>Risk Treatment:</b> Process of initiating responsive or pre-emptive actions for managing risks and restricting those to tolerable levels i.e. within the Group’s risk appetite levels. There are four risk treatment options per below:-</p> <ul style="list-style-type: none"> <li>• <b>Terminate (Avoid):</b> Deciding not to pursue with the activities that will likely generate the risks.</li> <li>• <b>Treat (Mitigate):</b> Introducing controls or action plans to manage the risks.</li> <li>• <b>Transfer (Spread):</b> Transferring or sharing the risk with third parties, e.g. insurance, hedging, joint ventures, outsourcing and smart partnerships etc.</li> <li>• <b>Take (Accept):</b> Using the Group’s strength and capabilities of the Group to accept the risks to build a competitive edge.</li> </ul> <p>vi. <b>Monitoring and Reviewing:</b> This involves reviewing the risk events, the action plans, and the outcomes of such events and providing the lesson learned derived therefrom. Furthermore, due to the dynamic nature of</p>
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	<p>risks, monitoring is required to ensure that new measures are introduced to manage these risks.</p> <p>vii. <b>Communication and Consultation:</b>  This takes place in each step of the risk management process to ensure that views of stakeholders/management /Board are considered. The communication flows vertically (both top-down and bottom-up approaches) and horizontally (across departments). Key risks are being communicated formally via periodic risk reporting to RMCC, as well as BRSCC. Any constraints/limitations in managing risks will be highlighted in such a report for decision or approval.</p> <p>The RMCC is supported by the Risk Management Department and Compliance Department, respectively. The RMD monitors, analyses and reports the risks identified enterprise-wide, as well as facilitate the risk assessment process. The RMD also evaluates the risk policies and procedures, and initiates improvements, arising from its awareness of trends and developments in risk management, that may have a significant impact on the Company/Group.</p> <p>Risk owners shall ensure that the risk registers and risk profiles are updated on a quarterly basis and the consolidated reports are tabled to the RMCC, BRSCC and Board.</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>	:	The BRSCC comprises three members, all of whom are Independent Directors.



### 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 function for the Group. The Head, Internal Audit reports directly to the BAC on a functional basis and to the GCEO administratively.</p> <p>In this respect, the Head, Internal Audit periodically reports on the activities performed, as well as key control issues noted by the internal auditors to the BAC.</p> <p>The Internal Audit undertakes an independent assessment on the internal control systems of the Group and on a quarterly basis, provides assurance to the BAC that no material issue or major deficiency has been noted, which poses a high risk to the overall system of internal control under review.</p> <p>To ensure that the responsibilities of Internal Audit are fully discharged, the BAC reviews:-</p> <ul style="list-style-type: none"><li>i. the appointment and removal of the Head, Internal Audit;</li><li>ii. the adequacy of the Internal Audit's scope, competency level, experience and resources of the function; and</li><li>iii. the Internal Audit's performance.</li></ul> <p>In formulating the annual audit plan, the Internal Audit adopted a risk and strategy-based approach, by aligning its activities to the key risks identified across the Group. The results of the audits as disclosed in the Internal Audit reports are reviewed by the BAC.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 10.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In accordance with the Internal Audit Charter of Pos Malaysia (Section 2.3 - Objectives and 2.4 - Independence), internal auditors are required to act as an independent function that adds value to improve the operations of Pos Malaysia and its subsidiaries.</p> <p>The Internal Audit has 24 audit personnel comprising the Head, Internal Audit, and 23 internal auditors. The Head, Internal Audit, Annas bin Bahari is a Chartered Member of the Institute of Internal Auditors Malaysia, a Chartered Member of the Malaysian Institute of Accountants and a Fellow Member of the CPA Australia. Academically, he holds a Bachelor of Commerce from the University of New South Wales, Australia and an Executive Master of Management from Asia Metropolitan University, Cyberjaya. The internal auditors have various qualifications including the Certified Information Systems Auditor and Master of Business Administration, and members of the Institute of Internal Auditors Malaysia, the Malaysian Institute of Accountants and the Association of Chartered Certified Accountants.</p> <p>The BAC had conducted an annual assessment of the overall performance of the Internal Audit for FY 31 December 2020, and is satisfied with the level of competency, experience, and resources of the Internal Audit function in discharging its role and responsibilities.</p> <p>Internal Audit adopts the International Professional Practices Framework in managing its functions and performance of the audit engagements, to continuously deliver value-added assurance to Pos Malaysia and to support Pos Malaysia in achieving its corporate and strategic objectives. Internal Audit is also guided by the internal policies, procedures and framework, as well as the Internal Control Framework of the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”), in assessing and reporting on the adequacy and effectiveness of internal control, risk management and governance process.</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 11.1

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>As stipulated in the Board Charter of Pos Malaysia, the Board owes a responsibility to a range of stakeholders, all of whom are fundamental to a successful business.</p> <p>The Board acknowledges the importance of timely, accurate and transparent communication with the Company's shareholders and various stakeholders. The Board discloses and disseminates comprehensive relevant and material information to the public through various channels to keep its stakeholders informed of its business activities, strategies and financial performance.</p> <p>The Board customises its respective key stakeholder engagement approach, as set out below:</p> <p>(a) Engagement with the shareholders, institutional investors and analysts</p> <p>Communication with the shareholders, institutional investors and analysts is conducted through various engagement approaches which amongst others include an Annual Analyst Briefing hosted by the GCEO. Current performance, plans, strategies and prospects of the Group is shared during this briefing. One-on-one meetings and dialogues with investors and analyst are also carried out on quarterly basis. These meetings provide the opportunity for investors and analysts to gain better understanding on the business and pose questions on a more personal basis.</p> <p>The stakeholders are also kept abreast with the material business matters affecting the Group through the quarterly financial reports, annual reports, announcements, circulars and press releases.</p> <p>The Group maintains its corporate website <a href="http://www.pos.com.my">www.pos.com.my</a> to disseminate information and enhance its investor relations. It is also an avenue to update the public on the Group's activities. All</p>

	<p>disclosures, material information and announcements made to Bursa Securities are published on the website.</p> <p>The Annual General Meeting (AGM) serves as the principal communication forum between the Directors and Senior Management team with the shareholders. At this meeting, shareholders have direct access to the Directors and the Senior Management and are given the opportunity to raise questions or seek clarification regarding the Group's activities, financial performance and prospects as well as to raise any issues of concern.</p>
	<p>(b) Engagement with employees of Pos Malaysia</p> <p>The Group strives to maintain open and two-way communication with its employees, across all levels of the organisation, which enable the Group to bridge the information gap, re-aligning goals to its values and capturing feedback. Among key topics discussed are 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 and collective bargaining.</p> <p>The Company engages with its employees through town hall sessions via tele-conferences, meetings, feedback sessions, training sessions, talks and surveys. Regular engagements with unions create open and helpful relations between management and employee representatives.</p>
	<p>(c) Engagement with regulatory authority</p> <p>As the Group is operating in a regulated industry, there were several interactions with its principal regulatory authorities, the MCMC and the Ministry of Communications and Multimedia. The engagement approaches vary, from in-person meetings, advocacy sessions, focus groups and industry consultations. Other regulatory authorities engaged, including but not limited to, are the Ministry of Energy and Natural Resources, the Ministry of Finance, Ministry of Home Affairs, the Road Transport Department, National Registration Department, Civil Aviation Authority of Malaysia and Malaysian Aviation Commission (MAVCOM).</p>
	<p>(d) Engagement with local communities</p> <p>The Group's socio-economic empowerment initiatives, such as leveraging on Posmen Komuniti, Wakil Posmen Komuniti and Posmen Kejiranan, in addition to the existing in-house last-mile delivery resources, provide an opportunity to create jobs and catalyse economic development for the rural communities.</p>

	<p>Moreover during the challenging period of the Covid-19 pandemic, while most organisation laid off staff and opt for cost reduction strategies like wage reduction, Pos Malaysia continues to provide job opportunities not only to our own staff but to communities at large with the introduction of the entrepreneurship programme and pos rider.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

There is 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>	:	The Company has adopted an integrated reporting which is consistent with several global frameworks such as the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC).  The Board recognises that the integrated process is an ongoing journey to improve the quality of information disclosures to stakeholders of the Company in order to promote greater transparency and accountability.	
<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>The Notice of the 28th AGM was circulated on 29 May 2020 for the AGM held on 29 June 2020, to ensure 28 days' notice was given to the shareholders and for them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys.</p> <p>The Notice of AGM, including the details of the business to be transacted, was sent to shareholders, together with the 2019 Integrated Annual Report and Circular to Shareholders. With the additional time given, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the AGM. The Notice of AGM was published in one nationally circulated newspaper, for wider dissemination, to encourage shareholders' participation.</p> <p>Each item of special business proposed in the Notice of AGM was accompanied by an explanatory statement, to facilitate better understanding and enable shareholders to make an informed decision, when exercising their voting rights. In addition, the Notice of AGM and Proxy Form which were contained in the 2019 Integrated Annual Report, was posted on the websites of Pos Malaysia at <a href="http://www.pos.com.my">www.pos.com.my</a> and Bursa Securities at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a>.</p> <p>For the forthcoming AGM scheduled on 17 June 2021, the Notice of the 29th AGM is scheduled to be issued to the shareholders of the Company on 30 April 2021, i.e. more than 28 days, prior to the date of the said AGM.</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 12.2

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>The Board members acknowledge the importance of attending general meetings, by ensuring a perfect attendance at all AGMs of the Company, to engage directly with the shareholders/proxies and to respond to any queries addressed to them.</p> <p>The Chairman and the following essential individuals were physically present at the Broadcast Venue of the 28th AGM held on 29 June 2020, in accordance with the SC's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers dated 18 April 2020:</p> <ol style="list-style-type: none"><li>1. Datuk Yasmin binti Mahmood (Chairman/Chairman of BDC)</li><li>2. Syed Md Najib bin Syed Md Noor - Group Chief Executive Officer ("GCEO")</li><li>3. Azlan bin Ash'ari – Group Chief Financial Officer</li><li>4. Mohamed Rozaidi bin Md Sharif – Chief Executive Officer</li><li>5. Sabarina Laila binti Mohd Hashim – Company Secretary</li><li>6. Vengadesh a/l Jogarajah – External auditors, KPMG PTL</li><li>7. Martini binti Mat Som – Share Registrar, Boardroom Share Registrars Sdn Bhd ("BSR")</li><li>8. Zuriati binti Yaacob – Scrutineer from Boardroom Corporate Services Sdn Bhd ("BCS")</li></ol> <p>The other following Directors attended the 28th AGM via video conferencing:</p> <ol style="list-style-type: none"><li>1. Dato' Ibrahim Mahaludin bin Puteh (Chairman of BRSCC and BNRC)</li><li>2. Dato' Sri Syed Faisal Albar bin Syed A.R Albar</li><li>3. Datuk Puteh Rukiah binti Abd Majid</li><li>4. Datuk Idris bin Abdullah @ Das Murthy (Chairman of BTC)</li><li>5. Sharifah Sofia binti Syed Mokhtar Shah</li><li>6. Ahmad Suhaimi bin Endut</li><li>7. Ahmed Fairuz bin Abdul Aziz (Chairman of BAC)</li></ol> <p>The shareholders, corporate representatives and proxies attended the 28th AGM via Remote Participation and Voting (RPV) facilities portal, <a href="https://web.vote2u.app/">https://web.vote2u.app/</a>.</p> <p>At the 28th AGM, the GCEO presented the impact of Covid-19 on Pos Malaysia Group's business and the update on Transformation Plan, as well as the progress of the key initiatives of the Company whilst, the</p>

	Group Chief Financial Officer presented the operating and financial performance for FY 31 December 2019. They also provided clarifications to questions raised by the shareholders/proxies.	
<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 12.3

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>Due to the Covid-19 pandemic and the Movement Control Order, the Company had conducted a fully virtual AGM on 29 June 2020 at the Broadcast Venue by leveraging technology via Remote Participation and Electronic Voting ("RPEV") facilities in accordance with Section 327 (1) and (2) of the CA 2016 and Securities Commission's Guidance on the Conduct of General Meetings for Listed Issuers dated 18 April 2020 for the first time.</p> <p>The Company had also leveraged technology to facilitate electronic voting via RPEV facilities on all resolutions. The voting of all resolutions at the 28th AGM was conducted on a poll in accordance with Paragraph 8.29A of the Listing Requirements of Bursa Securities.</p> <p>Detailed procedures of the 28th AGM were provided to shareholders in the Administrative Guide.</p> <p>BSR was appointed as Poll Administrator to conduct the polling process, and BCS as Scrutineers to verify the poll results for the 28th AGM.</p> <p>The Scrutineers, BCS thereafter verified and announced the poll results for each resolution, upon which the Chairman declared that all the resolutions were carried.</p> <p>The Company had, on the same day announced the poll results to 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>	:		
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## **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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