

CORPORATE GOVERNANCE REPORT

STOCK CODE : 9634
COMPANY NAME : POS MALAYSIA BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") of Pos Malaysia Berhad ("the Company" or "Pos Malaysia") is responsible for the stewardship of the Company and its subsidiary companies ("Group") in overseeing its strategy, conduct and affairs to create sustainable value for the benefit of its shareholders.</p> <p>The Board is also 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 responsibilities, protecting and enhancing the shareholders' value and raising the performance of the Group.</p> <p>The duties, powers and functions of the Board are governed by the Constitution of the Company, 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>In discharging its duties and roles effectively, the Board is guided by the Board Charter and adopts any best practices recommendations that set out the principles and guidelines to be applied by the Board.</p> <p>The Board is also assisted by its Board Committees to properly and effectively discharge its functions and responsibilities. The Board empowers 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</p>

	<p>through the tabling of reports by the Chairmen of these 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 other functions and powers to the Group Chief Executive Officer ("GCEO"). The GCEO is responsible for the executive leadership and the day-to-day management and operation of the Group. These functions and powers are spelt out in the Limits of Authority ("LOA") adopted throughout the Group. The LOA defines the type and limits of authority designated for the specified positions of responsibility and varies 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 its Management, is committed to promote 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> <ol style="list-style-type: none"> 1. Ensures that the Group's objectives are clearly established and that strategic plans are in place to achieve these objectives. 2. Establishes policies to strengthen the Group's performance and ensures that the Management proactively seeks to build the business through innovation, technology, new products and development of business capital. 3. Adopts performance measures to monitor the implementation and performance of the Group's objectives, strategies, action plans and policies. 4. Ensures that the Group adheres to high standards of ethics and corporate behaviour, including transparency in the conduct of business. 5. Oversees the conduct of the Group's business and evaluates whether the business is being properly managed, including the Company's ability to meet its contractual obligations. 6. Ensures that appropriate public relations and communications programmes, and investor relations programmes are in place. <p>The Board is required to comply with the Directors' Code of Conduct, which amongst others, includes to declare of any personal, professional or business interest, direct or indirect, which may cause conflict with the directors' responsibilities as Board members as well as to refrain from voting on such a transaction.</p>
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	<p>The Board acknowledges the importance of the following:</p> <ol style="list-style-type: none"> 1. A sound system of internal control and a robust risk management practice for good corporate governance with the objectives of safeguarding the shareholders' investment and the Group's assets. For this purpose, the Board has adopted a Risk Management Governance Framework and a Risk Management Policy; 2. The need to safeguard and minimise the impact on the environment in the course of achieving the Group's objectives. The Board's agenda reflects the commitment to economic support for longer-term sustainability focusing on the positive impact on the environment, community and society; and 3. The need for effective Investor Relations and Communications with shareholders and to provide them with all relevant information affecting the Group. <p>The strategic plan, execution, and challenges, including the Turnaround Plan and 5-Year Strategy Development of Pos Malaysia Group, were discussed and highlighted by the Management at the Board and Board Committees' Meetings throughout the year.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 www.pos.com.my.</p> <p>The Chairman leads the Board by setting the tone at the top and managing the Board's effectiveness by focusing on strategy, governance and compliance. The Board monitors the functions of the Board Committees in accordance with their respective TOR to ensure their 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. The Chairman maintains regular dialogue with the GCEO over all operational matters and shall promptly consult with the Board over any matter that gives him any cause of concern pertaining to the Group.</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 contributions 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> <ol style="list-style-type: none">1. Provides governance in matters requiring corporate justice and integrity;2. Manages Board communication and Board effectiveness and effective supervision over Management;3. Creates conditions for good decision-making during Board and shareholders meetings;4. Ensures that proceedings are in compliance with good conduct and practices;

	5. Protects the interest and provides (if permissible) the information needed of the various stakeholders; 6. Maintains good contact and effective relationships with external parties, investing public, regulatory agencies and trade associations; 7. Ensures that quality information to facilitate decision-making is delivered to the Board by the Management in a timely manner; and 8. Ensures compliance with all relevant regulations and legislations.	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<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 www.pos.com.my.</p> <p>Dato' Sri Syed Faisal Albar bin Syed A.R Albar ("Dato' Sri Syed Faisal") was appointed as the Chairman of the Company effective 2 April 2021 in place of Datuk Yasmin binti Mahmood who had resigned on 1 April 2021.</p> <p>Charles Brewer was appointed as the GCEO of the Company effective 1 August 2021 in place of Syed Md Najib bin Syed Md Noor who had resigned on 31 May 2021.</p> <p>The separation of authority enhances independent oversight of executive management by the Board. It helps to ensure that no one individual has unfettered powers or authority over decision-making.</p> <p>The Chairman is responsible for the leadership and management of the Board, as well as 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 are 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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	As at 31 December 2021, Dato' Sri Syed Faisal, the Chairman of Pos Malaysia, was also a member of the BNRC. However, on 15 February 2022, Dato' Sri Syed Faisal had relinquished his membership in BNRC. As at the date of this report, Dato' Sri Syed Faisal, the Chairman of Pos Malaysia, is not a member of any Board Committees of Pos Malaysia.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>As at the date of this report, the Board is supported by a qualified and competent Company Secretary, Sabarina Laila binti Mohd Hashim ("Sabarina"). She has legal qualifications and is qualified to act as company secretary under Section 235(2) of the Act.</p> <p>Sabarina is licensed by the Registrar of Companies ("Companies Commission of Malaysia ("CCM")) and an associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <ol style="list-style-type: none">1. The Company Secretary is 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 Secretary also oversees the adherence to Board policies and procedures.2. The Company Secretary manages the affairs and logistics of all the Board, Board Committees and shareholders' meetings and ensure that the deliberations at these meetings are properly documented and subsequently communicated to the relevant management for their further actions. The Company Secretary, together with the Directors, ensures that these meetings are properly conducted according to the applicable rules and regulations. The Company Secretary also ensures proper upkeep of statutory registers and records of the Group.3. The Company Secretary constantly keeps herself abreast with the latest changes and developments in corporate governance by attending relevant conferences and training programmes. She has also attended relevant continuous professional development programmes, seminars, workshops and conferences organised by Bursa Securities, MAICSA, Securities Commission ("SC"), CCM and other relevant training organisations.4. The Company Secretary also assists the Board in applying best practices to meet the Board's needs and the stakeholders' expectations, in accordance with the recommendation of the

	<p>Malaysian Code on Corporate Governance (“MCCG”) and ASEAN CG Scorecard.</p> <p>5. The Company Secretary also assists and facilitates in the Board’s training and development. The Directors can exploit continuous learning opportunities through the information provided by the Company Secretary on relevant training programmes. The records of all training programmes attended by the Directors are maintained by the Company Secretary.</p> <p>6. All Directors have unrestricted access to the advice and services of the Company Secretary, to enable them to discharge their duties and responsibilities as Directors effectively. The Company Secretary ensures an effective flow of information to the Board and the Board Committees.</p> <p>The responsibilities of the Company Secretary are clearly set out in the Board Charter.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meets at least four times a year, with additional meetings convened necessary, to review financial, operational and business performance. In the intervals between Board meetings, the Board's decisions on 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>The Board members have been provided with a calendar of Directors' meetings in advance of the commencement of the financial year, together with particulars of other key or critical events such as the Annual General Meeting, to facilitate the Directors in planning ahead and incorporating the said meetings into their respective schedules.</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, the 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 have unrestricted access to 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 effectively.</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.</p> <p>All the Board's and Board Committees' deliberations and decisions, including views of the Board and Board Committee members, decision's rationale and action items to be undertaken by the Management, are</p>

	<p>well documented in the minutes. The Board's and Board Committees' decisions and action items are also communicated to the Management after each meeting, for appropriate action. The Company Secretary followed up with the Management on the status of actions taken, which are tabled, as matters arising, to the Board at the next meeting.</p> <p>The minutes are 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, declares his or her interest and abstained from deliberation and voting of the same at the Board meeting.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has 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's 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 & 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 any regulatory changes. The Board Charter is available on Pos Malaysia's website at www.pos.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Pos Malaysia's 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. PMCCBE is available on Pos Malaysia's website at www.pos.com.my.</p> <p>The summary of PMCCBE are as follows:</p> <p>1.1 PMCCBE is based on our commitment towards operating in a considerable and fair manner. The main purpose of this code is to ensure that all employees in this organisation observe the highest standards of integrity and personal ethics when conducting a manner on behalf of the company. Pos Malaysia does not tolerate any form of misconduct and unethical principal under any circumstances. The code is to guide the employees to achieve and retain a high standard of business ethics and display professional conduct while performing duties at the workplace. However, the code is not a comprehensive manual that guides us while executing our duties. This code will serve as a guideline on the main policies and procedures. It is the responsibility of the company 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 to produce disciplined, efficient and productive employees.</p> <p>1.2 All employees of the company are to perform their duties and responsibilities in an efficient manner skilfully as well as maintaining a disciplined/favourable conduct at all times.</p> <p>1.2.1 The discipline in the company is referred to as the obligation towards the rules and regulations to achieve</p>

	<p>the desired objective and level of productivity set by the company.</p> <p>1.2.2 Misconduct in service refers to employees' conduct or actions which contradict or are conflicting with their agreeable contract or any terms and conditions determined by the company in a written or unwritten manner.</p> <p>1.3 The company has the right to impose disciplinary actions against any employees who are found to be against the code of conduct, inefficient or negligent in performing their duties that is not in line with the set of rules and regulations listed in the Employment Contract, Mutual Agreement, Employees' Terms and Conditions Book, Disciplinary Procedure or any rules that had been set by the company.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Pos Malaysia has established a Whistleblowing Policy ("WB Policy") since 2008, making it clear that concerns regarding suspected fraud, corruption, illegal conduct, wrongdoings or any form of malpractice can be raised without fear of victimisation, harassment or discrimination of the employees or stakeholders who report such concerns.</p> <p>The WB Policy prescribes that any WB complaint is to be reported to the BAC Chairman, GCEO, Senior Independent Director, or the Head of Internal Audit Department (IAD), whereby complaints against the Head of IAD can be channelled directly to the BAC Chairman. Any complaint or concern regarding the GCEO and any member of the Board can be channelled directly to the BAC Chairman and/or Senior Independent Director. Three channels (i.e. Whistle-blower Hotline, email and mail) are made available to employees and other stakeholders.</p> <p>All disclosures made under the WB Policy will be dealt with in a confidential manner and thoroughly investigated. The BAC provides oversight of any investigations undertaken and its outcomes. The concern/complaint shall be assigned to IAD (or any other party appointed by the Board) to assess, investigate and update the BAC on all follow-up actions taken, including the due process of investigation, on a quarterly basis, to ensure completeness and transparency.</p> <p>On 16 August 2021, the Board had approved the revised WB Policy to ensure that the Company is at the forefront of good governance by complying with the latest regulations as well as keeping abreast of the ever-changing environment. The WB Policy was revisited for enhancement in terms of its scope, roles and responsibility, type of complaint, reporting channels, evidence, protection under policy, investigation procedures, disclosures and reporting, and actions to be taken.</p> <p>The revised WB Policy among others has prescribed that whistle-blower may only report their concerns to the BAC Chairman and/or the Head of Internal Audit.</p>

	<p>The WB Policy and its disclosure procedures are available to the public for reference on the Company's website at www.pos.com.my and posters are displayed in English and Malay languages at Pos Office branches to raise concerns about any wrongdoings and efforts to enhance awareness of the WB Policy. The disclosure of concern can be made via:</p> <ul style="list-style-type: none"> ▪ Email: wb@pos.com.my ▪ Telephone: 03-22672050 ▪ Mail: Head of Internal Audit, Internal Audit Department, Level 5, Dayabumi Complex, 50670 Kuala Lumpur, Malaysia 	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established its sub-committee, the BRSCC to oversee, deliberate and endorse key risks and sustainability matters within the Group.</p> <p>One of the key responsibilities of the Board of Pos Malaysia under its TOR is to oversee the Group-wide integration of sustainability and set the tone from the top regarding the critical role of sustainability in the creation and protection of value for stakeholders. The Board, through the BRSCC, provides governance and oversight for the Group's sustainability-related matters and assurance to the Board, reviews and ensures sustainability efforts are aligned with the Group's long-term business and sustainability strategy.</p> <p>The Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of Pos Malaysia and its operations. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability within the Group.</p> <p>The GCEO, through a Sustainability Steering Committee ("SSC") which he chairs, assists the Board by providing overall strategic direction for sustainability-related matters, being the point of escalation to other relevant committees and/or the Board, and reviewing and endorsing initiatives including milestones, budget and timeline.</p> <p>Recently, the SSC reviewed the Governance Model of Pos Malaysia with the view of further strengthening the framework for sustainability within the organisation, having regard to the new Practices and Guidance under the revised MCCG. Among the changes endorsed by the SSC are the establishment of a Centre of Excellence ("CoE") at the working level. The primary purpose of the CoE is to support the SSC by driving and leading sustainability-related initiatives.</p>

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

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	Pos Malaysia's sustainability strategies, priorities and targets are developed with short, medium and long-term goals after careful reviews of the outcomes of a materiality assessment exercise. The same has been shared with respective parties within the Group as well as external stakeholders via our annual report. There are two priority areas covering key aspects of the environment and the workforce community. Initiatives within each priority area are driven by relevant divisions/departments across Pos Malaysia and its subsidiaries.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>In the earlier explanation of the application of Practice 4.1 of MCCG, the Board's commitment to strengthen its oversight of sustainability issues is through the establishment of a Board Committee i.e. the BRSCC.</p> <p>The BRSCC is responsible for assisting the Board in overseeing the strategic initiatives of the Group, to ensure that they support long-term value creation and sustainability goals. On sustainability governance and reporting oversight roles, the BRSCC is assisted by the SSC established at the management level. The SSC is responsible for providing an overall strategic direction for sustainability-related matters, aligned with the sustainability targets to the overall goals of the Group. It also oversees the business plans and key initiatives of Pos Malaysia having regard to economic, environmental and social considerations underpinning sustainability.</p> <p>In this respect, the SSC has sought an external advisor, Accenture Solutions Sdn Bhd ("Accenture"), to assist the Board and SSC in setting sustainability strategies, priorities, targets, and address sustainability risks and opportunities according to best practices. With this, Pos Malaysia is on the journey to develop the sustainability Playbooks (tactical plans) and kick-start the implementation of the initiatives contained within them in 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As part of the consultation with an external advisor, Accenture, the TOR was revised to ensure alignment and effective implementation of strategies. The revised TOR also include specific sustainability strategies or initiatives to be included as Key Performance Indicators ("KPIs") and Board Effectiveness Assessment ("BEA").</p> <p>However, Pos Malaysia's latest BEA for FY 2021 does not include the performance evaluations specifically for addressing the company's material sustainability risks and opportunities.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The performance evaluations would be carried out when the Board, senior management and working-level employees have understood the newly-enhanced sustainability journey that Pos Malaysia is embarking on, as proposed by Accenture.
Timeframe	:	Others

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	Head of Sustainability, has been appointed by Pos Malaysia to provide dedicated focus for sustainability initiatives within the Group.

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p><u>Refreshing the Board Composition</u></p> <p>The TOR of the BNRC stipulate that the BNRC shall assess/ review the following on an annual basis:</p> <ol style="list-style-type: none">1. The effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, as well as ensure that all assessments and evaluations carried out by the BNRC in the discharge of this function are properly documented; and2. The structure, size, balance and composition of the Board and Board Committees to ensure that the Board and Board Committees comply with the Listing Requirements of Bursa Securities and have the appropriate mix of skills and experience. The BNRC shall also review the core competencies and other qualities which the members of the Board and Board Committees shall bring to the Company to function effectively and efficiently. <p>During the FY 31 December 2021, the BNRC had conducted the following review in relation to the composition of the Board and its Committee:</p> <ol style="list-style-type: none">1. In March 2021, the appointment of Dato' Jezilee Mohamad Ramli ("Dato' Jezilee") as a Non-Independent Non-Executive Director effective from 2 April 2021;2. In April 2021, the appointment of Dato' Mohamed Sharil Mohamed Tarmizi ("Dato' Mohamed Sharil") as an Independent Non-Executive Director of Pos Malaysia effective from 13 April 2021; and3. Appointment of Dato' Jezilee as a member of the BAC and Dato' Mohamed Sharil as the Chairman of the BDC in place of Dato' Sri Syed Faisal. <p>In February 2022, the BNRC further recommended to the Board for approval, the proposed composition of the Board Committees</p>

	<p>subsequent to the review of the structure, size, balance, tenure and composition of the Board and Board Committees.</p> <p><u>Directors' Retirement/Re-election</u></p> <p>In accordance with the TOR of the BNRC, the BNRC is to recommend to the Board, the re-election of Directors who are retiring by rotation or casual vacancy at the Company's Annual General Meeting ("AGM").</p> <p>Article 116 of the Company's Constitution ("Article 116") stipulates that "At the first AGM of the Company, the whole of the Directors shall retire from office and at every succeeding AGM, 1/3 of the Directors, or, if their number is not a multiple of three, the number nearest to, but not exceeding 1/3 shall retire from office at the conclusion of the meeting provided always that all the Directors shall retire from office once at least in each three years but shall be eligible for re-election."</p> <p>The schedule of retirement by rotation was reviewed by the BNRC and the Director's eligibility to stand for re-election was also being considered, taking into account their tenure of service. The latest review on tenure of service included the retention of Independent Director that had served more than nine years.</p> <p>The BNRC had assessed the suitability of the retiring Directors who are eligible for re-election at the General Meeting of the Company, taking into consideration their character, experience, integrity, competence and time commitment to discharge their roles as Directors effectively.</p> <p>With the exception of Datuk Puteh Rukiah binti Abdul Majid ("Datuk Puteh"), all the Independent Non-Executive Directors have served the Board for less than nine years. Datuk Puteh Rukiah will reach a cumulative term limit of nine years as an Independent Director on 16 June 2022 (date of the 30th AGM).</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 March 2022, the Board of the Company consisted of nine members, comprising four Non-Independent Non-Executive Directors and five Independent Non-Executive Directors.</p> <p>A majority of the Board members are Independent Non-Executive Directors, to ensure a balance of power and authority on 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. Based on the self-assessment carried out, all five Independent Non-Executive Directors confirmed that they satisfied all the criteria of independence under the Listing Requirements of Bursa Securities. The Board through BNRC, reviewed the same and agreed that the Independent Non-Executive Directors are able to exercise independent and objective judgement in carrying out their duties as Independent Directors.</p> <p>Each of the Directors had given confirmation on a bi-annual basis as to whether he/she had 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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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 provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During the FY 31 December 2021, none of the Independent Directors exceed a cumulative term limit of nine years.</p> <p>Datuk Puteh, however, will reach a cumulative term limit of nine years as an Independent Director on 16 June 2022 (date of the 30th AGM) and the Company will seek shareholders' approval through a single-tier voting process instead of two-tier voting process, to retain her as an Independent Director at this coming AGM.</p> <p>On 11 February 2022, the BNRC and Board had carried out an annual assessment on the independence of Datuk Puteh and concluded that Datuk Puteh's long tenure with the Company has neither impaired nor compromised her integrity and competency, and she has given sufficient due care in carrying out her fiduciary duties, based on the following justifications:-</p> <ul style="list-style-type: none">(a) She fulfils the criteria as an Independent Director as defined in the Listing Requirements of Bursa Securities and is able to exercise independent and objective judgement;(b) Her vast knowledge, professional aptitude and experience have brought a diverse set of experience and expertise to the Board, by exercising independent judgement during deliberations and making unbiased decisions at Board and Board Committee Meetings.(c) Notwithstanding that, her long tenure has familiarised her with the business operations of the Company/Group, giving her a broad business perspective, in which she has at all times acted in good faith and in the best interest of the Company, shareholders and other relevant stakeholders.

	<p>(d) Furthermore, her long tenure with the Company has neither impaired nor compromised her integrity, and Datuk Puteh has exercised due care when carrying out her duties.</p> <p>(e) Datuk Puteh has devoted sufficient time and commitment to discharge her fiduciary duties and responsibilities as an Independent Director of the Company.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board takes cognisance of the recommendation and will consider adopting Practice 5.3, whenever necessary.
Timeframe	:	Others

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<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><u>Board Diversity in 2021</u></p> <p>(1) <i>Board Size</i>; On 11 February 2022, the Board through its BNRC conducted an annual review of its structure, size balance and composition of the Board and Board Committees, to determine if the Board has the right size and sufficient diversity with independence elements that fits the Company's objectives and strategic goals.</p> <p>During the FY 31 December 2021, there had been several changes to the composition of the Board of Pos Malaysia, as follows:</p> <ol style="list-style-type: none">1. Re-designation of Dato' Sri Syed Faisal as the Non-Executive Chairman in April 2021;2. Appointment of Dato' Jezilee as a Non-Independent Non-Executive Director in April 2021; and3. Appointment of Dato' Mohamed Sharil as an Independent Non-Executive Director in April 2021. <p>Based on the Board's annual review of its size and composition in conjunction with the BEA exercise, it was agreed that the Board size was appropriate and adequate to effectively govern the organisation.</p>

(2) *Board Skills Matrix*; To ensure an appropriate balance on 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 the Board Skills Matrix as at 31 December 2021, showed that all Directors are equipped with relevant and up to date skills and experience in Functional Experience, especially in finance/accounting, legal & regulatory, human capital, administration, operations, succession planning, corporate strategic & planning, corporate governance, risk management & internal control, project management, public policy and economic/investment. 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 printing and insertion, Ar-Rahnu, total office solutions, warehousing and aviation services. 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.

(3) *Board Diversity*; The diversity in the age, gender, race/ethnicity (cultural background) and nationality of the current Board, is as follows:-

	Age Group				Gender	
	20 – 29	40 – 49	50 – 59	60 – 69	Male	Female
Number of Directors	1	1	4	3	7	2

	Race/Ethnicity				Nationality	
	Malay / Bumi-putera	Chinese	Indian	Others	Malaysian	Foreigner
Number of Directors	9	0	0	0	9	0

The diversity of gender, ethnicity and age within the Board is also important, and this includes an appropriate mix of skills, experience and competencies that 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.

On 11 February 2022, the BNRC also reviewed the composition of all Board Committees and the following factors were considered:

1. The need to ensure that the workload of directors, including committees, is equitably shared.
2. Whenever possible, to avoid too much overlapping of members in the committees.
3. Some common membership amongst committees can also help to ensure adequate communication and coordination.

	To ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, the criterion as agreed by the Board in 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).	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<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>During the appointment of the new Directors for the FY 31 December 2021, the Board had sought recommendation/referral from various sources including from its existing Directors, major shareholders and a wide network of industry contacts to source and nominate suitable candidates for appointment as Directors, in view of the nature of the industry and the highly regulated environment in which the Group operates.</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. 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 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>

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: The Board will consider utilising independent sources to identify suitably qualified candidates as Directors as and when suitable.
Timeframe	: Others

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of Directors are published in the Annual Report and on Pos Malaysia's website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest, as well as their shareholdings in Pos Malaysia, if any.</p> <p>The following explanatory notes have been included in the Notice of 30th AGM, to accompany resolutions for the re-appointment of Directors who are due to retire and have offered themselves for re-election pursuant to the Constitution of the Company :</p> <p>(a) <u>Article 116 – Retirement by rotation</u></p> <p>(i) Dato' Sri Syed Faisal (ii) Datuk Puteh (iii) Ahmed Fairuz bin Abdul Aziz ("Ahmed Fairuz")</p> <p>Article 116 of the Company's Constitution provides that one-third (1/3) or the number nearest to one-third (1/3) of the Directors for the time being, shall retire from office in every subsequent AGM and shall then be eligible for re-election.</p> <p>All Directors standing for re-election as Directors and being eligible, have offered themselves for re-election at the 30th AGM of the Company.</p> <p>In line with Practice 6.1 of the MCGG, the Board through the BNRC has conducted an assessment on the suitability of the Directors who are seeking re-election at the 30th AGM of the Company and agreed that the Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors as prescribed in Paragraph 2.20A of the Listing Requirements of Bursa Securities.</p>

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

Intended Outcome

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

Practice 5.8

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During the FY 31 December 2021, the BNRC is chaired by an Independent Director of the Company, Datuk Idris bin Abdullah @ Das Murthy ("Datuk Idris").</p> <p>However, as at 15 February 2022, Dato' Jezilee, a Non-Independent Director of the Company, was appointed as the Chairman of the BNRC in place of Datuk Idris. Dato' Jezilee has experience in Financial, Accounting, Audit, Treasury, Operations Transformation, Corporate Governance, Corporate Strategy and Corporate Finance. He also has vast exposure in senior positions in various sectors, including automotive, media services, banking and insurance.</p> <p>The Board is of the view that Dato' Jezilee is more than qualified to assume the role of Chairman of BNRC due to his vast experience including good interpersonal skills when interacting with other Board members and the Company's employees, by conducting himself in a professional and confidential manner during discussions of sensitive or controversial topics.</p> <p>The remaining members of the BNRC are Datuk Idris and Datuk Puteh, where both are Independent Non-Executive Directors.</p> <p>The Board takes cognisance of the MCCG's recommendation for the BNRC to be chaired by an Independent Director or the Senior Independent Director and to apply the same, should a suitable candidate be identified by the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board will ensure that the intended outcome is achieved as the majority of Independent Non-Executive Directors already form the composition of the BNRC, allowing for robust discussions and constructive assessment of the matters presented to them.
Timeframe	:	Others

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Currently, there are two women directors on the Board, namely Datuk Puteh and Sharifah Sofia binti Syed Mokhtar Shah (“Sharifah Sofia”).	
		The Board supports 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.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board supports the Government’s target of having 30% women’s participation on boards of public companies in Malaysia. The Board will consider the appointment of additional women Directors based on suitability and merit, whenever a vacancy arises.	
Timeframe	:	Others	As and when a suitable woman candidate, who is able to complement the current Board composition and mix, is identified.

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Pos Malaysia does not have a gender diversity policy in relation to Senior Management.</p> <p>However, the Board Diversity Policy is embedded in the Board Charter and available on the website at www.pos.com.my, as set out below:</p> <p>The Board supports 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>The Board, through BNRC, will review the appropriate proportion of female to male Directors on the Board at the time of considering the appointment of new Directors to the Board. The selection criteria for a Director will be based on an effective blend of competencies, skills, extensive experience and knowledge necessary for the Board to discharge its responsibilities.</p> <p>In this regard, the BNRC shall take the following steps to ensure women's participation on Boards despite not setting any target for Pos Malaysia towards meeting the recommendation under the MCCG:-</p> <ol style="list-style-type: none">1. Assess the appropriate mix of diversity including gender, ethnicity and age, candidates' skills, knowledge, expertise and experience required on the Board and identify the existing gap, if any;2. Adhere to the recruitment procedures of Pos Malaysia and develop a list of candidates which shall always include diverse candidates and in any director search; whenever reasonably possible, priority will be given to the appointment of a woman Director to fill a directorship vacated by a retiring or resigning woman Director.

	3. Interview and evaluate the candidates; thereafter, recommendation be made to the Board in relation to appointments by ensuring that an appropriate mix of diversity, skills, knowledge, expertise and experience on the Board shall be maintained from time to time;	
	4. Review and assess the boardroom diversity on a regular basis. Any gap that occurred in relation thereto shall be reported to the Board.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	The Company will be looking at the gender diversity policy and disclose it in the Annual Report as and when available.
Timeframe	:	Others

Intended Outcome

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

Practice 6.1

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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>The Board, through the BNRC, has undertaken a formal and objective BEA 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 effectively discharges its duties. The BEA is designed to improve the Board's effectiveness as well as to bring to the Board's attention on key areas that need to be addressed in order to maintain Board cohesion.</p> <p>During the FY 31 December 2021, the BEA was conducted internally through self-assessment methodologies and facilitated by the Company Secretaries. Each Director was also requested to carry out a self-analysis of his/her skills and experiences against the Company's requirements through a Board Skills Matrix. This is to enable the BNRC to evaluate if the Board, through its Directors, collectively possesses the necessary skills and experiences to effectively discharge its role.</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 & competencies and outcomes of the meetings.</p> <p>The results of the BEA were presented to the BNRC and the Board, and the findings and areas that would necessitate further improvements were acknowledged. The Management thereafter presented the action plans to be taken based on the comments and suggestions made by the Directors.</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 functions 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 the FY 31 December 2021 are as follows:</p> <ol style="list-style-type: none"> 1. 9th Governance in Procurement Conference 2021 – Procurement Digitalisation for The Future on 11 January 2021 (Ahmed Fairuz) 2. Board Induction Programme on 26 January 2021 (Dato’ Dr. Mohd Ali bin Mohamad Nor (“Dato’ Dr. Mohd Ali”)) 3. Mandatory Accreditation Programme from 24 February 2021 to 26 February 2021 (Dato’ Dr. Mohd Ali) 4. Power X: Building the Mindsets of Tomorrow – Powertalk Series 2021 on 23 March 2021 (Sharifah Sofia) 5. Accelerated Digital Transformation of Legacy Companies on 25 March 2021 (Sharifah Sofia) 6. Cybersecurity Oversight in the Boardroom on 6 April 2021 (Datuk Puteh, Datuk Idris and Dato’ Dr. Mohd Ali) 7. Navigating Perform Transform: View from the Top on 8 April 2021 (Dato’ Sri Syed Faisal and Sharifah Sofia) 8. Cloud Computing Basics on 11 April 2021 (Datuk Idris) 9. Future of Automotive and Implications to DRB-HICOM Berhad on 15 April 2021 (Dato’ Sri Syed Faisal and Sharifah Sofia) 10. Whistleblowing Policy briefing on 16 April 2021 (Dato’ Jezilee) 11. IT Induction on 26 April 2021 (Dato’ Mohamed Sharil) 12. Corporate Liability Provision on 17 May 2021 (Dato’ Jezilee) 13. Risk Management in Technology & Digital Transformation on 11 June 2021 (Ahmed Fairuz) 14. Understanding Board Decision-Making Process from 15 June 2021 to 16 June 2021 (Ahmed Fairuz) 15. Dawn Raid: Don’t Be Caught Unprepared from 30 June 2021 to 1 July 2021 (Ahmad Suhaimi bin Endut) 16. In-House Islamic Banking Programme on 5 July 2021 (Sharifah Sofia) 17. Money Services Business - Directors' Education Programme from 23 to 25 August 2021 (Dato’ Sri Syed Faisal, Datuk Puteh, Datuk Idris, Dato’ Dr. Mohd Ali, Dato’ Jezilee and Dato’ Mohamed Sharil) 18. Mandatory Accreditation Programme from 6 to 8 September 2021 (Dato’ Jezilee) 19. Corporate Governance Regulatory Updates for the Capital Markets from 9 to 10 September 2021 (Ahmed Fairuz) 20. Transformative Innovation Reshaping Business Realities in Extraordinary Times from 22 to 23 September 2021 (Ahmed Fairuz) 21. Board Strategic Retreat from 4 to 6 October 2021 (Sharifah Sofia) 22. Khazanah Megatrends Forum 2021: The Invention of Tomorrow from 4 to 6 October 2021 (Sharifah Sofia) 23. Reimagine Leadership and Governance, Not Capitalism on 7 October 2021 (Sharifah Sofia)
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	24. Growth Discussion with Accenture between 25 October to 2 November 2021 (All Directors of Pos Malaysia) 25. Creating a Three-Zero World: Role of the Universities on 6 December 2021 (Sharifah Sofia)	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The BNRC ensures that the level and composition of the remuneration framework of the Directors, GCEO and Senior Management are reasonable to attract and retain them to ensure the right calibre, experience and quality needed to drive and manage the Group successfully.</p> <p><u><i>Remuneration framework for the GCEO and other Senior Management</i></u></p> <p>The Company has a structured remuneration framework for the GCEO and Senior Management, to ensure the rewards are linked to the corporate and individual performances. The BNRC determines and recommends to the Board for approval, the Corporate KPIs and structures the rewards for the GCEO and Senior Management based on their performance against the pre-determined Corporate KPIs.</p> <p><u><i>Remuneration framework for Non-Executive Directors</i></u></p> <p>The remuneration policies and procedures to determine the remuneration of directors is embedded in the Board Charter and available on the website at www.pos.com.my.</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. The Non-Executive Directors will be paid Directors' fees for services rendered to the Board, as well as to the 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 to the Non-Executive Directors are subject to shareholders’ approval at the Company’s AGM.</p> <p>The remuneration framework for Non-Executive Directors, which includes the entitlement of Directors’ Fees and meeting allowances to Non-Executive Directors for the FY 31 December 2021, is set out in the Corporate Governance Overview Statements of the Annual Report 2021, which is also available on the website, 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 of Directors</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> <table><tr><th colspan="2">Meeting Allowances</th><th>Amount per meeting attended (RM)</th></tr><tr><td>a.</td><td>Board of Directors</td><td>1,000</td></tr><tr><td>b.</td><td>Board Audit Committee</td><td>2,500</td></tr><tr><td>c.</td><td>Board Nomination and Remuneration Committee</td><td>1,000</td></tr><tr><td>d.</td><td>Board Risk, Sustainability and Compliance Committee</td><td>1,000</td></tr><tr><td>e.</td><td>Board Tender Committee</td><td>1,000</td></tr><tr><td>f.</td><td>Board Digital First-Committee</td><td>1,000</td></tr><tr><td>g.</td><td>General Meeting</td><td>1,000</td></tr></table>	Board/ Board Committees	Directors’ Fees per annum (RM)		Chairman	Members	Board of Directors	120,000	80,000	Board Audit Committee	15,000	10,000	Other Board Committees	8,000	6,000	Meeting Allowances		Amount per meeting attended (RM)	a.	Board of Directors	1,000	b.	Board Audit Committee	2,500	c.	Board Nomination and Remuneration Committee	1,000	d.	Board Risk, Sustainability and Compliance Committee	1,000	e.	Board Tender Committee	1,000	f.	Board Digital First-Committee	1,000	g.	General Meeting	1,000
Board/ Board Committees	Directors’ Fees per annum (RM)																																						
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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 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Currently, the BNRC comprises three members, two of whom are Independent Non-Executive Directors.</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 the 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 www.pos.com.my 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 seven times during the FY 31 December 2021.</p> <p>The Board is satisfied that, for the FY 31 December 2021, the BNRC has effectively discharged its roles and responsibilities with respect to its remuneration function, which includes amongst others, review of the remuneration policies for the Board, Board Committees, the GCEO and key management personnel.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<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 2021.</p> <p>The remuneration received by each of the Non-Executive Directors in 2021 is set out in the table below.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Syed Faisal bin Syed A.R Albar	Non-Executive Non-Independent Director	89,666.67	9,000.00	0	0	0	0	98,667.67	0	0	0	0	0	0	0
2	Datuk Puteh Rukiah binti Abd Majid	Independent Director	110,000.00	44,500.00	0	0	0	0	154,500.00	0	0	0	0	0	0	0
3	Datuk Idris bin Abdullah @ Das Murthy	Independent Director	106,000.00	44,500.00	0	0	0	0	140,500.00	0	0	0	0	0	0	0
4	Sharifah Sofia binti Syed Mokhtar Shah	Non-Executive Non-Independent Director	86,000.00	20,000.00	0	0	0	0	106,000	0	0	0	0	0	0	0
5	Ahmad Suhaimi bin Endut	Non-Executive Non-Independent Director	86,000.00	12,000.00	0	0	0	0	98,000.00	0	0	0	0	0	0	0
6	Ahmed Fairuz bin Abdul Aziz	Independent Director	101,000.00	34,500.00	0	0	0	0	135,500.00	0	0	0	0	0	0	0
7	Dato' Dr. Mohd Ali bin Mohamad Nor	Independent Director	92,000.00	24,000.00	0	0	0	0	116,000.00	0	0	0	0	0	0	0
8	Dato' Jezilee bin Mohamad Ramli	Non-Executive Non-Independent Director	66,722.22	21,500.00	0	0	0	0	88,221.58	0	0	0	0	0	0	0
9	Dato' Mohamed Sharil bin Mohamed Tarmizi	Independent Director	66,227.60	20,000.00	0	0	0	0	69,227.50	0	0	0	0	0	0	0

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 8.2

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	:	<p>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.</p> <p>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 the FY 31 December 2021.</p> <p>The top five Senior Management’s remuneration (including salary, bonus, allowances and other emoluments) are disclosed in the bands of RM50,000, as follows:-</p> <table><tr><th></th><th>Range of Remuneration</th><th>Number of Senior Management</th><th>Remarks</th></tr><tr><td>1</td><td>RM150,000 – RM230,000</td><td>1</td><td>September to December 2021</td></tr><tr><td>2</td><td>RM250,000 – RM300,000</td><td>1 1 1</td><td>September to December 2021 September to December 2021 October to December 2021</td></tr><tr><td>3</td><td>RM450,001 – RM500,000</td><td>1</td><td>January to July 2021</td></tr><tr><td>4</td><td>RM500,000 – RM550,000</td><td>1</td><td>August to December 2021</td></tr><tr><td>5</td><td>RM550,001 – RM600,000</td><td>1 1</td><td>January to July 2021 January to August 2021</td></tr><tr><td>6</td><td>RM850,001 – RM900,000</td><td>1</td><td>January to December 2021</td></tr><tr><td>7</td><td>RM1,100,001 - RM1,150,000</td><td>1</td><td>January to June 2021</td></tr></table> <p>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.</p>		Range of Remuneration	Number of Senior Management	Remarks	1	RM150,000 – RM230,000	1	September to December 2021	2	RM250,000 – RM300,000	1 1 1	September to December 2021 September to December 2021 October to December 2021	3	RM450,001 – RM500,000	1	January to July 2021	4	RM500,000 – RM550,000	1	August to December 2021	5	RM550,001 – RM600,000	1 1	January to July 2021 January to August 2021	6	RM850,001 – RM900,000	1	January to December 2021	7	RM1,100,001 - RM1,150,000	1	January to June 2021
	Range of Remuneration	Number of Senior Management	Remarks																															
1	RM150,000 – RM230,000	1	September to December 2021																															
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6	RM850,001 – RM900,000	1	January to December 2021																															
7	RM1,100,001 - RM1,150,000	1	January to June 2021																															

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	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The BAC comprises three members, two of whom are Independent Non-Executive Directors.</p> <p>The Chairman of the BAC is Ahmed Fairuz, 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.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	Pos Malaysia has always recognised the need to uphold independence. None of the members of the Board was former key audit partners, and thus need not observe the cooling-off period of three years, and no such person is appointed as a member of the BAC. The requirements for appointing a former key audit partner are set out in the TOR of the BAC of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<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. In the event there are conflicting statements between the policy and any other laws, inclusive Guidelines and By-Laws ("the laws") newly issued by Regulators, adopted and applicable in Malaysia, the laws shall prevail.</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 2022, 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 with respect to the audited financial statements for FY 31 December 2021.</p> <p>Based on the satisfactory assessment on the effectiveness and independence of KPMG as the External Auditors, the BAC</p>

	<p>recommended for the External Auditors to be re-appointed for FY 31 December 2022 subject to the shareholders' approval at the 30th AGM of the Company.</p> <p>The TOR of the BAC is available on Pos Malaysia's website at www.pos.com.my and in the Board Charter.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is 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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The BAC members are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations at meetings.</p> <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, is a Fellow Member of the Institute of Chartered Accountants, England and Wales (ICAEW) and a member of the Malaysian Institution of Accountants ("MIA"). 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 GCEO.</p> <p>On 21 April 2021, Dato' Jezilee has been appointed as an additional member of the BAC. He has a strong financial background and also a Member of Malaysian Institute of Certified Public Accountants (MICPA), member of the American Institute of Certified Public Accountants (AICPA) and member of MIA.</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 of the Company.</p> <p>The Board through the BNRC, reviews the terms of office of the BAC members and assesses their performances, individually and collectively,</p>

	<p>through an annual evaluation. Based on the outcome of the evaluation for the FY 31 December 2021, the Board is 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>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that effective risk management practices are 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 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. By providing a systematic approach to evaluate and improve the effectiveness of risk management and control, ERM increases the likelihood of Pos Malaysia to achieve its objectives. The Company further ensures that existing and emerging risks are identified and managed within an acceptable risk appetite.</p> <p>The Board has a stewardship responsibility to understand these risks, communicate the requirements of this policy and guide the Group in dealing with these risks.</p> <p>The policies of the Board are as follows:</p> <ol style="list-style-type: none">1. To manage risks proactively and in an integrated and transparent way in accordance with good governance practices; and2. To ensure that an effective and formalised ERM Policy/ Framework is established and maintained by the Group. <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, Sustainability and Compliance Committee ("RSCC") and the BRSCC.</p> <p>The Group adopts ISO 31000 Risk Management Standards as a primary foundation and reference for the ERM framework. The Group has</p>

	<p>implemented and consistently applies the ERM framework to identify, evaluate and manage risks across the Group.</p> <p>At the same time, the framework facilitates the 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 capitalise on opportunities.</p> <p>The TOR of the BAC specifies the function and duties that the BAC shall undertake in relation to the internal control as follows:-</p> <ol style="list-style-type: none"> 1. 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 to assess and continuously improve the internal controls. 2. To assess the internal processes in determining and managing key risks other than those that are dealt with by other specific Board committees. 3. 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. 4. To review External Audit Reports and the Management's response and ensure that appropriate action is taken in respect of these reports.
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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> <ol style="list-style-type: none">1. Establishing the Context: To identify strategic objectives in both the external and internal environments in which these strategic objectives are being pursued. The external environmental factors including the effects of competition and regulations, while internal environmental factors consist of business processes, capabilities, organisational culture and strategic plans.2. Risk Identification: 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's business performance. Risks that have been identified will be classified into one of the following categories:-<ol style="list-style-type: none">a. Strategic Risk – exposure to risk arising from long-term or short-term policy decisions based on the current strategy of the Group.b. Market and Business Risk – exposure to risk due to competition and/or fiscal policy changes that are external to the Group and beyond its control.c. Operational Risk – exposure to risk arising from daily tactical business activities related to business operations, processes and technology.d. Reputational Risk – exposure to risk arising from the brand or image of the Group.e. Information/System Risk – exposure to risk arising from cyber threats, loss or inaccuracy of data, non-functioning or incorrectly functioning Information Technology ("IT") systems and reported information.f. Financial Risk – exposure to risk related to loss of revenue resources or the incurring of unacceptable liabilities.

	<p>g. Organisational Risk – exposure to risk associated with the Group’s structure, management and employees (skills, competencies, etc).</p> <p>h. Compliance Risk – exposure to risk arising from inadequacy in compliance with the required mandatory or established regulations and policies.</p> <p>i. Sustainability Risk – exposure to risk related to environmental, economic and social impact on the Group’s operations.</p> <p>j. Corruption Risk – exposure to risk related to corruption including, the giving or offering bribes, receiving and soliciting bribes, abuse of power/position and intention to deceive (false claim).</p> <p>3. Risk Analysis: This involves due consideration of the causes of risk, its positive and negative impacts and the likelihood of its occurrence.</p> <p>4. Risk Evaluation: 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. The priority to be given is based on the risk rating after considering the current state of the internal controls and cost-benefit analysis.</p> <p>5. Risk Treatment: The process of initiating responsive or pre-emptive actions for managing risks and restricting them 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"> • Terminate (Avoid): Deciding not to pursue with the activities that will likely generate the risks. • Treat (Mitigate): Introducing controls or action plans to manage the risks. • Transfer (Spread): Transferring or sharing the risk with the third parties, e.g. insurance, hedging, joint ventures, outsourcing and smart partnerships. • Take (Accept): Using the Group’s strength and capabilities to accept the risks to build a competitive edge. <p>6. Monitoring and Reviewing: 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 risks, monitoring is required to ensure that new measures are introduced to manage these risks.</p>
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	<p>7. Communication and Consultation: This takes place in each step of the risk management process to ensure that views of the 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 RSCC, as well as BRSCC. Any constraints/limitations in managing risks will be highlighted in such a report for decision or approval.</p> <p>The RSCC is supported by the Risk Management Department (“RMD”) and Compliance Department, respectively. RMD’s roles are to monitor, analyse and report the risks that have been identified enterprise-wide as well as facilitate in the risk assessment process. RMD also evaluates the risk policies and procedures, and initiates improvements based on the trends and developments in risk management that can significantly improve the risk management for the Group.</p> <p>Risk owners will ensure that the risk registers and risk profiles are updated on a quarterly basis and the consolidated reports are tabled to the RSCC, BRSCC and the Board.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	Currently, the BRSCC comprises four 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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 to the BAC on the activities performed, as well as key control issues noted by the internal auditors.</p> <p>The Internal Audit undertakes independent assessments 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, which would pose a high risk to the overall system of the internal control under review, has been noted.</p> <p>To ensure that the responsibilities of Internal Audit are fully discharged, the BAC reviews:-</p> <ol style="list-style-type: none">1. The appointment and removal of the Head, Internal Audit;2. The adequacy of the Internal Audit's scope, competency level, experience and resources of the function; and3. The Internal Audit's performance. <p>In formulating the annual audit plan, the Internal Audit adopts a risk and strategy-based approach, by aligning its activities to the key risks identified across the Group. The results of the audits disclosed in the Internal Audit reports are reviewed by the BAC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>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>During the FY 31 December 2021, the Internal Audit has 20 audit personnel comprising the Head, Internal Audit, and 19 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. Annas bin Bahari had resigned as the Head, Internal Audit on 1 April 2022. The Company is actively sourcing for his replacement and in the interim, the Senior Manager, Internal Audit is currently the Covering Head, Internal Audit.</p> <p>The internal auditors have various qualifications including the Certified Information Systems Auditor and Master of Business Administration, and memberships with professional bodies such as the Institute of Internal Auditors Malaysia, and the Malaysian Institute of Accountants.</p> <p>The BAC had conducted an annual assessment of the overall performance of the Internal Audit for the FY 31 December 2021, and was 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 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</p>

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<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. The current performance, plans, strategies and prospects of the Group are shared during this briefing. One-on-one meetings and dialogues with investors and analysts are also carried out on a quarterly basis. These meetings provide the opportunity for investors and analysts to gain a better understanding of the business and pose questions on a more personal basis.</p> <p>The stakeholders are also kept abreast with 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 at www.pos.com.my to disseminate information and enhance its investor relations. It is also an avenue to update the public on the Group's activities.</p>

	<p>All disclosures, material information and announcements made to Bursa Securities are published on the website.</p> <p>The 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 an open and two-way communication with its employees, across all levels of the organisation, which enables the Group to bridge the information gap, re-align goals to its values and capture feedback. Among the key topics discussed are the Company's performance and its growth strategies, the Code of Ethics, training and development, performance evaluation and management, remuneration and benefits, occupational safety, health and wellbeing and collective bargaining.</p> <p>During the COVID-19 pandemic, the Company practises communication, via both face-to-face and virtual, live and recorded via town halls, meetings, feedback sessions, training sessions, talks videos and surveys to help mitigate the spread of the virus. This includes regular engagements with unions to create open and collaborative relations between the management and employee representatives.</p> <p>(c) Engagement with regulatory authority</p> <p>As the Group is operating in a regulated industry, there were regular interactions with its principal regulatory authorities, 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, the National Registration Department, the 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</p>
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	<p>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, Pos Malaysia continues to provide job opportunities not only to our own staff but to communities via our entrepreneurship programme and outsourced last mile delivery agents, depending on the business needs.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>As per the practice in the previous FY 2020, the Company will continue to adopt an integrated reporting approach. The Board recognises that integrated reporting is a superior approach to deliver a clear representation of value creation and disclosure of information for the Company's stakeholders and at the same time, promote greater transparency and accountability.</p> <p>Integrated reporting is also consistent with the globally-accepted frameworks and in line with the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC).</p>	
Explanation for departure	:	<div></div> <div></div>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of the 29th AGM was circulated on 30 April 2021 for the AGM held on 17 June 2021, to ensure that the 28 days' notice was given to the shareholders, well in advance of the 21-day requirement under the Act and Listing Requirements of Bursa Securities. The additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives or proxies. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p> <p>The Notice of the 29th AGM, including the details of the business to be transacted, was sent to shareholders by way of letter to inform that Proxy Form and Administrative Guide for the AGM which was scheduled to be held on 17 June 2021 had been published on Pos Malaysia's website. These documents, together with the Annual Report 2021 and Corporate Governance Report 2020 were also made available at https://www.pos.com.my/investor-relations/29th-agm-fy-2020 and Bursa Securities at www.bursamalaysia.com. The Notice of the 29th AGM was also published in a nationally circulated newspaper, for wider dissemination, to encourage shareholders' participation.</p> <p>Each item of special business proposed in the Notice of the 29th AGM was accompanied by an explanatory statement, to facilitate better understanding and enable shareholders to make an informed decision, when exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<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 respond to any queries addressed to them.</p> <p>For the 29th AGM held on 17 June 2021, all the following essential individuals including eight Directors attended the meeting virtually at their respective venue:</p> <ol style="list-style-type: none">1. Dato' Sri Syed Faisal (Chairman of the Board)2. Datuk Puteh3. Datuk Idris (Chairman of BNRC and BRSCC)4. Sharifah Sofia5. Ahmed Fairuz (Chairman of BAC)6. Dato' Dr. Mohd Ali7. Dato' Jezilee8. Dato' Mohamed Sharil (Chairman of Board-Digital First Committee)9. Mohamed Rozaidi bin Md Sharif (Chief Executive Officer, Postal Services)10. Azlan bin Ash'ari (Group Chief Financial Officer)11. Sabarina (Company Secretary)12. Datuk Johan bin Idris (External Auditors, KPMG PLT)13. Vengadesh a/l Jogarajah (External Auditors, KPMG PLT)14. Rozleen bin Monzali (Share Registrar/Poll Administrator, Boardroom Share Registrars Sdn Bhd ("Boardroom"))15. Vivien Chong Sing Yee (Scrutineer from Tricor Business Services Sdn Bhd ("Tricor")) <p>However, one of the Director, Ahmad Suhaimi bin Endut was unable to attend the 29th AGM due to his COVID-19 vaccination appointment.</p> <p>A total of 858 shareholders, corporate representatives and proxies attended the 29th AGM at https://web.lumiagm.com. The proceedings of the 29th AGM at the Broadcast Venue included the CEO's</p>

	presentation on the overview of the Pos Malaysia Group’s performance, presentation on the Minority Shareholder Watch Group (“MSWG”) and a Questions & Answers (“Q&A”) session during which the Chairman invited shareholders to use the Remote Participation and Electronic Voting (“RPEV”) facilities to submit questions (real time) during the meeting for adoption at the meeting, before putting a resolution to vote.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board members acknowledge the importance of attending general meetings. Therefore, to ensure a perfect attendance at all AGMs of the Company, the Company will have further negotiation with Directors on their availability of schedule.
Timeframe	:	2022

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>For the 29th AGM held on 17 June 2021 being the second fully virtual general meeting, Pos Malaysia has continued leveraging technology in accordance with Section 327(1) and (2) of the Act and SC's Guidance and Frequently Asked Questions (FAQs) on the Conduct of General Meetings for Listed Issuers dated 19 February 2021.</p> <p>Pos Malaysia had appointed Boardroom as the Poll Administrator to conduct the polling process, and Tricor as the Scrutineers to verify the poll results.</p> <p>(a) Remote shareholders' participation at the 29th AGM With the RPEV facilities implemented by Boardroom, a shareholder has the right as a member of the Company to participate remotely (including pose questions to the Board and/or Management of the Company) and vote via electronic voting at the 29th AGM. The registration for attendance was opened from Friday, 30 April 2021 at https://web.lumiagm.com until such time before the voting session ended at the 29th AGM on Thursday, 17 June 2021. The detailed procedures of the 29th AGM were provided to shareholders in the Administrative Guide.</p> <p>For first-time registration to participate in RPEV, the shareholder was required to register online with Boardroom Smart Investor Online Portal at https://boardroomlimited.my. The registration would be verified and approved within one business day and an email notification would be provided. If the shareholder was already a user with Boardroom Smart Investor Online Portal, he/she could log in with his/her username and password to submit the request to participate remotely via live streaming and online remote voting. The e-mail notification confirming the registration for RPEV was then sent by Boardroom, after its verification based on the General Meeting Record of Depositors (ROD) as at 4 June 2021 and upon the cut-off date and time for proxy form submission.</p>

	<p>(b) Voting in absentia</p> <p>Shareholders logged in with their usernames and passwords at https://web.lumiagm.com and participated remotely via live streaming at the 29th AGM. A short video by Boardroom was played to demonstrate to the members, corporate representatives and proxies, who were present at the 29th AGM, on the process for online voting. The voting session had commenced from the start of the Meeting at 10.00 a.m. until the close of the voting session as announced by the Chairman.</p> <p>Once the poll voting had closed, Tricor as the Scrutineers, verified and validated the poll results for each resolution, which included votes in favour and against, upon which the Chairman of the 29th AGM declared that all the resolutions had been carried.</p> <p>The poll results were also announced by Pos Malaysia via Bursa LINK on the same day for the benefit of all shareholders.</p> <p>Subsequent to the issuance of the MCCG on 28 April 2021, Pos Malaysia had sought confirmation from Boardroom on their cyber hygiene practices to ensure data privacy and security to prevent cyber threats.</p> <p>The Company, together with Boardroom, will ensure that good cyber hygiene practices are in place including the data privacy and security to prevent cyber threats at the AGM. Boardroom has made representation to the Company that the security, confidentiality, integrity and availability of Lumi AGM application are vital to conducting a successful AGM. Its Lumi AGM systems and suppliers' services are certified to the ISO/IEC 27001:2013 international standard, which provides a robust, auditable and externally verified framework of controls designed to maintain confidentiality, integrity and availability of customer information and the personal data that Lumi processes on their behalf. Boardroom also states that the client data has never been used for quality assurance purposes and is not retained beyond the purpose of processing client's proxy forms for the conduct of the general meetings.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	<p>At the commencement of the 29th AGM, the Chairman, briefed the members, the corporate representatives and the proxies present virtually at the Meeting of their right to ask questions and vote on the resolutions set out in the Notice of the 29th AGM dated 30 April 2021.</p> <p>The engagement session started with a brief presentation by the CEO, Postal Services of Pos Malaysia on the business performance highlights of Pos Malaysia Group as well as the transformation progress, including the prospects going forward.</p> <p>Then, the session was continued with the Group Chief Financial Officer, Pos Malaysia responding to questions raised by the Minority Shareholders Watch Group ("MSWG").</p> <p>The Chairman then proceeded with a presentation on the agenda of the 29th AGM. Once concluded, the engagement session continued with the Question and Answer ("Q&A") session.</p> <p>Pos Malaysia received 151 questions from shareholders, corporate representatives and proxies prior to and during the 29th AGM. To avoid repetition and for clarity, the questions received were grouped into three categories namely, financials, operations and corporate governance. Any unanswered questions would be addressed via email to the respective shareholders in due course.</p> <p>To ensure effective communication with the shareholders at a fully virtual general meeting, questions posed by shareholders were displayed on the screen for the meeting participants' reference. The Head Communications, Pos Malaysia read out the questions submitted by the shareholders, which were responded by the Chairman.</p>

	During the Q&A session, the Chairman and CEO were fully engaged in responding to the questions received via the query box from the members, corporate representatives and proxies. The Chairman of the BAC, Ahmed Fairuz, was also invited to respond to relevant questions submitted via the query box during the meeting.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>Boardroom was engaged to provide the webcasting and virtual meeting which included, amongst others, the audio and visual support services to broadcast the proceedings of the 29th AGM virtually. It was live streamed for access via the online meeting platform at https://web.lumiagm.com.</p> <p>Boardroom, as the Poll Administrator had verified the eligibility of the shareholders/corporate representatives/proxies to attend the 29th AGM based on the General Meeting Record of Depositors as at 4 June 2021 and upon the cut-off date and time for the form of proxy submission. This online meeting platform was secured exclusively for the members with approved registration for the RPEV at the 29th AGM.</p> <p>For the mode of communications, Boardroom had introduced an application called LUMI E-Polling Solutions ("LUMI"). During the live streaming of the 29th AGM, the questions posed by the shareholders at https://web.lumiagm.com would be published to the Board and Management. Prior to the 29th AGM, shareholders may submit questions in advance commencing from 30 April 2021 at https://boardroomlimited.my. Questions posed by shareholders via both platforms were captured and transmitted to Pos Malaysia for action and response.</p> <p>Since the Q&A session would commence earlier, the Board and Management had sufficient time to prepare for relevant answers. Therefore, the Chairman had managed the Q&A session smoothly and efficiently. Each question was displayed on the screen as and when the Chairman, CEO and/or other respondents responded to the respective questions in an orderly manner.</p>

	<p>This is in line with the SC's Guidance which provides that Members shall be allowed to cast their votes remotely and contemporaneously (live) during the proceeding of the general meeting.</p> <p>Although the online voting session had commenced from the start of the meeting at 10.00 a.m. on 17 June 2021, the Chairman had allowed an additional 10 minutes for members to cast their votes after the conclusion of the Q&A session.</p> <p>The poll results were verified by the Scrutineers, Tricor, and were announced to the shareholders, corporate representatives and proxies present by displaying the results on the screen, as the Chairman declared that all resolutions were duly passed.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Minutes of the 29th AGM dated 17 June 2021, which were duly confirmed and signed by the Chairman of the AGM, together with the CEO's presentation materials, MSWG's Q&A and Key Matters Discussed, had been posted on Pos Malaysia's website: https://www.pos.com.my/investor-relations/annual-general-meeting on 12 July 2021, i.e. within 30 business days from the date of the 29th AGM.</p> <p>All questions that posed by the shareholders via the Boardroom Smart Investor Portal, had been checked and verified internally with the records after the 29th AGM, to ensure that all questions had been responded to during the meeting or via e-mail after the meeting.</p>
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	
	:	

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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