



# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 2291  
**COMPANY NAME** : GENTING PLANTATIONS BERHAD  
**FINANCIAL YEAR** : December 31, 2017

## OUTLINE:

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

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

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

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

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

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

#### Intended Outcome

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

#### Practice 1.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Board has overall responsibility for the proper conduct of the Company’s business in achieving the objectives and long term goals of the Company. The Board is guided by the prevailing legal and regulatory requirements as well as the Company’s policies in discharging its fiduciary duties and responsibilities. Each of the Directors is aware of the obligation to exercise unfettered judgement, in good faith with due care and skill.</p> <p>The Board has eight members, comprising one Executive Director, two Non-Independent Non-Executive Directors and five Independent Non-Executive Directors. This composition fulfils the requirements mandated by the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) stipulate that at least two Directors or one-third of the Board, whichever is higher, must be independent. The Directors have wide ranging qualifications, skills, knowledge, expertise and experience, details as disclosed in the profile of each of the Directors in the Annual Report.</p> <p>The Directors observe the Company Directors’ Code of Ethics established by the Companies Commission of Malaysia (“CCM”) which can be viewed from CCM’s website at <a href="http://www.ssm.com.my">www.ssm.com.my</a> as well as the Company’s website at <a href="http://www.gentingplantations.com">www.gentingplantations.com</a>. The Code of Ethics provides guidance to the Directors of the Company in performing their duties as it aims to establish a standard of ethical behaviour based on trustworthiness and values as well as uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administration of a company.</p>

: From time to time, corporate strategies as well as the annual plan are presented to the Board as part of the ongoing plans in achieving the objectives and long term goals of the Company by focusing on its core values and standards through the vision of the Company set out in the Board Charter mentioned in Practice 2.1.

The Chief Executive is responsible for providing the vision and strategic direction of the Group and to formulate appropriate corporate strategies and develop the business. He is assisted by the Deputy Chief Executive and President and Chief Operating Officer for implementing the policies and decisions of the Board and overseeing the day-to-day operations of the Group.

The Board meets on a quarterly basis and additionally as required from time to time to consider urgent proposals or matters that require the Board's decision. Quarterly meetings are scheduled in advance annually so that the Directors can plan ahead to ensure their attendance at Board meetings. The Board reviews, amongst others, the performance of the major operating subsidiaries of the Company, the risk management and compliance reports and approves the quarterly results of the Group. The Board tracks the performance of the management against the annual plan submitted for each financial year. Quarterly performance reports are presented to the Board by management for review and approval. The Deputy Chief Executive, President and Chief Operating Officer, Chief Financial Officer and respective Heads/senior management of the operating units, where relevant, are invited to attend the Board meetings to brief the Board on the performance of the respective business operations.

During the year under review, five meetings of the Board were held and all Directors have complied with the requirement in respect of board meeting attendance as provided in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The details of Directors' attendances during the financial year 2017 are set out below:

Name of Directors	Number of Meetings Attended
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R)	#5 out of 5
Tan Sri Lim Kok Thay	#4 out of 5
Mr Lim Keong Hui	#5 out of 5
Encik Mohd Din Jusoh (Retired on 30 May 2017)	#2 out of 2
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	#4 out of 4
Mr Quah Chek Tin	#5 out of 5
Mr Ching Yew Chye	#5 out of 5

# An additional Board meeting was convened to approve the appointment of a Director who had retired at the 39th Annual General Meeting of the Company held on 30 May 2017 pursuant to Section 129 of the Companies Act, 1965.

**Explanation for departure**

: N/A

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

**Measure**

: N/A

**Timeframe**

: N/A

N/A

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The present Chairman of the Board is Gen. Dato' Seri DiRaja Tan Sri (Dr.) Zahidi bin Hj. Zainuddin (R) who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The Board, under the leadership of the Chairman, works effectively and performs responsibilities with all key and appropriate issues discussed in a timely manner. All Directors are encouraged to share their views on the Company's affairs and issues and they are entitled to have access to the senior management who will respond to queries raised by the Directors.</p> <p>The key responsibilities of the Chairman are set out below:-</p> <ul style="list-style-type: none"> <li>• The Chairman is responsible for ensuring the smooth and effective functioning of the Board. His duties include providing leadership for the Board, ensuring that the Board carries out its responsibilities in the best interest of the Company and that all the key issues are discussed in a timely manner.</li> <li>• The Chairman is to lead the Board in its collective oversight of the management, facilitating active discussion and participation by all Directors and ensuring that sufficient time is allocated to discuss all relevant issues at Board meetings.</li> <li>• The Chairman is also tasked to lead the Board in establishing and monitoring good corporate governance practices in the Company.</li> </ul>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The position of the Chairman of the Board is held by Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R) whilst the position of Chief Executive is held by Tan Sri Lim Kok Thay.
<b>Explanation for departure</b>	:	N/A

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

<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### Intended Outcome

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

### Practice 1.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary, an Associate member of The Malaysian Institute of Chartered Secretaries and Administrators, satisfies the qualification as prescribed under Section 235(2) of the Companies Act, 2016 and has the requisite experience and competency in company secretarial services.</p> <p>The Company Secretary advises the Board on its roles and responsibilities and keep the Board updated on matters relating to new statutory and regulatory requirements and corporate governance and promptly disseminates communications received from the relevant regulatory/governmental authorities. The Company Secretary assists in Director's training and development by providing them with the relevant trainings programme organised by external training providers.</p> <p>The Company Secretary organises and attends all Board and Board Committee meetings and is responsible to ensure that meetings are properly convened and accurate and proper records of the proceedings and resolutions passed are taken and maintained at the Registered Office of the Company.</p> <p>As a Group practice, any Director who wishes to seek independent professional advice in the course of discharging his duties may do so at the Group's expense. The Directors may convey their request to key senior management or the Company Secretary. Directors have access to all information and records of the Company and also the advice and services of the Company Secretary.</p> <p>Every quarter, the Company Secretary would send a memo to the Directors and affected persons on closed period dealing and process and procedure to aid them in complying with the MMLR.</p> <p>The Secretary would facilitate the orientation of new Directors by arranging the Management to meet the new Directors to assist the new Directors to familiarise themselves with the Group's structure and businesses by providing the Directors with relevant information about the Group. New Directors are also encouraged to undertake site visits and to meet with key senior executives.</p> <p>As an Associate member of MAICSA, the Company Secretary is required to attend at least 20 hours of Continuing Professional Development as part of the training development programme. In addition, the Company Secretary also attends trainings to keep herself abreast with the latest developments in corporate and securities law, listing rules and corporate governance.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

**Practice 1.5**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Notice of meetings setting out the agenda and accompanied by the relevant Board papers are given to the Directors in sufficient time to enable the Directors to review, seek additional information and/or clarification on the matters to be deliberated at Board meetings. Regular Board meetings are held on a quarterly basis and ad hoc Board meetings will be held as and when required.</p> <p>Materials for Board meetings are uploaded onto a secured website, which can be accessed by the Directors via their i-pads or lap-tops at their convenience by using a personal password.</p> <p>The minutes of meetings are prepared and circulated to all the Directors for review and approval. Fundamental questions raised and key points discussed during the meeting were recorded, including declaration of interest of the directors or any abstention on any resolution by the directors. The minutes would be confirmed by the Board at the next meeting and signed by the Chairman.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter adopted by the Board clearly sets out the respective roles and responsibilities of the Board and the management to ensure accountability. The Board Charter is made available on the Company's website at <a href="http://www.gentingplantations.com">www.gentingplantations.com</a> and is periodically reviewed and updated to take into consideration the needs of the Company as well as any development in relevant rules, regulations and laws that may have an impact on the discharge of the Board's duties and responsibilities.</p> <p>The Board has adopted the vision stated in the Board Charter as its key values, principles and ethos of the Company and continuously develop policies and strategy development based on this vision.</p> <p>In discharging its fiduciary duties in respect of the Group, the Board is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.</li> <li>• Reviewing and adopting a strategic plan for the Group to support long-term value creation and where appropriate, to include strategies on economic, environmental and social considerations underpinning sustainability</li> <li>• Overseeing the conduct of the Group's businesses to evaluate and assess management performance, including whether the business is being properly managed</li> <li>• Setting the risk appetite within which the Board expects management to operate, understanding and identifying principal risks and ensuring the implementation of appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.</li> <li>• Establishing a succession plan for board and senior management</li> <li>• Overseeing the development and implementation of an investor relations programme or shareholder communication policy for the Company</li> <li>• Reviewing the adequacy and the integrity of the management information and internal controls system of the Group</li> <li>• Formulating corporate policies and strategies</li> <li>• Approving key matters such as financial results as well as major investments and divestments, major acquisitions and disposals and major capital expenditure in accordance with the limits of authority</li> <li>• Assessing on an annual basis the effectiveness of the Board, Board Committees and individual Directors, including the Chief Executive and may periodically engage independent experts to facilitate such annual assessment, where appropriate.</li> <li>• Reviewing the term of office and performance of the Audit Committee and each of its members annually</li> </ul>

	<p>: In carrying out its duties, certain matters are specifically reserved for the Board's decision, including overall strategic direction, annual operating plan, capital expenditure plan, material acquisitions and disposals, material capital projects, monitoring the Group's operating and financial performance and reviewing key risks affecting the Company and its subsidiaries.</p> <p>Formal Board Committees established by the Board with defined terms of reference, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee assist the Board in the discharge of its duties.</p> <p>The Board Committees will deliberate and examine issues in greater detail within their respective Terms of Reference and make their necessary recommendations to the Board which retains full responsibility.</p> <p>The Chairman of the Nomination Committee has been designated as the Senior Independent Director of the Company and the point of contact for shareholders to convey their concerns. In addition, the Senior Independent Director acts as a sounding board for the Chairman as well as an intermediary for other directors when necessary.</p>
<p><b>Explanation for departure</b></p>	<p>: N/A</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>: N/A</p>
<p><b>Timeframe</b></p>	<p>: N/A</p>



### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has a Code of Conduct and Ethics ("Code") which applies to all employees and Directors of the Group and its subsidiaries. The Code, together with other related policies, procedures and guidelines which are disseminated to employees at the Company's intranet portal, sets out the principles to guide standards of behavior and business conduct when employees and directors deal with third party and these are integrated into company-wide management practices.</p> <p>The Code covers the following matters:-</p> <ul style="list-style-type: none"> <li>• Responsibility and Compliance with the Code</li> <li>• Equal Opportunity and Non-discrimination</li> <li>• Workplace Health and Safety</li> <li>• Harassment, Threat and Violence</li> <li>• Drugs, Alcohol and Prohibited Substances</li> <li>• Data Integrity and Data Protection</li> <li>• Protection and Use of Company Assets and Resources</li> <li>• Records and Reporting</li> <li>• Proprietary and Confidential Information</li> <li>• Conflict of Interest</li> <li>• Accepting &amp; Providing Gifts and other Benefits</li> <li>• Bribery and Corruption</li> <li>• Insider Trading</li> <li>• Money Laundering</li> <li>• Compliance with Laws</li> <li>• Whistleblower</li> </ul>

	:	<p>The Directors observe the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. The Code of Ethics provides guidance to the Directors of the Company in performing their duties as it aims to establish a standard of ethical behaviour based on trustworthiness and values as well as uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administration of a company.</p> <p>Both of the aforesaid Codes can be viewed from the Company's website at <a href="http://www.gentingplantations.com">www.gentingplantations.com</a>.</p>	
<b>Explanation for departure</b>	:	N/A	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	N/A

**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other impropere conduct must include a mechanism whereby employees and other stakeholders can report their concerns freely without fear of reprisal or intimidation.</p> <p>To this end, the Company has adopted a Whistleblower Policy which is disseminated to employees at the Company's intranet portal. The Whistleblower Policy can also be accessed at the Company's website <a href="http://www.gentingplantations.com">www.gentingplantations.com</a>.</p> <p>The Whistleblower Policy establishes the Whistleblower Committee which is tasked to receive, process and investigate any complaint received from a whistleblower and to take action, as appropriate, to address such complaint.</p> <p>The Whistleblower Policy also sets out detailed procedures on how to make a complaint, the procedures after a complaint is received, and provides general information about whistleblowing and whistleblower protection.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

**Practice 4.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has eight members, comprising one Executive Director, two Non-Independent Non-Executive Directors and five Independent Non-Executive Directors which fulfils the requirement of the Board comprising a majority of independent directors.</p> <p>The Independent Non-Executive Directors do not participate in the day-to-day management of the Company. They engage with senior management, external and internal auditors as and when required to address matters concerning the management and oversight of the Company's business and operations.</p>	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	N/A

### Intended Outcome

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

### Practice 4.2

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	N/A
<b>Explanation for departure</b>	:	<p>The Board noted that the tenure of an independent director should not exceed a cumulative term of nine years. The Board is of the view that the ability of long serving independent directors to remain independent and to discharge their duties with integrity and competency should not be measured solely by tenure of service or any pre-determined age. Their long service should not affect their independence as they are independent-minded and they continue to provide the necessary checks and balances in the best interest of the Company. The Independent Directors have each provided an undertaking to Bursa Securities since their appointment confirming and declaring that they are "independent directors" as defined under paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board agreed that ultimately the Independent Directors themselves are the best persons to determine whether they can continue to bring independent and objective judgement to Board deliberations.</p> <p>In relation to the criteria to assess independence of directors, the Board had adopted the same criteria used in the definition of "independent directors" prescribed by the MMLR.</p> <p>Accordingly, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R), Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) and Mr Quah Chek Tin who have been Independent Non-Executive Directors of the Company since 1 July 2005, 21 May 2007 and 8 October 2008 respectively, will continue to be Independent Directors of the Company, notwithstanding having served as independent directors on the Board for more than 9 years. All the three Directors are distinguished and well known figures in their field of expertise and being conversant with the Group's businesses, they bring valuable insights and contributions to the Board.</p> <p>For the financial year ended 31 December 2017, each of the Independent Non-Executive Directors had provided their annual confirmations of independence to the Board based on the Company's criteria of assessing independence in line with the definition of "independent directors" prescribed by the MMLR. The Board had assessed and concluded that the four Independent Non-Executive Directors of the Company, namely Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R), Lt. Gen. Dato' Abdul Ghani bin Abdullah (R), Mr Quah Chek Tin and Mr Ching Yew Chye continue to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them is independent of the Company's management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company.</p>

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

<b>Measure</b>	: Each Independent Director has undertaken to notify the Board of any changes in their circumstances or of any new interest or relationship that would affect their independence as an independent director of the Company. The Board will promptly consider that new information in reassessing the Director's independence in the interests of the Company and its shareholders as a whole.
	In addition to the annual confirmation mentioned above from the Independent Non-Executive Directors, all the Directors are required to confirm on an annual basis if they have any family relationship with any other Director and/or major shareholders of the Company, if there are any conflict of interests with the Company and if they have been convicted of any offence within the past five years other than traffic offences, and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. These information, together with the annual evaluation and assessment of each Director during the financial year, form the basis and justification for recommending whether the retiring Director should be nominated for re-election at the Annual General Meeting.
	The Independent Non-Executive Directors serving more than nine years are persons with high caliber and their vast knowledge and experience contributes positively to the growth of the Group.
	If the Board, including Independent Non-Executive Directors serving more than 9 years, is able to continuously give their best efforts by using their expertise and skills to contribute positively towards the stewardship of the Company to attain greater heights, they should remain as Independent Non Executive Directors of the Company as the intended outcome is achieved as they are able to make objective decision, in the best interest of the Group taking into account diverse perspectives and insights.
<b>Timeframe</b>	: On going

#### Intended Outcome

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

#### Practice 4.3 - Step Up

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

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

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. This includes the selection of Board members and senior management.</p> <p>In addition, the Group believes it is of utmost importance that the Board and senior management is composed of the best-qualified individuals who possess the requisite knowledge, experience, independence, foresight and good judgement to ensure that the Board functions effectively and is able to discharge its duties in the best interests of the Company and shareholders.</p> <p>Towards its support for the Malaysian Code on Corporate Governance on gender diversity for Board and senior management, the Company has taken the necessary action to appoint a female director to its Board as explained in Practice 4.5. In advancing the gender diversity agenda, when there is a need to appoint a new director or a casual vacancy arises or fill a management position, consideration is given to identify suitably qualified women candidates for the position.</p>
<b>Explanation for departure</b>	:	N/A

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

<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

**Practice 4.5**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	N/A
<b>Explanation for departure</b>	:	<p>As explained in Practice 4.4 above, for the selection of Board members, the Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation.</p> <p>The Board is mindful of the target of at least 30% women directors and has taken the initial step of appointing a female director to the Board on 26 February 2018 where Tan Sri Dato' Sri Zaleha binti Zahari was appointed.</p> <p>Currently, there are 7 male Directors and 1 female Director. The racial composition of the Board is 38% Malay and 62% Chinese.. 13% of the Directors are between the ages of 30 and 55 and the remaining 87% are above 55 years old.</p>

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

<b>Measure</b>	:	For any vacant Board position in the future, the Board when sourcing for suitable candidates, consideration is given to identify suitably qualified women candidates in line with the recommendation of the Malaysian Code on Corporate Governance.
<b>Timeframe</b>	:	As and when required



**Intended Outcome**

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

**Practice 4.6**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	N/A
<b>Explanation for departure</b>	:	<p>As part of the Board's succession planning, the Nomination Committee has put in place a board nomination and election process whereby it undertakes an annual review to assess and considered the needs, amongst others, the size and competency of the Board, mix of skills and expertise, diversity and the balance between executive, non-executive and independent directors. Amongst others, the Nomination Committee has placed priority in appointing a female director.</p> <p>The Board together with the senior management continuously search for appropriate candidates to fulfil such position from various sources, including independent sources if relevant.</p> <p>The Nomination Committee would assess their suitability based on a prescribed set of criteria as set out in the Terms of Reference of the Nomination Committee and other additional criteria as identified by the Nomination Committee from time to time. Potential candidates are required to declare and confirm in writing, amongst others, his/her current directorships, that he/she is not an undischarged bankrupt, or is involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or is subject to any investigation by any regulatory authorities under any legislation. Further, candidates being considered for the position of independent directors are required to declare and confirm their independence based on the criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>Management would assist new Directors to familiarise themselves with the Group's structure and businesses by providing the Directors with relevant information about the Group. New Directors are also encouraged to undertake site visits and to meet with key senior executives.</p> <p>The Board and senior management of the Company would have a better understanding of the board candidatures, taking into account factors, amongst others, qualification, skills, experience and personal attributes of the new directors for the industry in which it operates in.</p> <p>The Nomination Committee of the Company has recommended a male candidate and female candidate for appointment to the Board which fits the criteria requirements that the Board is looking for.</p> <p>The Board and Nomination Committee did not utilise independent sources to identify suitably qualified candidates as the management understand the specialised industry it operates in. Through its own network and bearing in mind the industry in which the Company operates in, the management would be in the best position to look for potential candidates with background which fits the criteria requirements.</p>

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

<b>Measure</b>	:	In line with the recommendation of the Malaysian Code on Corporate Governance, apart from referrals from Directors, major shareholders and management, the Board is open to utilising independent sources to identify suitably qualified candidates where necessary.
<b>Timeframe</b>	:	As and when required

#### **Intended Outcome**

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

#### **Practice 4.7**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee has been established since 2002 to serve as a committee of the Board.</p> <p>The Nomination Committee consists of three Independent Non-Executive Directors as follows:-</p> <p>Mr Quah Chek Tin Chairman/Independent Non-Executive Director</p> <p>Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R) Member/Independent Non-Executive Director</p> <p>Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) Member/Independent Non-Executive Director</p> <p>The Chairman of the Nomination Committee, Mr Quah Chek Tin (chektin.quah@genting.com) has been designated as the Senior Independent Non-Executive Director identified by the Board pursuant to Practice 4.7 of the Malaysian Code on Corporate Governance. The role of the senior independent director is set out in Practice 2.1 above.</p> <p>The Nomination Committee carried out its duties in accordance with its Terms of Reference which can be obtained from the Company's website at <a href="http://www.gentingplantations.com">www.gentingplantations.com</a>. The Nomination Committee met two times during the financial year ended 31 December 2017 where all the members attended.</p> <p>The main activities carried out by the Nomination Committee during the financial year ended 31 December 2017 are set out below:</p> <p>(a) considered and reviewed the Board's succession plans, the present size, structure and composition of the Board and Board Committees as well as the required mix of skills, experience and competency required;</p>

	<p>(b) considered and reviewed the Senior Management's succession plans;</p> <p>(c) considered and reviewed the trainings attended by the Directors, discussed the training programmes required to aid the Directors in the discharge of their duties as directors and to keep abreast with industry developments and trends;</p> <p>(d) reviewed and recommended to the Board, the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference;</p> <p>(e) assessed and recommended to the Board, the effectiveness of the Board, Board Committees and individual Directors, including the Chief Executive; and</p> <p>(f) considered and recommended to the Board, the appointment of Mr Yong Chee Kong as a Non-Independent Non-Executive Director of the Company based on a set of prescribed criteria, including but not limited to skills, knowledge, expertise and experience, professionalism and integrity.</p> <p>In February 2018, the Nomination Committee considered and recommended to the Board, the appointment of Tan Sri Dato' Sri Zaleha bin Zahari as an Independent Non-Executive Director of the Company based on a set of prescribed criteria, including but not limited to skills, knowledge, expertise and experience, professionalism and integrity. In addition, evaluation of her ability to discharge responsibilities/ functions as expected from independent non-executive director.</p>	
<b>Explanation for departure</b>	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

**Practice 5.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The process of assessing the Directors is an on-going responsibility of the Nomination Committee and the entire Board. The Board has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the contribution and performance of each individual Director (including the Independent Non-Executive Directors) and the Chief Executive.</p> <p>The criteria used, amongst others, for the annual assessment of individual Directors/ Chief Executive include an assessment of their roles, duties, responsibilities, competency, expertise and contribution whereas for the Board and Board Committees, the criteria used include composition, structure, accountability, responsibilities, adequacy of information and processes.</p> <p>In line with Practice 5.1, the questionnaire on the annual assessment of individual directors has been revised to include an evaluation of their:-</p> <ul style="list-style-type: none"> <li>• will and ability to critically challenge and ask the right questions;</li> <li>• character and integrity in dealing with potential conflict of interest situations;</li> <li>• commitment to serve the Company, due diligence and integrity; and</li> <li>• confidence to stand up for a point of view.</li> </ul> <p>In respect of the assessment for the financial year ended 31 December 2017 which was internally facilitated, the Nomination Committee and the Board were satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director, including the Chief Executive are satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills was adequate. The Board is mindful of the gender diversity relating to women directors and has taken the initial step as explained in Practice 4.5 above.</p> <p>The Board took cognisance of Practice 5.1 and at the appropriate time, periodically engages independent experts to facilitate the annual assessment.</p>
<b>Explanation for departure</b>	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### Intended Outcome

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

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

### Practice 6.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has established a formal remuneration policy for the Executive Directors and senior management to align with business strategy and long term objectives of the Company and its subsidiaries.</p> <p>The policies and procedures are periodically reviewed and made available on the company's website at <a href="http://www.gentingplantations.com">www.gentingplantations.com</a></p> <p>The basis and factors taken into account in determining the remuneration of the Executive Directors and senior management include but not limited to the following:-</p> <ul style="list-style-type: none"> <li>• financial performance of the Company and its unlisted subsidiaries;</li> <li>• general economic situation;</li> <li>• prevailing market practice; and</li> <li>• individual performance of the Executive Directors and senior management and such other factors as may be determined by the Board from time to time.</li> </ul> <p>In making recommendations by the Remuneration Committee to the Board for the Executive Directors and approval by the Board for the employees including senior management, the financial performance of the Company and its subsidiaries tracked against the annual plan, information provided by independent consultants and appropriate survey data are taken into consideration.</p> <p>The Board, as a whole, determines the level of fees of Non-Executive Directors and Executive Directors. Directors' fees and other benefits in kind paid to the Directors for carrying their duties as Directors of the Company are approved at the Annual General Meeting by the shareholders of the Company.</p> <p>Directors do not participate in decisions regarding their own remuneration packages.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

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

**Practice 6.2**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee has been established since 2002 to serve as a Committee of the Board.</p> <p>The present members of the Remuneration Committee comprise two independent non-executive directors as follows:-</p> <p>Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R) Chairman/Independent Non-Executive Director</p> <p>Mr Quah Chek Tin Member/ Independent Non-Executive Director</p> <p>The Remuneration Committee carried out its duties in accordance with its Terms of Reference which can be obtained from the Company's website at <a href="http://www.gentingplantations.com">www.gentingplantations.com</a>.</p> <p>The Remuneration Committee is responsible for making recommendations to the Board on the remuneration packages of Executive Directors and members of the Board Committees whilst the Board is responsible for making recommendations for the employees including senior management.</p> <p>The Remuneration Committee met two times during the financial year ended 31 December 2017 where all the members attended.</p>
<b>Explanation for departure</b>	:	N/A

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

<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

**Practice 7.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' remuneration received in 2017 on a named basis are set out in the Appendix A of this Corporate Governance Report.
<b>Explanation for departure</b>	:	N/A

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

<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

**Practice 7.2**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	N/A
<b>Explanation for departure</b>	:	The Board is of the view that to enable the stakeholders to assess whether the remuneration of senior management commensurate with their individual performance, taking into consideration the company's performance, the application prescribed by Practice 7.2 to disclose on a named basis of the top five senior management's remuneration on bands of RM50,000, as prescribed, is not the only approach. The Company has proposed to provide the information from a different perspective which could also achieve the same intended outcome.

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

<b>Measure</b>	:	The top five senior management (excluding executive directors) of the Group are Mr Tan Kong Han, Mr Tan Wee Kok, Mr Lee Ser Wor, Mr Tan Cheng Huat and Mr Choo Huan Boon (their designations as disclosed in the Annual Report 2017). The aggregate remuneration of these executives received in 2017 was RM6.32 million, representing 1.87% of the total remuneration of the Group.  The remuneration of the aforesaid top five senior management is a combination of an annual salary, bonus, benefits in-kind and other emoluments which are determined in a similar manner as other management employees of the Group. This is based on their individual performance, the overall performance of the Group, inflation and benchmarked against other companies operating in similar industries in the region. The basis of determination has been applied consistently from previous years.
<b>Timeframe</b>	:	Not required as the alternative information provided should meet the intended objective.

**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

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



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit and Risk Management Committee is Mr Quah Chek Tin, an Independent Non-Executive Director of the Company.	
<b>Explanation for departure</b>	:	N/A	

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

<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	N/A

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	In line with the recommendation of the Malaysian Code on Corporate Governance, the Terms of Reference of the Audit Committee has been revised to include a cooling-off period of at least two years before a former key audit partner could be appointed as a member of the Audit and Risk Management Committee to safeguard the independence of the audit of the financial statements.	
<b>Explanation for departure</b>	:	N/A	

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

<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	N/A

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit &amp; Risk Management Committee is responsible for reviewing the audit and non-audit services provided by the external auditors. Non-audit services comprise mainly regulatory reviews and reporting, review of quarterly financial results, tax advisory and compliance services. The Audit and Risk Management Committee ensures that the independence and objectivity of the external auditors are not compromised in accordance with the assessment criteria set out in the "Group Policy on External Auditors' Independence". The terms of engagement for services provided by the external auditors are reviewed by management and approved in accordance with management's authority limits. The purpose of and rationale for such services are tabled to the Audit and Risk Management Committee in the quarter in which the approval is given.</p> <p>The external auditors are also required to provide confirmation to the Audit and Risk Management Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The policies governing the circumstances under which contracts for the provision of non-audit services could be entered into and procedures that must be followed by the external auditors have been approved by the Board.</p> <p>The Audit and Risk Management Committee is satisfied with the suitability and independence of the external auditors based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed for the financial year ended 31 December 2017 and has recommended their re-appointment for the financial year ending 31 December 2018.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Audit and Risk Management Committee of the Company consists of four members, who are all Independent Non-Executive Directors.

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.5**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the Audit and Risk Management Committee of the Company comprised at least one member with the requisite accounting qualification based on the requirement of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Members of the Audit and Risk Management Committee are financial literate they continuously keep themselves abreast with the latest development in the new accounting and auditing standards and the impact it may have on the Group through briefings by the management and the external auditors. During the financial year ended 31 December 2017, the Directors received regular briefings and updates on the Group's businesses, operations, risk management, internal controls, corporate governance, finance and any new or changes to the relevant legislation, rules and regulations.</p> <p>The Company maintains a policy for Directors to receive training at the Company's expense, in areas relevant to them in the discharge of their duties as Directors or Board Committee members, including Mandatory Accreditation Programme for new Directors.</p> <p>The courses and training programmes attended by the Directors in 2017 are attached as Appendix B.</p> <p>The Board aims to ensure that the quarterly reports, annual financial statements as well as the annual review of operations in the annual report are presented in a manner which provides a balanced and comprehensive assessment of the Group's performance and prospects.</p>

	<p>: The Audit and Risk Management Committee, amongst others, has been delegated with the responsibility to review the quarterly reports of the Group, focusing particularly on:</p> <ul style="list-style-type: none"> <li>(a) changes in or implementation of major accounting policies;</li> <li>(b) significant matters highlighted by management or the external auditors including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and</li> <li>(c) compliance with accounting standards and other legal or regulatory requirements.</li> </ul> <p>The Directors are also required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the Financial Reporting Standards, the Malaysian Accounting Standards Board Approved Accounting Standards in Malaysia for Entities Other Than Private Entities which give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and financial performance of the Group and of the Company for the financial year.</p> <p>A statement by the Board of its responsibilities for preparing the financial statements is set out in the audited Financial Statements for the financial year ended 31 December 2017 of the Company.</p> <p>The Company through the Audit and Risk Management Committee, has an appropriate and transparent relationship with the external auditors. In the course of audit of the Group's financial statements, the external auditors would highlight to the Audit and Risk Management Committee and the Board, matters that require the Board's attention. Audit and Risk Management Committee meetings are attended by the external auditors for purposes of presenting their audit plan and report and for presenting their comments on the audited financial statements. At least twice a year, these meetings are held without the presence of the management of the Company to ensure that the external auditors can freely discuss and express their opinions on any matter to the Audit and Risk Management Committee, and the Audit and Risk Management Committee can be sufficiently assured that management has fully provided all relevant information and responded to all queries from the external auditors. In addition, the external auditors are invited to attend the Annual General Meeting of the Company and are required to be available to answer shareholders' questions on the conduct of the statutory audit and contents of their audit report.</p>
<b>Explanation for departure</b>	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: N/A
<b>Timeframe</b>	: N/A

**Intended Outcome**

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

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

**Practice 9.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity.</p> <p>The Board affirms its overall responsibility for establishing an effective risk management and internal control framework which is in place and has been enhanced over the years.</p> <p>The Board exercises its oversight of risk management and internal control through the Audit and Risk Management Committee which meets on a quarterly basis. The Audit and Risk Management Committee is supported by an adequately resourced internal audit department.</p> <p>Management is accountable to the Board for the risk management and internal control system and for the implementation of processes to identify, evaluate, monitor and report risks and controls. The Risk and Business Continuity Management Committee, which comprises senior management of the Company and is chaired by the Chief Financial Officer of the Company meets on a quarterly basis to ensure the continual effectiveness, adequacy and integrity of the risk management system. Key business risks and risks exceeding tolerance levels would be escalated to the Audit and Risk Management Committee and if necessary, to the Board for deliberation.</p> <p>Key policies and frameworks, such as the Risk Management Framework, are reviewed by the Audit and Risk Management Committee before they are approved by the Board for application.</p> <p>For detailed information, please refer to the Statement on Risk Management and Internal Control in the Annual Report of the Company.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

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

**Practice 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal control and risk management framework of the Company are designed to manage rather than eliminate risks, and to provide reasonable but not absolute assurance against any material misstatement or loss.</p> <p>Features of the internal control and risk management framework of Genting Plantations Berhad are set out in the Statement on Risk Management and Internal Control.</p> <p>Amongst others, these include:</p> <ul style="list-style-type: none"> <li>• Delegation of authority including authorisation limits at various levels of Management and those requiring the Board's approval are documented and designed to ensure accountability and responsibility.</li> <li>• Internal procedures and policies are documented in manuals, which are reviewed and revised periodically to meet changing business and operational requirements as well as statutory reporting needs.</li> <li>• Performance and cash flow reports are provided to Management and the Genting Plantations Executive Committee to facilitate review and monitoring of financial performance and cash flow position.</li> <li>• Business/operating units present their annual budgets, which include financial and operating targets, capital expenditure proposals and performance indicators for approval by the Executive Committee and the Board.</li> <li>• Risks are identified by each key business function or activity and the probability and impact of their occurrence are assessed. The level of residual risks is determined after identifying and evaluating the effectiveness of existing controls and mitigating measures. Where necessary, additional mitigating measures will be proposed to mitigate unacceptable risk exposures.</li> <li>• The risk profiles are re-examined on a six monthly basis and Business/Operations Heads provide a confirmation that the review was carried out and that action plans are being monitored.</li> <li>• On a quarterly basis, the Risk and Business Continuity Management Committee meet to review the status of risk reviews, the significant risks identified and the progress of implementation of action plans.</li> </ul> <p>The Risk Management Department facilitates the implementation of the risk management framework and processes with the respective business or operating units and reviews that risks that may impede the achievement of objectives are adequately identified, evaluated, managed and controlled.</p> <p>For detailed information, please refer to the Statement on Risk Management and Internal Control in the Annual Report of the Company.</p>

<b>Explanation for departure</b>	:	N/A

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

<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

#### **Intended Outcome**

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

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

#### **Practice 9.3 - Step Up**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Audit Committee of the Company which has been assisting the Board in carrying out, among others, the responsibility of overseeing the Company and its unlisted subsidiaries' risk management framework and policies, has been renamed as "Audit and Risk Management Committee" with effect from 29 December 2017.

**Intended Outcome**

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

**Practice 10.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets, the Group has in place, an adequately resourced internal audit department.</p> <p>The head of internal audit reports functionally to the Audit &amp; Risk Management Committee and administratively to the senior management of the Company. He and other internal audit personnel are independent from the operational activities of the Company.</p> <p>The Internal Audit has an Audit Charter approved by the Audit &amp; Risk Management Committee which define the mission &amp; objectives, roles &amp; responsibilities, independence, authority, audit standards &amp; code of ethics, audit scope &amp; methodology and audit reporting.</p> <p>The head of internal audit has 24 years of internal audit experiences and he is assisted by internal audit personnel comprising degree holders and professionals from related disciplines with an average of 9 years of working experience per personnel.</p> <p>During the financial year, the scope of works and the related budget as included in the audit plan were reviewed and approved by the Audit &amp; Risk Management Committee. The internal audit scope covered major operating areas of the Company and its subsidiaries which included financial, accounting, information systems, operational and support &amp; administrative activities.</p> <p>During the financial year, at each quarter, the Audit &amp; Risk Management Committee reviewed the works conducted by internal audit, which included the status of audits completed compared to approved audit plan, key findings arising from audits and status of audit issue rectification.</p> <p>During the financial year, there was no undue limitation experienced by the internal auditors on the authority to access to records, assets and personnel of the Company in the performance of audits.</p> <p>For the financial year, there was no new appointment of head of internal audit and the Company has no history of removal of head of internal audit. The appointment of the head of internal audit in year 2008 was conducted by senior management in consultation with the Audit &amp; Risk Management Committee members.</p> <p>For the financial year, internal audit had appropriate provision for training &amp; development in its budget and the internal auditors had attended numerous external training courses or seminars as well as internal training and sharing sessions, which covered technical skills, industry based know-how and soft skills to continually improve their competency in accomplishing their tasks efficiently and effectively.</p>



<b>Explanation for departure</b>	:	N/A

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

<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

### Intended Outcome

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

### Practice 10.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The head of internal audit and other internal audit personnel are independent from the operational activities of the Company and they do not hold management authority and responsibility over the operations that internal audit covers in its scope of works.</p> <p>For year 2017, the average number of internal audit personnel was 21, who undertook the internal auditing of the operation of Genting Plantations Berhad and its subsidiaries. These internal audit personnel comprise degree holders and professionals from related disciplines with an average of 9 years of working experience per personnel.</p> <p>Mr. Koh Chung Shen is the head of internal audit. He joined the Company in November 2000 as Manager of Internal Audit and subsequently took over as Head of Internal Audit in November 2008. Mr. Koh started his career as an internal auditor in one of the financial institutions since then. Mr. Koh has in total 24 years of internal audit experiences.</p> <p>The internal audit carries out its work according to the standards set by professional bodies, primarily consistent with the Standard for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and where applicable, reference is made to the standards and statements issued by the international accounting and auditing organisations.</p>

<b>Explanation for departure</b>	:	N/A

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

<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

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

**Practice 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Company holds separate quarterly briefings for fund managers, institutional investors and investment analysts after each quarter's financial results announcement.</p> <p>The Group maintains a corporate website at <a href="http://www.gentingplantations.com">www.gentingplantations.com</a> which provides information relating to annual reports, press releases, quarterly results, announcements and investor presentations. The Board Charter, Constitution of the Company, Terms of References of Audit and Risk Management Committee, Remuneration Committee, Nomination Committee and Sustainability Report as well as other relevant and related documents or reports relating to Corporate Governance are made available on the aforesaid website.</p> <p>The Group also participates in investor forums held locally and abroad and periodically organizes briefings and meetings with analysts and fund managers to give them a better understanding of the businesses of the Group.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

**Intended Outcome**

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

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

**Practice 11.2**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	N/A
<b>Explanation for departure</b>	:	The Company would review the need to adopt the integrated reporting based on a globally recognised framework at the appropriate time.

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

<b>Measure</b>	:	The Company will start preparing for the adoption of the integrated reporting based on a globally recognised framework.	
<b>Timeframe</b>	:	3 to 5 years	

**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company serves the Notice of Annual General Meeting to the shareholders of the Company at least 28 days prior to the meeting for financial year 2017.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	N/A

**Intended Outcome**

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

**Practice 12.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Annual General Meeting remains the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group.</p> <p>The Board has identified Mr Quah Chek Tin (email address: chektin.quah@genting.com) to whom concerns may be conveyed.</p> <p>The date of the Annual General Meeting of the Company is scheduled at the beginning of the calendar year to ensure that all the Directors are present to provide meaningful response to questions addressed to them. All the Directors attended the Annual General Meeting held on 30 May 2017.</p>	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	N/A

**Intended Outcome**

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

**Practice 12.3**

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	N/A
<b>Explanation for departure</b>	:	<p>General Meetings are currently convened in a specified venue and resolutions put forth are voted by the members present personally at the said venue of the meeting. Electronic voting is adopted to ensure accurate recording of votes and all resolutions will be put to vote by poll.</p> <p>This Practice 12.3 recommendation to leverage on technology is a new concept introduced and companies would need time to study the availability of such software and hardware as well as writing the programmes to facilitate such mode of voting.</p>

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

<b>Measure</b>	:	The current approach of voting at the specified venue is the norm currently practiced by the listed issuers. For those shareholders who are unable to participate at the general meetings could submit proxy forms to exercise their votes. The Company will adopt Practice 12.3 when the required infrastructure to facilitate such mode of voting has been put in place.	
<b>Timeframe</b>	:	2 to 3 years	N/A

## **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO 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.

N/A

Group/Company  
Details of Directors' Remuneration received in 2017

Amount in RM million	SALARIES & BONUS	DEFINED CONTRIBUTION PLAN	FEES	ESTIMATED MONETARY VALUE OF BENEFITS IN-KIND	RETIREMENT GRATUITY	TOTAL
<b><u>EXECUTIVE</u></b>						
TAN SRI LIM KOK THAY	0.541	0.103	0.085	-	-	0.729
<b><u>NON-EXECUTIVE</u></b>						
GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)	-	-	0.167	0.005	-	0.171
MR LIM KEONG HUI (Resigned as Chief Information Officer on 5 May 2017)	0.287	0.043	0.085	-	-	0.415
MOHD DIN BIN JUSOH (Retired on 30 May 2017)	-	-	0.111	0.044	0.519	0.673
LT. GEN DATO' ABDUL GHANI BIN ABDULLAH (R)	-	-	0.109	0.006	-	0.114
MR QUAH CHEK TIN	-	-	0.115	-	-	0.115
MR CHING YEW CHYE	-	-	0.106	0.005	-	0.111

## Appendix B

**THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2017**

COURSES	NAME OF DIRECTORS	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Lim Keong Hui	Mr Quah Chek Tin	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye @ Chng Yew Chye
Bursa Malaysia's Sustainability Forum 2017: "The Velocity of Global Change & Sustainability - The New Business Model" by Bursa Malaysia Securities Berhad.					•		
AIA: Management Briefing on Cybersecurity.							•
The Listed Company Directors (LCD) Programme - LCD1: Understanding the Regulatory Environment by The Singapore Institute of Directors.							•
HK Research - Focus Group 4.				•			
Corporate Governance, Directors' Duties and Regulatory Updates Seminar 2017 by Aram Global Sdn Bhd.					•		
Breakfast Talk on CG Watch 2016 entitled "Ecosystems Matter" by Malaysian Directors Academy and The Iclif Leadership and Governance Centre.		•					•
The Listed Company Directors (LCD) Programme - LCD3: Risk Management Essentials by The Singapore Institute of Directors.							•
"Geeks On An Island" by RW Tech Labs.				•			
Directors' Guide to Crisis Management and Leadership during crisis by Institute of Enterprise Risk Practitioners					•	•	
The New Companies Act 2016 "Raising the Bar For Directors" by Aram Global Sdn Bhd and Affin Holdings Berhad.		•					
A New Era of Auditor Reporting: "Insights for Investors" by the Malaysian Institute of Accountants (MIA) in collaboration with the Minority Shareholder Watchdog Group (MSWG) and supported by Bursa Malaysia Securities Berhad.					•		
Ted 2017: The Future You by TED Conferences, LLC, New York.				•			
The Audit Committee Institute Breakfast Roundtable 2017 by The Audit Committee Institute in Malaysia.					•		
1st Distinguished Board Leadership Series 2017: "Efficient Inefficiency: Making Boards Effective in a Changing World" by Professor Jeffrey L. Sampler.							•
Cyber Fraud for Board by Asian World Summit Sdn Bhd.					•		
Wild Digital Southeast Asia, Malaysia.				•			

**THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2017 (cont'd)**

COURSES	NAME OF DIRECTORS						
	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Lim Keong Hui	Mr Quah Chek Tin	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye @ Chng Yew Chye	
Latest Updates on Directors' Remuneration in Compliance with the Companies Act and the Upcoming Amendment to the Listing Requirements 2017 by Aram Global Sdn Bhd and Affin Holdings Berhad.	•						
Forbes Asia Forum: The Next Typhoon "A Generation Emerges" by Forbes Asia.			•				
36th Management Conference (Plantation Division) of Genting Plantations Berhad ("GENP") Theme: "Building Value Through Integration and Innovation" - Malaysia: Proven Mechanization For Labour Reduction by Encik Abdul Rahim Wilson Abdullah. - Indonesia: Successful Flood Mitigation & Water Management at PT. GAL by Encik Sazale Bin Saar - Oleochemicals/Bio Refinery - Overview on Processes and Market Trends by Ir Qua Kiat Seng, Advisor AOMG. - Palm Oil Long / Short Term Outlook & How GENP Stack Up by Ms Tan Ting Min, Head of Research, Credit Suisse. - My Story, My Brand - Founder of Sirivat Sandwich - Overcoming Crisis & Business Adversity by Mr Sirivat Voravetvuthikun.	•		•	•	•	•	•
Risk Management on Corporate Governance by Affin Bank Berhad.	•						
29th Annual Senior Managers' Conference 2017 of Genting Malaysia Berhad - Theme: Strategic Transformation lead by Professor George Yip. - Introduction: What is strategy? - Business strategies (Group Discussion and Presentation). - Strategic execution plan (Group Discussion). - Strategic transformation needs (Group Discussion and Presentation). - Strategic transformation plans (Group Discussion and Presentation).	•	•	•	•			
International Forum on Asia Pacific Retailers Convention & Exhibition 2017 (APRCE)	•						
1/2 day Talk on Code of Corporate Governance 2016 & The Companies Act 2016	•						
Establishing an empowered Audit Committee by Institute of Enterprise Risk Practitioners					•		
Briefing on the Malaysian Code on Corporate Governance 2017 by PricewaterhouseCoopers.				•			



## Appendix B

**THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2017 (cont'd)**

COURSES	NAME OF DIRECTORS	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Lim Keong Hui	Mr Quah Chek Tin	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye @ Chng Yew Chye
Forbes Global CEO Conference: The Next Century (Hong Kong) by Forbes Asia.				•			
Advocacy session on corporate disclosure for directors and principal officers of listed issuers by Bursa Malaysia Berhad.					•		
"Focus Group Session on the Proposed Revision of the Corporate Governance Guide" by Bursa Malaysia Berhad.					•		
Information Session Tsinghua University PBCSF 'Belt & Road' Finance EMBA Program by Tsinghua University PBC School of Finance.				•			
Independent Directors Programme: "The Essence of Independence" by Bursa Malaysia Berhad					•		
Briefing on the Companies Act 2016 by Bintulu Port Holdings Berhad.		•					
Tax Seminar - The 2018 Budget organised by Genting Group.					•		•
Cyber security risk implications and the implications of MFRS 9 on the business strategy – by PricewaterhouseCoopers.		•					
30% Club Business Leaders Roundtable Meeting by Securities Commission Malaysia.					•		
Risk Governance Framework for Islamic Banks by Affin Bank Berhad.		•					