

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0118  
**COMPANY NAME** : TRIVE PROPERTY GROUP BERHAD  
**FINANCIAL YEAR** : 31 JULY 2018

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	: Applied								
<b>Explanation on application of the practice</b>	<p>The Board of Directors ("Board") of Trive Property Group Berhad ("TRIVE" or "the Company") is responsible for the overall corporate governance and strategic direction of the Group.</p> <p>The Board is guided by the Board Charter in discharging its duties and responsibilities.</p> <p>The Board had established a Governance Model where certain areas of responsibilities are delegated for greater efficiency. The Governance Model is divided into 2 specific functions of the independent directors and executive directors to ensure responsibilities and duties are discharged orderly.</p> <div style="text-align: center;"> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="background-color: #d9ead3; padding: 5px;">BOARD OF DIRECTORS</td> </tr> <tr> <td colspan="2" style="background-color: #f4cccc; padding: 5px;">CHAIRMAN</td> </tr> <tr> <td style="background-color: #d9ead3; padding: 5px; width: 50%;">INDEPENDENT DIRECTORS</td> <td style="background-color: #d9ead3; padding: 5px; width: 50%;">EXECUTIVE DIRECTORS</td> </tr> <tr> <td style="padding: 5px;"> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Nominating Committee</li> <li>- Remuneration Committee</li> </ul> </td> <td style="padding: 5px;"> <ul style="list-style-type: none"> <li>- Executive Management</li> </ul> </td> </tr> </table> </div> <p>The Board Committees namely, the Audit Committee, Nominating Committee and Remuneration Committee comprised members who are wholly independent directors. The independent directors are responsible for providing independent views, advice and judgement to the Board's decision making process which takes into account the interests of the Company as well as the stakeholders of the Company.</p> <p>Each Board Committee has the authority to perform their respective duties according to their terms of reference and makes recommendations to the Board.</p>	BOARD OF DIRECTORS		CHAIRMAN		INDEPENDENT DIRECTORS	EXECUTIVE DIRECTORS	<ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Nominating Committee</li> <li>- Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Executive Management</li> </ul>
BOARD OF DIRECTORS									
CHAIRMAN									
INDEPENDENT DIRECTORS	EXECUTIVE DIRECTORS								
<ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Nominating Committee</li> <li>- Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Executive Management</li> </ul>								

	<p>The terms of reference of the Audit Committee, Nominating Committee and Remuneration Committee are available on the Company's website (<a href="http://www.trivegroup.com.my">www.trivegroup.com.my</a>)</p> <p>On the other hand, the executive director is responsible for the overall management of the operation. The executive director will report to the Board on significant matters relating to the Group on a quarterly basis.</p> <p>The Board meetings had been scheduled on a quarterly basis. However, additional meetings are convened as and when circumstances required. A total of 9 Board meetings were held during the financial period ended 31 July 2018 (FPE 2018).</p> <p>The Board, in discharging its duties had adopted a formal schedule of matters specifically reserved to the Board for decision making which include but not limited to the following:</p> <ul style="list-style-type: none"> <li>i) Approval of business plan</li> <li>ii) Acquisition and disposal of material assets</li> <li>iii) Declaration and payment of dividends</li> <li>iv) Approval of financial statements</li> <li>v) Appointment of directors and key senior management</li> <li>vi) Approval of the directors' and key senior management's remunerations</li> <li>vii) Related party transactions</li> </ul>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

## Intended Outcome

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>Dato' Haji Sohaimi Bin Shahadan was appointed as an Independent Director/Chairman of the Board on 09 February 2018. The Chairman of the Board performs his duties as a non-executive director.</p> <p>The responsibilities of the Chairman, amongst others are as follows:</p> <ul style="list-style-type: none"><li>i) Provides leadership, promotes the culture of openness and instilling good corporate governance of the Board.</li><li>ii) Manages the interface between the Board and the management and facilitates the effective communications and contributions of the directors.</li><li>iii) Ensures orderly conduct and proceedings of meetings.</li><li>iv) Ensures effective communications with the shareholders and stakeholders of the Company.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board acknowledges that there should be a clear division of responsibilities between leadership of the Board and the executive responsible for managing the Group's business.  For the FPE 2018, TRIVE does not have a Managing Director/CEO.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 1.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretaries of TRIVE are members of professional bodies and qualified to act as company secretaries.</p> <p>The brief profile of the Company Secretaries are as follows:</p> <p>Lee Peng Loon, is an associate member of the Malaysian Association of Company Secretaries (MACS). He started his career with the Malaysian Inland Revenue Board (IRB) as a senior officer for several years before joining one of the "Big Four" international accounting firms in its taxation division. He was later transferred to head its secretarial division as the Executive Director, a position he had served for 10 years. With more than 35 years of immense tax, accounting and secretarial experiences, he had assisted and supported countless of companies of diverse industries to ensure achievements of the regulatory compliance.</p> <p>He is the founding member of Corporatenet Sdn Bhd, an established corporate secretarial service provider firm. He is also the named secretary for a number of public listed companies, public companies and private limited companies in Malaysia.</p> <p>P'ng Chiew Keem, Riko, is an associate member of the Malaysian Institute of Chartered Secretaries &amp; Administrators (MAICSA). She started her career with one of the "Big Four" international accounting firms in Malaysia. She had then further her studies in Business Management Education in the Asian Institute of Management (AIM), a pioneer business school in Asia, founded in 1968 by the Harvard Business School, academicians and prominent business leaders.</p> <p>She is the Executive Director of Corporatenet Sdn Bhd, an established corporate secretarial service provider firm. She is also the named secretary for a number of public listed companies, public companies and private limited companies in Malaysia.</p>

	<p>She has more than 20 years of experience in handling corporate secretarial and compliance matters to a large portfolio of clients from multinationals, public listed companies to non-profits organisations. She also has immense experiences in management consulting, indirect tax consulting, accounting and corporate advisory.</p> <p>The Company Secretaries are responsible for proper maintenance of secretarial records, preparation of resolutions and other secretarial functions of the Company. The Company Secretaries attend all Board, Board Committees and General meetings of the Company and records the minutes of the meetings.</p> <p>The Company Secretaries also regularly updated the Board on the changes of the Listing Requirements upon receiving the circulars from Bursa Securities, which are relevant to the Company and advise on corporate disclosures and compliances.</p> <p>During the FPE 2018, the Company Secretaries had attended various seminars and conferences to keep themselves abreast with the regulatory changes and other areas of sustainability, governance, finance and accounting.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the FPE 2018, the meeting papers detailing matters to be transacted at each meeting ("Board Papers") of the Board and Board Committees were prepared and circulated at least 7 days in advance of each meeting to enable sufficient time for the directors to peruse the agendas tabled and to consider the relevant information before the meeting.</p> <p>The Management is required to supply adequate information in the Board Papers pertaining to the agendas to be considered for deliberation and approval of the Board.</p> <p>The Management and Head of Departments may be invited to the Board meetings to provide insights into matters being discussed and/or to furnish clarification on issues that may be raised by the Board.</p> <p>The deliberations and decisions of the Board and Board Committees are properly documented in the minutes including matters where directors abstained from voting or deliberation. The minutes of proceedings had been circulated in a timely manner.</p> <p>All the directors have unrestricted access to the services of the Company Secretaries and may inspect the minutes, resolutions and other statutory documents of the Company during office hours.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had formalized a Board Charter which serves as a guide to the directors of their roles and responsibilities in discharging their duties. The principles of good corporate governance as set out in the Malaysian Code of Corporate Governance (“MCCG”) and the Main Market of Listing Requirements (“Main LR”) were taken into consideration during the process of drafting the Board Charter.</p> <p>The Board reviews the Board Charter annually to ensure its relevance. The last review of the Board Charter was on 15 November 2018.</p> <p>A copy of the Board Charter is available on the Company’s website (<a href="http://www.trivegroup.com.my">www.trivegroup.com.my</a>).</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

### Practice 3.1

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 Code of Business Conducts of the Company is prepared based on principles relating to integrity, sincerity and accountability in order to enhance the standards of corporate governance and behaviour.</p> <p>The Code of Business Conducts sets out the business practices, standards and ethical conducts expected from the directors, management and the employees in the course of their employment with the Group.</p> <p>The Board reviews the Code of Business Conducts annually to ensure its relevance. The last review of the Code of Business Conducts was on 15 November 2018.</p> <p>A copy of the Code of Business Conducts is available on the Company's website (<a href="http://www.trivegroup.com.my">www.trivegroup.com.my</a>).</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

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

### Practice 3.2

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 Whistle-Blowing Policy of the Company sets out a formal communication channel for the employees and stakeholders to communicate matters of concern in good faith and without fear of reprisal.</p> <p>The Board reviews the Whistle-Blowing Policy annually to ensure its relevance. The last review of the Whistle-Blowing Policy was on 15 November 2018.</p> <p>A copy of the Whistle-Blowing Policy is available on the Company's website (<a href="http://www.trivegroup.com.my">www.trivegroup.com.my</a>).</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.1**

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>	:	As at the FPE 2018, the Board comprised of 2 independent directors which represented 50% or half of the Board members are independent. The independent element is fundamental to good corporate governance to ensure the exercise of independent and objectivity in the decision making process of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.2**

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

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

<b>Application</b>	:	Not applicable	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3 - Step Up**

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

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

## Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nominating Committee is responsible to assess the suitability of new candidate before appointment as director of the Company. As part of the selection process for appointment of new director, the Nominating Committee shall review the composition of the Board as to the need of new appointment to enhance the Board's effectiveness with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>The assessment of new candidate is based on his education, relevant skills, experience, professionalism, integrity, sound judgement and independency. The Nominating Committee will assess and table its recommendation to the Board. The Board will then consider the recommendation of the Nominating Committee and makes the final decision as to the appointment of director. The Company Secretary then ensures the relevant procedures relating to the appointment of the new director are properly executed.</p> <p>The appointments of key senior management are also based on objective criteria and merit.</p> <p>An overview of the boardroom diversity in gender, ethnicity, age and board experience as at the FPE 2018 is set out in the Corporate Governance Overview Statement section of the Annual Report.</p>	
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5**

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>	:	Departed	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board embraces gender diversity as essential combination to strengthen the composition of the Board.	
		As at the FPE 2018, the Board comprised of one female director, which is equivalent to 25% female representation in the boardroom of TRIVE. The Board did not set any target on gender diversity neither nor adopt a gender diversity policy in the boardroom as the Board was of the view that equal opportunity should be given to candidates with merits.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 4.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nominating Committee identifies and searches for candidates through various contacts and recommendations from independent sources including proposal from board members and major shareholders.</p> <p>The selection process for appointment of new director is out in Practice 4.4.</p> <p>During the FPE 2018, Dato' Haji Sohaimi Bin Shahadan was appointed as an independent non-executive director of TRIVE.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 4.7

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nominating Committee of TRIVE is chaired by Dato' Haji Sohaimi Bin Shahadan, an independent non-executive director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to 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>During the FPE 2018, the Nominating Committee had carried out its duties to perform the annual assessment of the Board, Board Committees and each individual director.</p> <p>The assessment of the Board and Board Committees were carried out by way of questionnaires in regard to mix of skills, knowledge, competency, proceeding of meetings, experiences, timely reporting and so forth. Whilst the assessments of individual directors were carried out by way of self-assessment questionnaires sent to the director's concerned. The self-assessment questionnaires covered amongst others the character, integrity, contributions in meetings, quality of input, time commitment, understanding of role and so forth.</p> <p>The Nominating Committee deliberated and made its recommendations to the Board. The director's concern had abstained from deliberating on his own assessment.</p> <p>Based on the assessment, the Nominating Committee was satisfied with the performance of the Board, Board Committees and individual directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

### Practice 6.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee is responsible for reviewing and recommending the remuneration package of executive directors to the Board. The Remuneration Committee is objective, fair and transparent in its process to ensure a competitive remuneration are in place to motivate, reward and retain calibre directors to manage the business of the Group. None of the executive directors participate in determining their respective remuneration packages.</p> <p>The remuneration framework is reflective of the executive directors' level of responsibilities, experiences, length of services and individual performances. The Remuneration Committee will also consider the similar industry remuneration as a benchmark and the financial performance of the Group when making its recommendations to the Board.</p> <p>The Remuneration Committee is also responsible to review the remuneration to be paid to non-executive directors based on their level of responsibilities and commitment required. However, the Board as a whole determines the fees and benefits of non-executive directors, and the individual director concerned shall abstain from deliberation on his own remuneration. The directors' fees and benefits determined by the Board are subject to shareholders' approval at the annual general meeting.</p> <p>A copy of the Remuneration Policy is available on the Company's website (<a href="http://www.trivegroup.com.my">www.trivegroup.com.my</a>)</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

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>	:	The Board had established a Remuneration Committee with defined terms of reference and in particular, the duties relating to review and recommend to the Board the remuneration of the directors and senior management according to the Remuneration Policy.  As at the FPE 2018, all the members of the Remuneration Committee are independent directors.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The remunerations on named basis received by each director in the FPE 2018 are set out in the Corporate Governance Overview Statement section of the Annual Report.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 7.2

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

<b>Application</b>	:	Departed	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board did not disclose the remuneration received by the top five senior management in the FPE 2018 neither on a named basis nor in bands of RM50,000.	
		The Board is of the view that it would not be in the best interest of the Company to disclose the remuneration of senior management given the sensitive and confidential nature of employees' remuneration. Further, such disclosure will be disadvantage to the Group in particular, the competitive nature of our industry and the adverse effect of prevailing morale of our employees and their team work spirit.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### **Intended Outcome**

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

### **Practice 7.3 - Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b>	:	Departed	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	As at the FPE 2018, Dato’ Haji Sohaimi Bin Shahadan was the Chairman of the Board and the Chairman of the Audit Committee.	
		The Board had been actively sourcing for a new candidate to be appointed as independent director and a member/chairman of the Audit Committee of the Company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at the FPE 2018, none of the directors are former key audit partner of the Company.</p> <p>In line with Practice 8.2, the Board had amended the membership of the Company's Audit Committee which require a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Committee.</p> <p>A copy of the Terms of Reference of the Audit Committee is available on the Company's website (<a href="http://www.trivegroup.com.my">www.trivegroup.com.my</a>)</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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 Committee is responsible to appraise and assess the performance and independence of the external auditors by way of questionnaires which cover amongst others the quality of work, competency, manpower resources, size of the firm, industry knowledge, experience of the team assigned to the audit of the Group, objectivity of the external auditors and so forth.</p> <p>The Messrs. Jamal, Amin &amp; Partners, the current external auditors had confirmed to the Audit Committee that they are, and have been independent throughout the conduct of their audit engagement for the FPE 2018 in accordance with the terms of all relevant professional and regulatory requirements.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **Intended Outcome**

There is 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 Committee of the Company comprising solely independent 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>In the FPE 2018, the Nominating Committee had assessed the term of office and performance of the Audit Committee and its members in accordance with Paragraph 15.20 of the Main LR of Bursa Securities by way of a set of comprehensive questionnaires.</p> <p>The questionnaires covered amongst others the understanding of role and terms of reference, financial literacy, integrity, independency, time commitment and so forth.</p> <p>The Nominating Committee was satisfied that the Audit Committee and its members had discharged their duties according to their terms of reference and had recommended to the Board that the existing composition to remain status quo.</p> <p>Members of the Audit Committee were to assess their own training needs and they were expected to attend continuous training to keep themselves abreast of relevant developments in accounting standards, practices, laws and regulations.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

### Practice 9.1

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 had set up a Risk Management Committee with the objective to identify, manage and mitigate risk at an acceptable level and to safeguard the assets of the Group as well as the shareholders' interest.</p> <p>The Risk Management Committee reviews the adequacy of the Group's risk management framework, the processes of identifying, measuring and mitigating key risks in the Group's businesses and operations.</p> <p>The Risk Management Committee reports to the Board periodically on the Group's risk profile including actions undertaken by the management to manage or mitigate the risks identified.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 9.2**

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>Risk management is regarded as an important aspect of the Group’s operation. The Group has an on-going process for identifying, evaluating and managing principal risks.</p> <p>An overview of risk management and the state of internal control within the Group is set out in the Statement on Risk Management and Internal Control section of this Annual Report.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 9.3 - Step Up**

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

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

## Intended Outcome

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had outsourced its internal audit function to an independent firm of professionals to audit and monitor the compliance of the Group's policies, procedures and the effectiveness of the Group's internal control systems. The Internal Auditors report directly to the Audit Committee.</p> <p>During the FPE 2018, the Internal Auditors reported their findings, recommendations for improvements and the management responses to the Audit Committee. The Internal Auditors also carried out follow-up reviews and reported the progress of the implementation of their recommended actions by Management. The Audit Committee then reported to the Board on the progress and findings of the internal audit function.</p> <p>The Audit Committee is responsible to appraise and assess the performance of the internal audit function annually. The assessment is carried out by way of questionnaires and discussions with the Internal Auditors. The questionnaires cover amongst others the quality of work, competency, manpower resources and so forth.</p> <p>The Audit Committee had assessed the Company's internal audit function for the FPE 2018 and was satisfied therewith.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 10.2

The board should disclose–

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>In the FPE 2018, the internal audit function of the Group was outsourced to Kloo Point Risk Management Sdn Bhd, an independent internal audit service provider. The firm is independent and free from any relationships or conflict of interest with the Group.</p> <p>The head of internal audit is a qualified practitioner. Mr. Khor Ben Jin is a member of the Malaysian Institute of Accountants (MIA) and Certified Internal Auditors (CIA) and he is supported by a team of experienced staff to effectively carry out the work required.</p> <p>The scope and functions of the internal audit for the FPE 2018 were as follows:</p> <ul style="list-style-type: none"><li>i) The internal audit function was conducted in conformance with the international standards for professional practice of internal auditing.</li><li>ii) The internal audit plan was developed based on the understanding of the Group's business environment and significant business processes that have an impact on the Group's performance.</li><li>iii) The selection of the auditable areas was based upon the following criteria:<ul style="list-style-type: none"><li>o The outcome of the interviews conducted with the senior management to gain an understanding of the Group's business processes; and</li><li>o The understanding of the Group's business process and controls</li></ul></li><li>iv) The objective, scope of internal audit work and the audit plan were then approved by the Audit Committee.</li></ul>

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

## Intended Outcome

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 Board acknowledges the compliance with the Main LR of Bursa Securities in relation to disclosure of information and recognizes the importance of disseminating information in a fair and equitable manner.</p> <p>The Board had in placed a Corporate Disclosure Policy to ensure accurate and timely disclosures to the regulatory authorities, shareholders and stakeholders of the Company.</p> <p>During the FPE 2018, the Company had communicated with the shareholders and stakeholders in the following manner:</p> <ul style="list-style-type: none"> <li>i) Annual General Meeting ("AGM") held on 28 June 2017</li> <li>ii) Extraordinary General Meeting ("EGM") held on 11 August 2017</li> <li>iii) EGM held on 27 October 2017</li> <li>iv) Announcements submitted to Bursa Securities</li> <li>v) Annual Reports and Circular to Shareholders</li> <li>vi) Company's website</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 11.2

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

<b>Application</b> :	Not applicable	
<b>Explanation on application of the practice</b> :		
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had adopted Practice 12.1 to issue the notice of annual general meeting (AGM) to shareholders at least 28 days prior to the meeting.</p> <p>The notice of the last AGM together with the Annual Report had been despatched to all shareholders on 31 May 2017, which was 28 clear days before the date appointed for the holding the 11<sup>th</sup> AGM on 28 June 2017.</p> <p>The additional time given had allowed shareholders to make necessary arrangements to attend and participate in person or through proxies or corporate representatives and also to consider the proposed resolutions before exercising their voting rights at the meeting.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 12.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had adopted the practice that all its members and key senior management are required to attend the general meeting of the Company and to respond to shareholders' enquiries, if any.</p> <p>At the last AGM held on 28 June 2017, all the directors were present to engage with the shareholders personally and proactively.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 12.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the FPE 2018, the general meetings of the Company were held in centrally located venues which were easily accessible by shareholders of the Company as follows:</p> <p>i) The 11<sup>th</sup> AGM of the Company on 28 June 2017 was held at Pulau Spring Resort, Johor.</p> <p>ii) The EGM of the Company on 11 August 2017 was held at Bukit Jalil Golf &amp; Country Resort, Kuala Lumpur</p> <p>iii) The EGM of the Company on 27 October 2017 was held at Pulau Spring Resort, Johor</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

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

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

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