

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7221
COMPANY NAME : BSL Corporation Berhad
FINANCIAL YEAR : August 31, 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is led by a proactive Board who acknowledges the importance of the pivotal role it plays in setting the direction, achieving the Company's objectives and to increase shareholder's value.</p> <p>The Board assumed the following key principal responsibilities amongst others in discharging its fiduciary and leadership functions:</p> <ul style="list-style-type: none">• Review and approve strategies and business plans• Monitor implementation and performance of the business plans• Ensuring that the Company adheres to high standards of corporate governance• Establish various Board Committee, namely the Audit Committee, Nomination Committee and the Remuneration Committee to assist the Board in discharging their responsibilities. Each Board Committee is governed by their respective term of reference.• Analyse key financial information periodically and seek clarification on any anomaly. <p>The Chief Executive Officer has executive responsibilities for the day-to-day operations of the Company's business and shall implement policies, strategies and decisions approved by the Board. The CEO is also accountable for the management functions of the Company and monitor the operational results and performance of the Company.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman, Mr.Ngiam Tong Kwan is primarily responsible for the effective operation and overall functioning pertaining to the Board. In fulfilling this role, the Chairman:-</p> <ul style="list-style-type: none"> • Provides leadership for the Board so that the board may perform its responsibilities effectively; • Manages the interface between the Board and management; • Encourages active participation and allows different views to be freely expressed; and • The Chairman with the assistance of the CEO, ensure the Company's direction and business plans are carried out accordingly as approved by the Board.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman, Mr. Ngiam Tong Kwan and the Chief Executive Officer, Mr. Ngiam Tee Wee, both holding separate position and their respective roles and responsibilities are governed by the Company's Board Charter, which is available on the Company's website at www.bslcorp.com.my.</p> <p>The distinct and separate roles of the Chairman and CEO, with their clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by two (2) Company Secretaries, namely Ms. Joanne Toh and Ms. Yap Sit Lee who are qualified, experienced and competent to act as company secretary under Section 235(2) of the Companies Act 2016.</p> <p>Ms Joanne Toh Joo Ann is a Licensed Secretary by the Companies Commission of Malaysia and Ms Yap Sit Lee is an Associate (ICSA) and Member of the Malaysian Institute of Chartered Secretaries And Administrators.</p> <p>To ensure effective functioning of the Board and Board Committees and in accordance with their terms of reference and best practices, the Company Secretaries had performed the following tasks during FY2018:</p> <ul style="list-style-type: none">i. advise and remind the Directors of their obligations to disclose their interest in securities, any conflict of interest and related party transactions;ii. advise the Directors of their duties and responsibilities;iii. advise and remind the Directors on the prohibition on dealing in securities during closed period and the restriction on disclosure of price sensitive information;iv. Prepare agenda items of meetings for Board and Board Committees and send to the respective Board and Board Committees; andv. Attend all Board and Board Committees meetings and to ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolution passed are made and maintained accordingly. <p>During the financial year ended 31 August 2018 ("FY2018"), the Company Secretaries had undertaken continuous professional development by attending the relevant conferences, trainings and seminars programmes to keep abreast of the regulatory changes and</p>

	developments in Corporate Governance and Companies Act 2016. <ul style="list-style-type: none"> • Anatomy of Company under the New Regime of Companies Act, 2016 • Managing the Registered Office, Statutory Books, Returns and Other Documents under Companies Act, 2016 • Key Offences under Companies Act, 2016 and Role and Responsibilities of Directors and Auditors and Company Secretaries under Companies Act 2016 • Bursa Technical Briefing for Company Secretaries of Listed Issuers – Enhancing Standard of Disclosures in Announcements & Circulars to Shareholders 	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.5

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Seven days prior to the Board meetings, the meetings' agenda together with previous meetings' minutes will be compiled and circulated to all members. The Company endeavours to furnish the Board with all the board papers at least 3 days before the meeting. Sufficient time is provided to enable the Directors to review and solicit further explanations or information, where necessary.</p> <p>Minutes of a Directors' meeting would be distributed to all Directors on a timely basis for review and thereafter for confirmation at the next board meeting. The signed board minutes are being kept in the minutes books by the Company Secretaries at the registered office.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The board has adopted a Board Charter which clearly identifies the roles and responsibilities of the Board. The Board Charter was last reviewed on 18 December 2018 and would be reviewed and updated periodically in accordance with the needs of the Company.</p> <p>The board charter is published in the Company's website at www.bslcorp.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has adopted a Code of Conduct and Ethics which includes principles in relation to conflicts of interests, integrity, professionalism and the use of confidential information. The Board's Code of Conduct and Ethics is provided in the Board Charter, which is available on the Company's website at www.bslcorp.com.my	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges the importance of transparency and a secure and confidential channel for stakeholders to raise their concerns.</p> <p>Hence, the Board has formalised in writing the Whistle Blowing Policy, which provides appropriate communication and feedback channels to facilitate whistle-blowing. The Policy is published on the Company's website at www.bslcorp.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board currently has seven members, comprising four Executive Directors and three Independent Non-Executive Directors. Although the current composition of the Board doesn't align with the desired practice, the Board practices the need to inform and obtain perspectives and insights from the Independent Directors prior to executing any major decisions for the Group.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board is assisted by the Audit Committee, Nomination Committee and Remuneration Committee of which majority of the Committee members are Independent Directors. These Committee supports the Board in making informed and objective decisions in the best interest of the Company. The Board would consider sourcing for more Independent Directors to meet this best practise.	
Timeframe	:	Within the next 5 years	

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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To' Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin were appointed to the Board as Independent Non-Executive Directors on 28 December 2006 and had served the Board for a cumulative term of more than nine (9) Years. The NC had assessed their independence and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-</p> <ul style="list-style-type: none">(i) they fulfilled the criteria of an Independent Director pursuant to MMLR of Bursa Securities;(ii) they are familiar with the Company's business operations as they have been with the Company for a period of more than nine (9) years;(iii) their long tenures with the Company have neither impaired nor compromised their independent judgement. They continue to remain objective and are able to exercise independent judgement in expressing their views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company;(iv) they have exercised due care during their tenure as Independent Directors of the Company and carried out their duties in the interest of the Company and shareholders;(v) they have devoted sufficient time and commitment to attend the Company's meetings and discharge their duties and responsibilities as an Independent Non-Executive Directors; and

	<p>(vi) they do not have any business dealings with the Group.</p> <p>In addition, Datuk Dr.Syed Muhamad Bin Syed Abdul Kadir through his directorship in many other public listed and private companies is able to share his advice on best practices as well as good governance matters for the benefit of the Group. Ng Wai Pin with his legal background and directorship in local as well as overseas companies shares valuable insights of various matters through his vast experience and exposure and continues to provide an objective judgement. To’Puan Rozana bte Tan Sri Redzuan with her background in accounting and past experiences in corporate exercises is able to ensure the Group is well aligned and fundamentally sound.</p> <p>Hence, the NC and the Board recommended the retention of Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To’ Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin as Independent Non-Executive Directors of the Company, which the resolutions will be tabled for shareholders’ approval at the forthcoming Fifteenth (15th) AGM.</p> <p>However, for the forthcoming Fifteenth (15th) AGM, the Company will not be carrying out the 2-tier voting method as it is not compatible with Section 291 of the Companies Act 2016 which requires a simple majority to pass an ordinary resolution and treating all shareholders with voting rights ranking pari passu without discriminating them as “Large shareholder” or otherwise.</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>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>All nominees and candidates to the Board are first considered by the Nomination Committee taking into consideration the mix of skills, knowledge, competencies, expertise and experience, integrity, time commitment and other qualities required to effectively discharge his or her role as a director. The NC will then endorse the nominees and candidates for approval by the Board.</p> <p>The Board are committed in ensuring appointment of the Board and senior management of the company possesses a broad balance of skills, knowledge, experience, age, cultural background, independence and specializations, collectively consisted a wide range of experience and expertise in areas such as finance, corporate affairs, marketing, operations and law.</p> <p>The Board is also supported by three (3) Independent Non-Executive Directors who provide objectives and independents judgement to decision making and serve as a capable check and balance for the Executive Directors.</p> <p>Please refer to the Annual Report, Profile of Directors and the Senior Management Team on pages 8 to 12 respectively for further information.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board noted the recommendations of the Code on the establishment of boardroom gender diversity and that the company take steps to ensure that women candidates are sought in its recruitment exercise for both board and senior management positions.</p> <p>The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and senior management level.</p> <p>The Company does not practice any form of gender, ethnicity and age group biasness as all candidates shall be given a fair and equal treatment. The Board believes that there is no detriment to the Company for not adopting a formal gender, ethnicity and age group diversity policy.</p> <p>Presently, the Board of the Company comprises one female director, To' Puan Rozana Bte Tan Sri Redzuan who was appointed to the Board on 28 December 2006.</p> <p>The Nomination committee will take steps to identify more female candidates subject to appropriate due diligence on the candidate's compatibility, competency, character, time commitment, integrity and experience.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Nomination committee will take into consideration this requirement and propose to the Board the policy for the boardroom gender diversity.

Timeframe	:	Within the next 5 years.	
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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.

Application	:	Applied	
Explanation on application of the practice	:	There was no new appointment of directors in the past 5 years. When the need for new appointment of directors arises in the future, the NC and the Board would take into consideration the recommendations from existing board members, management, major shareholders, as well as to utilise independent sources to source for suitably qualified candidates.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee comprises 3 Independent Non-Executive Directors and is chaired by Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir who is a Senior Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee assesses on an annual basis the performance of the Board as a whole, Board’s Committees, as well as individual Directors and to conclude if they are effective.</p> <p>The Nomination Committee had on 18 December 2018 assessed the mix of skills, expertise, composition, size and experience of the Board, including core-competencies of the Directors, the contribution of each individual directors as well as their character, integrity and time commitment, independence of the Independent Director, effectiveness of the Board as a whole, and the Board Committees; and also the retirement of Directors eligible for re-election.</p> <p>Self and peer evaluations had been conducted by each Individual Director and Independent Director and the evaluation result was furnished to the NC for assessment.</p> <p>Based on the recommendation by the NC, the Board considered and made further recommendation on the re-election and re-appointment of Directors at the Annual General Meeting of the Company for shareholders’ approval.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The 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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company does not have a specific remuneration policies and procedures for the directors and senior management. However, the Company structures the remuneration package for each individual Director and Senior Management to be aligned with the Company's business strategy and objectives, to reflect his or her experience, performance as well as scope of responsibilities. The Company also ensures that the remuneration package for the Director and Senior Management is competitive and comparable to the market. The Remuneration Committee is authorised by the Board to reviews and propose the remuneration package for Directors and Senior Management yearly and recommends to the Board for approval.</p> <p>The Board views that its current practice of determining the remuneration package for directors and senior management is sufficient and reasonable and independent as it is deliberated in the Remuneration Committee which consists of a majority Independent Directors.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	The Company will structure a remuneration policy for the directors and senior management.
Timeframe	:	Within 3 years

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established a Remuneration Committee which comprises 2 independent non-executive directors and an executive directors and is chaired by the executive director, Mr Ngiam Tong Kwan.</p> <p>The Remuneration Committee will recommend the remuneration packages of executive directors and senior management to the Board for approval. The remuneration packages of the non-executive directors as well as the benefits for all the directors would be determined by the Board for the approval by shareholders at general meeting.</p> <p>The Term of Reference of the Remuneration Committee is available on the Company's website at www.bslcorp.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	: Applied																																																																																																																																												
Explanation on application of the practice	<p>The detailed disclosure on name basis for individual directors including fees, salaries, bonus, benefits and other emolument was made on page 28 of the Annual Report. Extract as follows:</p> <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Salaries</th> <th>Fees</th> <th>Bonus</th> <th>Other emolument</th> <th>Benefit-in-kind</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td colspan="7">Company</td> </tr> <tr> <td>Datuk Dr Syed Muhamad</td> <td>-</td> <td>56,000</td> <td>-</td> <td>1,500</td> <td>-</td> <td>57,500</td> </tr> <tr> <td>Ngiam Tong Kwan</td> <td>-</td> <td>37,500</td> <td>-</td> <td>-</td> <td>-</td> <td>37,500</td> </tr> <tr> <td>Ngiam Tee Wee</td> <td>-</td> <td>65,750</td> <td>-</td> <td>-</td> <td>-</td> <td>65,750</td> </tr> <tr> <td>Ngiam Tee Yang</td> <td>-</td> <td>37,500</td> <td>-</td> <td>-</td> <td>-</td> <td>37,500</td> </tr> <tr> <td>Teh Yoon Loy</td> <td>-</td> <td>31,250</td> <td>-</td> <td>-</td> <td>-</td> <td>31,250</td> </tr> <tr> <td>Ng Wai Pin</td> <td>-</td> <td>50,150</td> <td>-</td> <td>1,500</td> <td>-</td> <td>51,650</td> </tr> <tr> <td>To' Puan Rozana</td> <td>-</td> <td>50,150</td> <td>-</td> <td>1,500</td> <td>-</td> <td>51,650</td> </tr> <tr> <td>Subtotal</td> <td>-</td> <td>328,300</td> <td>-</td> <td>4,500</td> <td>-</td> <td>332,800</td> </tr> <tr> <td colspan="7">Subsidiaries</td> </tr> <tr> <td>Datuk Dr Syed Muhamad</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ngiam Tong Kwan</td> <td>300,000</td> <td>-</td> <td>26,400</td> <td>22,524</td> <td>-</td> <td>348,924</td> </tr> <tr> <td>Ngiam Tee Wee</td> <td>251,325</td> <td>-</td> <td>26,400</td> <td>33,336</td> <td>21,250</td> <td>332,311</td> </tr> <tr> <td>Ngiam Tee Yang</td> <td>189,000</td> <td>-</td> <td>-</td> <td>22,752</td> <td>1,800</td> <td>213,552</td> </tr> <tr> <td>Teh Yoon Loy</td> <td>198,000</td> <td>-</td> <td>20,400</td> <td>26,208</td> <td>15,000</td> <td>259,608</td> </tr> <tr> <td>Ng Wai Pin</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>To' Puan Rozana</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Subtotal</td> <td>938,325</td> <td>-</td> <td>73,200</td> <td>104,820</td> <td>38,050</td> <td>1,154,395</td> </tr> <tr> <td>Grand total:</td> <td>938,325</td> <td>328,300</td> <td>73,200</td> <td>109,320</td> <td>38,050</td> <td>1,487,195</td> </tr> </tbody> </table> <p>Please refer to Annual Report page 28 for more information.</p>	Name of Director	Salaries	Fees	Bonus	Other emolument	Benefit-in-kind	Total	Company							Datuk Dr Syed Muhamad	-	56,000	-	1,500	-	57,500	Ngiam Tong Kwan	-	37,500	-	-	-	37,500	Ngiam Tee Wee	-	65,750	-	-	-	65,750	Ngiam Tee Yang	-	37,500	-	-	-	37,500	Teh Yoon Loy	-	31,250	-	-	-	31,250	Ng Wai Pin	-	50,150	-	1,500	-	51,650	To' Puan Rozana	-	50,150	-	1,500	-	51,650	Subtotal	-	328,300	-	4,500	-	332,800	Subsidiaries							Datuk Dr Syed Muhamad	-	-	-	-	-	-	Ngiam Tong Kwan	300,000	-	26,400	22,524	-	348,924	Ngiam Tee Wee	251,325	-	26,400	33,336	21,250	332,311	Ngiam Tee Yang	189,000	-	-	22,752	1,800	213,552	Teh Yoon Loy	198,000	-	20,400	26,208	15,000	259,608	Ng Wai Pin	-	-	-	-	-	-	To' Puan Rozana	-	-	-	-	-	-	Subtotal	938,325	-	73,200	104,820	38,050	1,154,395	Grand total:	938,325	328,300	73,200	109,320	38,050	1,487,195
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Measure	:																																																																																																																																												

Timeframe :		
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Intended Outcome

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

Practice 7.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the opinion that such disclosure would not be beneficial as it would be potential give rise to security concerns, staff poaching by competitors and create a conflict between staffs. It would not be in the best interests of the employee or the Company to disclose such detailed information in the Annual Report. Alternatively, the Company has disclosed the aggregate remuneration of its top 5 senior management remuneration on a no-name basis.</p> <p>The Company always seek to remunerate the staff accordingly and fairly according to their contribution and performance of the Company.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company will review and consider the above disclosure in the near future.
Timeframe	:	Within 5 years.

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee comprises 3 Independent Non-Executive Directors and is chaired by Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir. The Chairman of the Board is Mr Ngiam Tong Kwan.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	As included in the approved Terms of reference for Audit Committee, a former key audit engagement partner of the Company’s external auditors firm is required to observe a cooling-off period of at least 2 years before he or she could be appointed as a member of the Committee. None of the members of the Audit Committee were former key audit partners.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>During FY 2018, the Audit Committee had performed annual evaluation on the performance of the external auditors principally to further enhance the objectivity of their audit views.</p> <p>The Board had on 19 April 2018 approved and adopted the External Auditors' Assessment Policy to assess the suitability, objectivity and independence of the External Auditors. The policy will be reviewed periodically by the Audit Committee and revision will be made where necessary.</p> <p>The AC assisted by the management, had on 18 December 2018 undertaken an annual assessment of the suitability and independence of the External Auditors. The assessment of the External Auditor was conducted by completing personalized evaluation form. The factors considered by the AC in its assessment include, adequacy of professionalism and experience of the staff, the resources of the external auditors, the fees and the independence of and the level of non-audit services rendered to the Group. The AC has assessed and is satisfied with the suitability and the written confirmation provided by the external auditors that they had complied with the ethical requirements regarding independence and objectivity with respect to the audit of the Group in accordance with all relevant professional and regulatory requirements. The AC has recommended to the Board the re-appointment of Messrs Mazars PLT as the External Auditors for the financial year ending 31 August 2019.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee comprises solely 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.

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Audit Committee are financially literate, have relevant experience and knowledge in finance and accounting, and possess the necessary skills to discharge their duties, carried out their functions and responsibilities in accordance with the Terms of Reference of Audit Committee.</p> <p>The qualification, experience and background of individual Audit Committee members are disclosed in the Board of Directors' Profile on pages 9 to 10 of the Annual Report.</p> <p>They also keep themselves updated on the latest relevant developments in accounting and financial standard. Updates on developments in accounting and governance standards were presented by the external auditors at Audit Committee Meeting held on 26 January 2018. The trainings attended by the individual Audit Committee members are disclosed in the Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board affirms its overall responsibility for reviewing the effectiveness, adequacy and integrity of the Group's risk management framework and internal control system. The Board recognizes the need to maintain effective risk management practices and that a good system of internal control is a continuing process. The Board always strive for improvements in its risk management and internal control framework.</p> <p>The Board ensures that there is an on-going process of identifying, evaluating and managing the significant risks via identifying key operations area, associated risks, measures to mitigate the risk and residual risk. The Executive Directors together with senior management have through regular meetings held throughout the financial year undertaken to assess the above.</p> <p>The Board regularly receives and reviews reports on internal control from Internal Auditors of the Company, and is of the view that the system of internal control is adequate to safeguard shareholders' interest and the Group's assets.</p> <p>Please refer the Statement on Risk Management and Internal Control on page 33 to 35 of the Company's 2018 Annual Report for more information.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has formed an internal working group to review the risk management aspect which consists of Executive Directors as well as key management personnel. A risk management report is presented to the Board of Directors during Board meeting on 10th October 2018.</p> <p>The Audit Committee assists the Board in its responsibilities over the system of risk management and internal control. The Internal Auditors assists the Audit Committee with the examination and evaluation on the adequacy of the internal control function of the Company. The Company outsourced its internal audit function to Indah Corporate Governance Sdn Bhd who conducts audit review on the Group's system of internal controls on quarterly basis. The internal auditor will present its yearly audit plan and quarterly reports to Audit Committee during the Audit Committee meeting.</p> <p>The key elements of the Company's system of internal controls are disclosed in the Statement on Risk Management and Internal Control on pages 33 to 35 of the Company's 2018 Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 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.

Application	:	Applied
Explanation on adoption of the practice	:	The Risk Management Committee consists of Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir (Independent non-executive director) as the Chairman of the Committee, To'Puan Rozana Bte Tan Sri Redzuan (Independent non-executive director) and Ngiam Tee Wee (Executive director) as members.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of BSL Group is out-sourced to an independent party namely Indah Corporate Governance Sdn Bhd to assist the Audit Committee to review the adequacy and integrity of its system of internal control and to oversee the function of internal audit.</p> <p>The internal audit function includes an independent assessment on the internal control system of the Group on a quarterly basis and provide the Audit Committee with periodic reports during its quarterly meeting, highlighting on their observations, recommendations on management action plans to improve the system of internal control. Senior Management are tasked to ensure management action plans are carried out effectively and regular follow-up audits are performed to monitor the continued compliance.</p> <p>The internal audits include evaluation of the processes where significant risks are identified, assessed and managed. Such audits also ensure that instituted controls are appropriate, effectively applied and achieve acceptable risk exposures consistent with the Company's Risk Management and Internal Control Framework.</p> <p>The details of the Audit Committee's oversight of the Internal Audit function are set out under the Audit Committee Report on pages 37 to 38 and Statement on Risk Management and Internal Control on pages 33 to 35 of the Company's 2018 Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies 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.

Application	:	Applied
Explanation on application of the practice	:	<p>BSL presently does not have its own Internal Audit department. The internal audit function is out-sourced to a 3rd party service provider which is Indah Corporate Governance Sdn. Bhd.</p> <p>None of the outsourced Internal Audit personnel assigned/deployed to perform the internal audit work for the Group has any relationship or conflict of interest or undue influence of others to override professional and business judgement, which could impair their objectivity and independence in carrying out their internal audit function.</p> <p>The outsourced Internal Auditor is Mr. Tan Wae Leng from Indah Corporate Governance Sdn. Bhd. who is a member of the Malaysian Institute of Accountants, Chartered Tax Institute of Malaysia, Harvard Business School Alumni Club of Malaysia and Certified Financial Planner.</p> <p>He is assisted by Ms.Marilyn Mariavisusasam who is an associate member of the Institute of Internal Auditors Malaysia.</p> <p>The internal auditors conduct their internal audit function in accordance with the recognised internal audit framework.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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.

Application :	Applied
Explanation on application of the practice :	<p>The Company recognises the importance of an effective, transparent and regular communications with its stakeholders.</p> <p>The Board ensures the Company announces its quarterly results and year-end financial results to Bursa Securities immediately after the Board's approval, to the shareholders to ensure equal and fair access to information by the investing public.</p> <p>The annual reports and announcements to Bursa Securities remains the principal form of communication by providing stakeholders with an overview of the Group's activities and performances.</p> <p>Annual General Meeting and any other general meeting are the principal forum for dialogue with the shareholders. The notice of the Fifteenth Annual General Meeting and related papers are sent to shareholders 28 days before the Annual General Meeting. All shareholders are invited and encouraged to attend the Company's AGM and to participate in the proceedings and understand their right to appoint proxy.</p> <p>The Board would also ensure stakeholders are given the opportunity to speak and seek clarification during the Company's Annual General Meeting, for effective and transparent communication with its stakeholders. The Directors, management and external auditors were in attendance to respond to the shareholders' queries.</p> <p>The Company website (www.bslcorp.com.my) also serves as the platform to allow the stakeholders to channel any enquiries with the regards to the Company and obtain all announcements and updates pertaining to the Group.</p>
Explanation for departure :	

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

Measure	:		
Timeframe	:		

Intended Outcome

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.

Application	:	Not adopted	
Explanation on application of the practice	:		
Explanation for departure	:	This is not applicable to the Company as the Company is not under the category of large companies as defined in the MCCG.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Notice of Fifteenth Annual General Meeting (“AGM”) was given to shareholders on 26 th December 2018, which is 28 days prior to the date of the Company’s Fifteenth AGM to be convened on 24 th January 2019.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors have attended the Fourteenth Annual General Meeting held on 26 January 2018 and responded to questions addressed to them. The management and external auditors were also in attendance to respond to the shareholders' queries.</p> <p>The Board would ensure all the Board members, particularly the chairperson of each Board Committee, the Management, as well as the External Auditors to attend the forthcoming Fifteenth Annual General Meeting of the Company to engage directly with the shareholders to facilitate engagement with shareholders and to address any relevant questions and concerns raised by the shareholders.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable to the Company in view that the Company does not have large number of shareholders, did not in the past held meetings in remote location and does not intend to have meetings in remote locations in the future.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES
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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