

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7245
COMPANY NAME : WZ Satu 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 PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (“Board”) takes full responsibility for the overall performance of the Group by setting the strategic directions and objectives, formulating the policies and executing the key strategic action plans. The Board regularly review the Group’s business operations and maintains full and effective control over the management of the Group.</p> <p>In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board, matters reserved for the Board as well as those which the Board may delegate to the Board Committees, the Managing Director/Group Chief Executive Office and Management.</p> <p>The Board has reserved a formal schedule of matters for its decision making to ensure that direction and control of the Company are firmly in its hands. It has also set the strategic direction of the Company, exercised oversight on Management and set the appropriate tone at the top, while providing thought leadership and championing good governance and ethical practices throughout the Company.</p> <p>The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing day to day operations as well as coordinating the development and implementation of business and corporate strategies.</p> <p>The Board is assisted by various Board Committees, namely Audit Committee, Nomination Committee, Remuneration Committee, Investment Committee, Long Term Incentive Plan Committee and Shariah Advisory Committee which operate within their Terms of Reference.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is YM Tengku Dato' Sri Uzir Bin Tengku Dato' Ubaidillah.</p> <p>The role and responsibilities of the Chairman are stated in the Board Charter which is available on www.wzs.my.</p> <p>The Chairman is responsible for providing leadership to the Board, controls the orderly and effective functioning of the Board, ensures the integrity and effectiveness of the governance processes of the Board and consults with the Board promptly over any matter that is pertinent to the Company and of concern to the Company.</p> <p>The Chairman acts as facilitator at meetings of the Board and ensures that no Board Member, whether executive or non-executive, dominates the discussion. The Chairman also ensures that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board, and that Directors receive the relevant information on a timely basis.</p> <p>The Chairman assists with developing the Company's corporate strategy, building a pipeline of potential merger and acquisition transactions, growing the Company's market profile and establishing new corporate relationships.</p> <p>The Chairman also works with Management in reviewing plans, defining issues, maintaining accountability and in any marketing efforts that would allow to effectively position the Company with investors to facilitate growth. In conjunction with management, lead the Company in its relationships with shareholders and financial institutions.</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

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 roles of the Chairman and the Managing Director (“MD”)/Group Chief Executive Officer (“CEO”) are held by two (2) different individuals. There is a clear division of responsibility between the Executive Chairman and the MD/Group CEO to ensure that there is a balance of power and authority so that no one individual has unfettered powers of decision.</p> <p>The Chairman, YM Tengku Dato’ Sri Uzir Bin Tengku Dato’ Ubaidillah leads the Board in providing governance and oversight as well as guidance on strategic matters while YM Tengku Dato’ Indera Zubir Bin Tengku Dato’ Ubaidillah, the MD/Group CEO focuses on the business and day-to-day operations of the Group, ensuring that it is run efficiently and effectively and in accordance with the strategic decisions of the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The 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 Company Secretaries who are qualified to act as company secretary under Section 235(2) of the Companies Act 2016. They are responsible for providing Directors with advice on compliance and corporate governance issues.</p> <p>The Board is regularly updated by the Company Secretaries on new changes to the statutory and regulatory requirements and the resultant implications to the Company and the Board in discharging their duties and responsibilities.</p> <p>The Company Secretary attends the Board and Board Committees meetings and ensures the meetings are properly convened and deliberations at those meetings are well captured and minuted. All Directors have access to the advice and services of the Company Secretaries in carrying out their duties.</p> <p>The Company Secretaries also undertake the statutory duties as prescribed under the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</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 1.5

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>All Directors are provided with relevant information of the Group and the Company to enable them to discharge their duties effectively. A set of Board papers including financial reports and notices are promptly sent to Directors at least seven (7) days prior to the meeting. This is to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or to consult independent advisers, if they deem necessary. The Board also notes the decisions and salient issues deliberated by the Board Committees through the minutes of these Committees' meetings.</p> <p>The Directors have a duty to declare to the Board should they have any interest in transactions to be entered into, directly or indirectly, with the Group or the Company. The interested Directors would abstain from deliberations and decisions of the Board on the said transaction. In the event a corporate proposal is required to be approved by shareholders, the interested Directors would also abstain from voting in respect of their shareholdings relating to the corporate proposal, and would further undertake to ensure that persons connected to them similarly abstain from voting on the resolution(s).</p> <p>Minutes of each Board meeting are circulated to all Directors on a timely basis before the next succeeding Board meeting for their perusal prior to confirmation of the minutes during the Board meeting.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board Charter clearly set out the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management; and issues and decisions reserved for the Board. The Board Charter is made available on the Company's website at www.wzs.my . The Board will perform periodic review on the Board Charter to ensure it remains consistent with the Board's objectives, current laws/regulations, good governance practices and in compliance with the Malaysian Code on Corporate Governance.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has in place a Code of Ethics and Conduct that is applicable to Directors and employees of the Group. The Code of Ethics and Conduct sets out the standards of good conduct and ethical practices, and aims to maintain confidence in the integrity of the Group's business practices.</p> <p>All Directors and employees of the Group must endeavour to observe the Code of Ethics and Conduct which provides guidance as to the ethical conduct to be complied to uphold the principles of honesty and integrity, to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities.</p> <p>The Code of Ethics and Conduct is accessible on the Company's website at www.wzs.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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The whistleblowing channel is to enable employees and others to seek advice and without fear of retaliation raise concerns or report instances of improper activities or misconduct, potential non-compliance with its Code of Ethics and Conduct, other corporate policies, laws and regulations.</p> <p>Employees are encouraged to first discuss any compliance matters internally with their immediate superior. If such measures are not deemed to be sufficient, a disclosure can be made in writing, orally or via electronic mail to: whistle@wzs.my or send by mail in a properly sealed envelope and indicated “Strictly Confidential – To Be Opened by Addressee Only” and addressed to the Audit Committee Chairman.</p> <p>The Whistleblowing Policy and Procedures is available on the Company’s website at www.wzs.my. The Board will review the Whistleblowing Policy and Procedures from time to time, as and when necessary to accommodate change in business environment, administrative operational needs within the Group and ensure compliance with the legislations.</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	:	Applied	
Explanation on application of the practice	:	<p>The Board consists of six (6) Directors, four (4) of whom are Independent Non-Executive Directors and two (2) are Executive Directors. As such, more than half of the Board Members comprise independent directors.</p> <p>Such composition is able to provide independent and objective judgement to facilitate a balanced leadership in the Company as well as providing effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensuring high standards of conduct and integrity are maintained.</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 4.2

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	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:	<p>As disclosed in the Board Charter, the tenure of an Independent Non-Executive Directors ("INED") shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the INED may continue to serve on the Board subject to his re-designation as Non-Independent Director. In the event the Director were to remain designated as an INED, the Board shall firstly to provide justification, upon the recommendation of the Nomination Committee and thereafter to obtain the relevant shareholders' approval.</p> <p>There were no INEDs whose tenure exceeds a cumulative term of nine (9) years in the Company thus far.</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 4.3- 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>The Nomination Committee is responsible for making recommendations for the appointment of directors to the Board.</p> <p>In making recommendation of suitable candidates, the Nomination Committee considers the following: -</p> <ul style="list-style-type: none"> • skills, knowledge, expertise and experience; • professionalism; • integrity; • competencies, commitment, contribution and performance; and • in the case of candidates for the position of INEDs, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors; <p>The appointment of Key Senior Management is based on character, experience, integrity, competency and time to discharge their role.</p> <p>The Board pursues diversity in both the Board level and Key Senior Management. The Board recognises a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board whilst the diversity at Key Senior Management will lead to better decisions.</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	:	Applied
Explanation on application of the practice	:	<p>The Company is not classified as "Large Company". The Board currently comprises one (1) women Director, namely, YAM Tengku Puteri Seri Kemala Pahang Tengku Hajjah Dato' Aishah Binti Sultan Haji Ahmad Shah, DK(II), SIMP, who serves as an Independent Non-Executive Director.</p> <p>The Diversity Policy is available on the Company's website at www.wzs.my.</p> <p>The Board will, from time to time, review its composition and size to ensure it fairly reflects the investments of the shareholders of the Company while at the same time having due regard for diversity in skills, experience, cultural background, gender and age.</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 4.6

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	:	The Board uses a variety of sources for the identification of suitable candidates. The Board may rely on recommendations from the existing Board members, Management and major shareholders as well as other independent sources. The Nomination Committee is responsible for recommending suitable candidates to the Board for its consideration. The Nomination Committee is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.	
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 is chaired by YBhg Datuk Idris Bin Haji Hashim J.P. who is an Independent Non-Executive Director of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 Board, individual Director and Board Committees are assessed by the Nomination Committee through the following annual assessments once every year:</p> <ul style="list-style-type: none">(a) Effectiveness of the Board as a whole and the Committees of the Board;(b) Contribution and performance of each individual Director;(c) Contribution and performance of the Audit Committee and each individual Audit Committee member; and(d) Independence of Independent Non-Executive Directors. <p>The annual assessments are conducted in yearly basis and each of the Directors are given a chance to provide feedbacks on the effectiveness of the Board as a whole and their individual performance and contribution to the Board. In addition, the Nomination Committee members also assessed the contribution and performance of the Board Committees and each individual Audit Committee member. The results of all the assessments are then collated by the Company Secretaries and tabled to the Nomination Committee for deliberation.</p> <p>In annual assessment of individual Directors by the Nomination Committee, the skills and experience of individual Directors are reviewed to ensure the composition of the Board is appropriate with a good mix of skills and core competencies in order to discharge its duties and responsibilities and to meet the business needs of the Group.</p> <p>The Board is satisfied with the results of the annual assessment. The Board views that the current size and the existing composition of the Board are sufficient and well balanced, cater effectively to the scope of the Group's operations and there is appropriate mix of knowledge, skills, attributes and core competencies in the Board. As presently constituted, the Board has the stability, continuity and commitment as well as capacity to discharge its responsibilities effectively.</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	:	Applied
Explanation on application of the practice	:	<p>The Board had established a formal and transparent Remuneration Policy as a guide for the Board and the Remuneration Committee to determine the remuneration of Directors and Key Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.</p> <p>The Remuneration Policy is made available for reference on the Company's website at www.wzs.my.</p> <p>The Remuneration Committee is responsible to review, assess and recommend the remuneration packages of the Executive Directors and to ensure the levels of remuneration are sufficiently attractive and be able to retain the Executive Directors needed to run the Company successfully.</p> <p>The Executive Directors' remuneration is designed to link rewards to the Group's and individual's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Additionally, in ensuring that the Directors' remuneration is in line with the market expectation and competition to retain and attract talents in the Group, reference is made to the Directors' remuneration offered by other public listed companies.</p> <p>The Executive Directors concerned play no part in the decision on their own remuneration. Likewise, the remuneration of the Independent Non-Executive Directors is a matter for the Board as a whole, with individual Director abstaining from discussion of their own remuneration.</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 6.2

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 has in place a Remuneration Committee which comprises of solely Non-Executive Directors.</p> <p>Remuneration Committee's primary responsibilities include establishing, reviewing and recommending to the Board the remuneration packages of each individual Executive Director and Key Senior Management to ensure that their remuneration should commensurate with their responsibilities and commitment.</p> <p>The authority, duties and responsibilities of Remuneration Committee are clearly defined in its Terms of Reference which is available on the Company's website at www.wzs.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

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 details of the remuneration of the following Directors of the Company for the financial year ended 31 August 2018 were as follows:-</p> <ol style="list-style-type: none"> 1. YM Tengku Dato' Sri Uzir Bin Tengku Dato' Ubaidillah ("Tengku Uzir"). 2. Y.A.M Tengku Puteri Seri Kemala Pahang Tengku Hajjah Dato' Aishah Binti Sultan Haji Ahmad Shah, DK(II), SIMP ("Tengku Aishah") (Appointed on 30 January 2018). 3. YBhg. Dato' Ir. William Tan Chee Keong ("Dato' William") (Resigned on 17 December 2018). 4. YBhg. Datuk Idris Bin Haji Hashim J.P. ("Datuk Idris"). 5. YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin ("Dato' Syed"). 6. Encik Rosli Bin Shafiei ("En. Rosli"). <table border="1"> <thead> <tr> <th rowspan="2">Name of Directors</th> <th colspan="5">Company</th> </tr> <tr> <th>Fees ("RM")</th> <th>Salaries & Bonus⁺ ("RM")</th> <th>Benefits in-kind ("RM")</th> <th>Others[#] ("RM")</th> <th>Total ("RM")</th> </tr> </thead> <tbody> <tr> <td colspan="6">Executive Directors</td> </tr> <tr> <td>Tengku Uzir</td> <td>-</td> <td>246,371</td> <td>7,200</td> <td>-</td> <td>253,571</td> </tr> <tr> <td>Dato' William</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>-</td> <td>246,371</td> <td>7,200</td> <td>-</td> <td>253,571</td> </tr> <tr> <td colspan="6">Independent Non-Executive Directors</td> </tr> <tr> <td>Tengku Aishah</td> <td>35,385</td> <td>-</td> <td>-</td> <td>1,000</td> <td>36,385</td> </tr> <tr> <td>Datuk Idris</td> <td>58,000</td> <td>-</td> <td>-</td> <td>3,000</td> <td>61,000</td> </tr> <tr> <td>Dato' Syed</td> <td>58,000</td> <td>-</td> <td>-</td> <td>8,000</td> <td>66,000</td> </tr> <tr> <td>En. Rosli</td> <td>68,000</td> <td>-</td> <td>-</td> <td>7,500</td> <td>75,500</td> </tr> <tr> <td>Total</td> <td>219,385</td> <td>-</td> <td>-</td> <td>19,500</td> <td>238,885</td> </tr> </tbody> </table>	Name of Directors	Company					Fees ("RM")	Salaries & Bonus ⁺ ("RM")	Benefits in-kind ("RM")	Others [#] ("RM")	Total ("RM")	Executive Directors						Tengku Uzir	-	246,371	7,200	-	253,571	Dato' William	-	-	-	-	-	Total	-	246,371	7,200	-	253,571	Independent Non-Executive Directors						Tengku Aishah	35,385	-	-	1,000	36,385	Datuk Idris	58,000	-	-	3,000	61,000	Dato' Syed	58,000	-	-	8,000	66,000	En. Rosli	68,000	-	-	7,500	75,500	Total	219,385	-	-	19,500	238,885
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Name of Directors	Group				
	Fees ("RM")	Salaries & Bonus+ ("RM")	Benefits in-kind ("RM")	Others# ("RM")	Total ("RM")
Executive Directors					
Tengku Uzir	-	810,806	7,200	-	818,006
Dato' William	-	522,725	-	-	522,725
Total	-	1,333,531	7,200	-	1,340,731
Independent Non-Executive Directors					
Tengku Aishah	35,385	-	-	1,000	36,385
Datuk Idris	58,000	-	-	3,000	61,000
Dato' Syed	58,000	-	-	8,000	66,000
En. Rosli	68,000	-	-	7,500	75,500
Total	219,385	-	-	19,500	238,885
<p>Notes:</p> <p>+ The salaries and bonus are inclusive of statutory contributions and fixed allowance.</p> <p># Comprises meeting allowance.</p> <p>Remuneration of YM Tengku Dato' Indera Zubir Bin Tengku Dato' Ubaidillah is not disclosed as his appointment to the Board was after the financial year ended 31 August 2018.</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 7.2

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	:	Applied		
Explanation on application of the practice	:	The remuneration for the top five Key Senior Management in bands of RM50,000 for the financial year ended 31 August 2018 is as follows: -		
		Remuneration Range (RM)	Top Five Senior Management	Remarks
		800,001 - 850,000	YM Tengku Dato' Sri Uzir Bin Tengku Dato' Ubaidillah	Executive Chairman
		500,001 - 550,000	YM Tengku Dato' Indera Zubir Bin Tengku Dato' Ubaidillah	- Appointed as Chief Executive Officer on 1 November 2017. - Appointed as the Managing Director/Group Chief Executive Officer on 25 September 2018.
		500,001 - 550,000	YBhg. Dato' Ir. William Tan Chee Keong	- Resigned as Senior Executive Director on 17 December 2018. - Resigned as Chief Operating Officer with effect from 20 January 2019.
	N/A	Mr. Chan Fook Kwong	Appointed as Chief Financial Officer on 7 November 2018	
Explanation for departure	:			

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

Intended Outcome

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

Practice 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 Chairman of the Audit Committee, Encik Rosli Bin Shafiei, who is an Independent Non-Executive Director and is not the Chairman of the Board.	
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	:	<p>None of the Audit Committee Members were former key audit partners.</p> <p>The policy on observation of a cooling-off period of at least two (2) years for a former key audit partner prior to the appointment as a member of Audit Committee, had been incorporated in the Terms of Reference of the Audit Committee.</p> <p>The Terms of Reference of the Audit Committee is available for reference on the Company's website at www.wzs.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

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>The external audit function under the purview of the Audit Committee is essential for all shareholders in ensuring the reliability of the Group's financial statements. The Board maintains a formal and transparent professional relationship with the Group's independent external auditors via the Audit Committee.</p> <p>The Audit Committee is tasked with the annual assessment process on the performance and quality of external auditors and their independence, objective and professionalism.</p> <p>For the financial year ended 31 August 2018, the Audit Committee undertook an assessment of the suitability and independence of the external auditors, using a questionnaire-based internal review, as well as input from officers who have constant contact with the team of the external auditors.</p> <p>The Audit Committee also reviewed the independence of the external auditors and the level of non-audit services rendered by the external auditors.</p> <p>Based on the results of the evaluation, the Audit Committee is satisfied with the performance of the external auditors, their adequacy of experience, resources and the professional staff assigned to the audit of the Group. The Board has accepted the recommendation of the Audit Committee for the re-appointment of Messrs Baker Tilly Monteiro Heng as external auditors of the Company for the ensuing financial year in the upcoming Annual General Meeting of the Company.</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 of Independent Directors and as such, there is a strong and independent element to provide effective oversight for it to function effectively and exercise objective judgements independently.

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>The members of the Audit Committee collectively has the necessary skills related to finance, audit, commercial expertise, and accountancy to meet their responsibilities and provide an effective level of challenge to management. The qualification and experience of the individual Audit Committee members are disclosed in the Board of Directors' Profile in the Annual Report.</p> <p>The Audit Committee members are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.</p> <p>Members of the Audit Committee attend trainings and talks to keep them updated on developments on financial standards. Updates on developments in accounting and governance standards are presented by the external auditors at meetings of Audit Committee.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies 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 acknowledges its responsibilities for maintaining a sound and reliable system of internal controls within the Group, covering the financial controls, the operational and compliance controls, and risk management. This is a continuing process which includes risk assessments, internal controls reviews, and internal audit checks on all companies in the Group.</p> <p>The system of internal controls of the Group, by its nature are designed to provide reasonable but not absolute assurance against risk of material errors, misstatement, fraud, or losses occurring.</p> <p>The Audit Committee is tasked with the duty to assess the Group's internal control environment to determine the adequacy and effectiveness of the system of internal controls put in place by Management. The review covers the financial, operational, and compliance controls.</p> <p>The information on risk management and internal control are set out in the Statement on Risk Management and Internal Control in the Annual Report 2018.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies 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 Board recognises that having an effective risk management and system of internal controls is an essential part of good business management practice. The Board also acknowledges that all areas of the Group's activities do involve some degree of risk and is committed to ensure that the Group has an effective risk management framework which allows the Group to identify, evaluate, manage and monitor risks within defined risk parameters that affect the achievement of the Group's business objectives.</p> <p>The Board is assisted by the Audit Committee, the Internal Auditors and Management to identify, approve, and implement policies and procedures on risk management and internal control. As such, the Audit Committee assume the oversight on the risk management matters. Management identifies and evaluates the risks faced, designs, implements and monitors an appropriate system of internal control in line with the policies approved by the Board.</p> <p>The Group's system of internal controls, by its nature is designed to provide reasonable but not absolute assurance against risk of material errors, misstatement, fraud, or losses occurring. The Group's outsourced internal audit function is tasked to independently carry out a review of the existing systems, controls and procedures, and thereafter provide such recommendations that would further enhance the existing internal controls. Based on the audits, the outsourced Internal Auditors provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group, and the extent of compliance by the units with the Group's established policies and procedures.</p> <p>The key features of the Group's risk management framework and internal control system are disclosed in the Statement on Risk Management and Internal Control in the Annual Report for the financial year ended 31 August 2018.</p>
Explanation for departure	:	

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

Intended Outcome

Companies 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 :	Not Adopted
Explanation on adoption of the practice :	

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 is supported by an outsourced independent professional service provider, RSM Corporate Consulting (Malaysia) Sdn. Bhd., to assist the Audit Committee as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that seek to add value and improve the Group's operations.</p> <p>The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The Internal Auditors' risk-based approach towards the planning and conduct of internal audits, are consistent with the Group's framework in designing, implementing and monitoring its internal control system.</p> <p>The Audit Committee approves their audit plan and upon completion monitor the implementation progress of their audit recommendations.</p> <p>The internal audit function provides the Board reasonable assurance of the effectiveness of the system of internal control in the Group. The details and summary of work of the internal audit function are further disclosed in the Audit Committee Report in the Company's Annual Report for the financial year ended 31 August 2018.</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>The Company outsourced its internal audit function to an independent professional firm, RSM Corporate Consulting (Malaysia) Sdn. Bhd. And report directly to the Audit Committee.</p> <p>The Engagement team is headed by Mr. Jaymes Foo Fung Yew, an Associate Director of RSM.</p> <p>Number of Employees: 8</p> <p>Qualification of Associate Director: Member of ACCA, CMIIA</p> <p>The Audit Committee had evaluated and reviewed the Internal Audit function and were satisfied that the internal audit activities/audit plan were carried out in accordance with recognised framework, which include the <i>Standards</i> in the International Professional Practices Framework (“IPPF”) issued by Institute of Internal Auditors.</p> <p>The Audit Committee also received assurance from the outsourced Internal Auditors that all assigned Internal Auditors engagement team personnel remain independent, objective and free from any relationships or conflicts of interest in carrying out their internal audit duties throughout the engagement.</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>Communication and engagement with stakeholders are made through various platforms i.e. media other than general meeting(s), press announcements, analyst briefings and via electronic means such as website.</p> <p>The Board has put in place a Corporate Disclosure Policies and Procedures to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group's matters to regulators, shareholders and stakeholders.</p> <p>The Company's corporate website at www.wzs.my serves as one (1) of the most convenient ways for shareholders and members of the public to gain access to corporate information, news, events, announcements to Bursa Malaysia Securities Berhad relating to the Group.</p> <p>The Board has also created an investor relation section on the Company's website at www.wzs.my for information on corporate, financial, corporate governance and stock prices, which is accessible to public.</p> <p>Besides, the Annual General Meeting ("AGM") remains a principal forum used by the Company for communication with its shareholders. The Board will also ensure that each item of special business that is included in the notice of AGM is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.</p> <p>The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group. Shareholders are encouraged to actively participate in the question and answer session. The Board, Key Senior Management and the External Auditors will be present to answer and provide appropriate clarifications at the AGM.</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 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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not required to comply with this requirement as it is not a Large Company.	
		Corporate information is disseminated via the Company's website and announcements are published on the website of Bursa Malaysia Securities Berhad. At present, the Board is of the view that the Company's Annual Report and its corporate website are comprehensive enough for stakeholders to make informed decisions.	
		The current Annual Report provides stakeholders with a fairly comprehensive overview on the Company's financial and non-financial information including future prospects. Components such as the Management and Discussion Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, as well as the Sustainability Statement, form an integral part of the non-financial information.	
		Once the level of maturity of non-financial reporting practices is adequate and able to comply with global recognised integrated reporting standards, the Company will implement this as soon as it is practicable.	
<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	:	<p>The notice of AGM is despatched to shareholders at least 28 days before the AGM.</p> <p>The Notice for convening the forthcoming 14th AGM of the Company which is scheduled to be held on 29 January 2019 was sent to the shareholders on 31 December 2018, which is more than 28 days before the date of AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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 will attend General Meetings and will take any relevant questions addressed to them unless unforeseen circumstances preclude them from attending General Meetings.</p> <p>During the last AGM held in January 2018, 9 out of the 11 Directors of the Company attended the AGM.</p> <p>The Chair of the Audit Committee and Nomination Committee were present on stage to address questions from shareholders in respect of matters that fall under the purview of the Board Committees.</p> <p>In addition to the above, members of the Key Senior Management and External Auditors of the Company have also attended and will continue to attend the AGM to respond to the shareholders' queries.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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	:	<p>Presently, the Company does not have any facilities to cater for voting in absentia and remote shareholders' participation at general meetings.</p> <p>Pursuant to the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad, listed corporations are encouraged to move towards electronic AGM, whereby shareholders in different locations could attend (and also vote) at AGMs through webcast or other forms of electronic media that would allow simultaneous participation (e.g., either through mobile devices or personal computers).</p> <p>Prior to implementing the voting in absentia and remote shareholders' participation at general meeting(s), the Board noted several factors/conditions need to be fulfilled prior to making such consideration:-</p> <ul style="list-style-type: none">• Relevant amendments to the Constitution of the Company to outline the procedures for enabling such voting/participation;• Availability of technology and infrastructure;• Affordability of the technology and infrastructure;• Sufficient number of shareholders residing/locating at particular remote location(s);• Age profile of the shareholders. <p>In view thereof, the Board will not be recommending the adoption such voting/participation format at the forthcoming AGM of the Company.</p> <p>Alternatively, shareholders are allowed to appoint proxy(ies) and representative(s) to attend the meetings and vote on his/her behalf. The proxy forms are sent to the shareholders together with the Notice of General Meetings.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

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

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

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