

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5032  
**COMPANY NAME** : BINTULU PORT HOLDINGS BERHAD  
**FINANCIAL YEAR** : December 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is an important organ within our Group for promoting, enhancing and ensuring compliance with good corporate governance cultures and to ensure that they are implemented and practised in the Company.</p> <p>Members of the Board of Directors comprised of experienced, exceptional corporate and public figures capable of delivering the Company's and the shareholders' best interest in an active, efficient and engaging way. Currently, the Company is continuously driven by twelve (12) Directors which comprise of seven (7) Non-Independent Non-Executive Directors (NINEs) and five (5) Independent Non-Executive Directors (INEDs).</p> <p>The Board is charged with leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and stakeholders are discharged.</p> <p>Other duties of the Board include establishing the corporate vision and mission, as well as the philosophy of the Company, setting the goals and directions of the Management and monitoring the performance of the Management.</p> <p>The new Group Vision, Mission and Corporate Values, or GVMCV, of Bintulu Port Holdings Berhad (BPHB) was introduced on 28 February 2018. This marks the starting point of BPHB's transformational journey towards a new landscape, towards achieving new possibilities and towards sustaining port business for generations to come.</p>

	<p>Underlining BPHB’s Vision, Mission and Strategic Thrust is the Corporate Values, which has been rebranded as TIIP, “Teamwork, Integrity, Innovation and Professionalism”. Corporate Values are the operating philosophies or principles and culture that guide an organisation's internal conduct as well as its relationship with its customers, partners, and shareholders. These are the values interconnected in strengthening the People, in support of BPHB’s new Vision and Mission.</p> <p>Key matters reserved for the Board include the approval of strategic plans; annual operating and capital budgets; and quarterly as well as annual financial statements. The Board monitors the financial and operating performance and endorses the quarterly and annual results for announcement. Further, the Board identifies principal risks and ensure that the risks are properly managed as well as reviewing the adequacy of the internal control policies and ensuring that the Company has appropriate risk management framework, internal control systems and regulatory compliances policies.</p> <p>The Board acknowledges the importance of maintaining a sound risk management and internal control system as well as reviewing its adequacy and effectiveness to ensure good corporate governance.</p> <p>The Board understands that the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles and best practices stated in the Malaysian Code on Corporate Governance (MCCG).</p> <p>The Company complies with the various guidelines issued by Bursa Malaysia and the Securities Commission relating to disclosure and internal audit functions.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Tan Sri Dr. Ali bin Hamsa has been the Chairman of the Group since 1 November 2013. The Chairman provides leadership for the Group and the Board in setting the values, standards and policies of the Group especially in the development of the Company's strategic directions and safeguards the interest of its stakeholders. He also acts as a facilitator during Board meetings to ensure that the Directors participate in deliberation and that Board members were given ample opportunity to contribute to the outcomes of the meetings.</p> <p>The Chairman is responsible for managing the business of the Board to ensure that:</p> <ul style="list-style-type: none"><li>i. all Directors are properly briefed on issues arising at Board meetings;</li><li>ii. sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion;</li><li>iii. the issues discussed are forward looking and concentrates on strategy; and</li><li>iv. Ensure its Board members to have access to appropriate continuing education programmes to update their knowledge and enhance their skills.</li></ul> <p>Finally, the Chairman also ensures that every Board resolution is put to vote so the will of the majority prevails.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The distinct and separate roles and responsibilities of the Chairman and the GCEO is as expressed in the Board Charter of the Company (available on the Company's website at <a href="http://www.bintuluport.com.my">www.bintuluport.com.my</a>).</p> <p>The positions of the Chairman and GCEO are held by two different individuals.</p> <p>Tan Sri Dr. Ali bin Hamsa has been the Chairman of the Group since 1 November 2013 and he provides leadership for the Group and the Board in setting the values, standards and policies of the Group especially in the development of the Company's strategic directions and safeguards the interest of its stakeholders.</p> <p>Dato Mohammad Medan bin Abdullah has been the GCEO since 1 March 2017. The GCEO implements the policies, strategies and decisions of the Board in addition to his responsibilities for the day to day operation of the Group's business and the administration of its corporate affairs. He also has a duty to enforce compliance with MCGG, instilling good work culture, motivating the Company's workforce towards greater productivity.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 1.4

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Group is supported by a qualified and competent Company Secretary who is accountable to the Board. The Company Secretary of BPHB is a certified and licensed company secretary fulfilling requirements under Section 235 of the Companies Act 2016.</p> <p>The current Company Secretary, Encik Abu Bakar bin Husaini is licensed by the Registrar of Companies since 2 September 2015. He was appointed on 1 January 2016.</p> <p>He holds a Bachelor of Science (Hons) in Finance &amp; Accounting from University of Salford, United Kingdom (1988). He started his career as a Semi Senior Auditor at Arthur Andersen &amp; Hanafiah Raslan Mohamad in 1988 before joining Petronas Carigali Sdn. Bhd. on 2 January 1991. He joined BPSB on 2 May 1996 as the Finance Manager and was then transferred as the Manager, Internal Audit on 16 March 2010. On 1 May 2010, he was promoted as Senior Manager, Internal Audit. He has attended the Management Development Programme of the Asian Institute of Management (AIM), Makati, Philippines in 2011.</p> <p>The Company Secretary is responsible for the following duties:</p> <ul style="list-style-type: none"><li>• Ensuring that due and proper notice for all Board and Committee meetings are duly given;</li><li>• Preparing agendas and coordinating the preparation of Board papers;</li><li>• Assisting the communication between the Board and Management;</li><li>• Ensuring that papers or documents submitted for scheduled meetings contain all relevant and material information to enable members of the Board and the Committees to make well-informed and correct decision;</li><li>• Facilitating due compliance by the Group of all regulations, directions and notices issued from time to time by all relevant regulatory authorities;</li></ul>

	<ul style="list-style-type: none"> <li>• Maintaining accurate records of all the proceedings and resolutions passed including preparing comprehensive minutes of meetings; and</li> <li>• Providing full access and services to the Board and carrying out any other duties deemed appropriate by the Board from time to time.</li> </ul> <p>For annual general meetings of the Company, the Company Secretary plays an important role in ensuring that the due processes and proceedings are in place and properly managed. During the meeting, the Company Secretary will assist the Chairman and the Board to conduct the meeting and ensure the minutes are properly recorded, particularly the questions raised by the shareholders.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging its functions.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board meets regularly during the financial year. A schedule of Board meetings for the whole year is prepared well in advance before the end of the preceding financial year. This is to enable full and maximum attendance at Board and Committee meetings. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings.</p> <p>The Management prepares Board and Committee papers which provides relevant facts and analysis for deliberations of the Board. Timely and up-to-date information on financial, operational, corporate, regulatory, business development and audit matters are made available to the Board through Board Reports. These reports are a part of the mechanism primarily designed to help the Board make informed and sound decisions in discharging their duties as Directors of the Group.</p> <p>The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation.</p> <p>The Company Secretary will communicate to the relevant Management the Board's decisions/recommendations via circulation of draft minutes of meetings for appropriate actions to be taken. The Company Secretary will also follow up with the Management on status of actions taken with reference to the previous minutes of meetings for updating the Board. Action items would stay as matters arising in the minutes of meetings until they are resolved.</p> <p>Upon invitation, Senior Management of the Group and external advisors will attend Board or Committee meetings to assist in providing professional opinion and clarification on specific agenda items as well as additional insights on the matter at hand. Besides having direct access to the Management, engaging external independent professionals is an alternative the Board may pursue to acquire further advice whenever deemed necessary at the Company's expense.</p>

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

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>There is a Board Charter (“the Charter”) to guide the Directors on their functions, responsibilities and statutory duties either prescribed in the Companies Act 2016 or other relevant laws and regulations or in the Company’s constitution and the manner in which decisions are to be made by the Board.</p> <p>The Charter separates the Management and the Board in terms of their functions and authority to ensure there is a proper check and balance in the decision-making process. The Board acknowledges that the Charter is an important source of reference in regard to its role in ensuring due compliance with good corporate governance practices and principles, the key values and ethics of the Group.</p> <p>The detailed Term of Reference (“the TOR”) of the Board and the Board Committees are set out in the Charter. The Charter clearly delineates relevant matters and applicable limits, including those reserved for the Board’s approval and those which the Board may delegate to the Board Committees, the CEO and the Management.</p> <p>Key matters reserved for the Board’s approval include the annual and quarterly financial results, annual business plan and budget, dividend policy, business continuity plan, new issues of securities, business restructuring, expenditure above a certain predetermined limit, disposal of significant fixed assets and acquisition or disposal of companies within the Group.</p> <p>The Company is in the midst of reviewing its Board Charter to ensure it remains relevant in relation to all applicable rules, regulations and authorities. The current version of the Charter is available on the Group’s website at <a href="http://www.bintuluport.com.my">www.bintuluport.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Towards promoting good corporate behaviour and culture the Companies Commission of Malaysia (CCM) has published a Company Directors' Code of Ethics (hereafter referred to CCM Directors' Code of Ethics).</p> <p>Under this CCM Directors' Code of Ethics, directors' performance of their duties must be aligned with good corporate values such as sincerity, integrity, trustworthiness and high standard of corporate governance. Under the CCM Directors' Code of Ethics, the directors are charged with the responsibilities to carry out the Group's Corporate Social Responsibility (CSR) as one of the top priorities of the Group.</p> <p>By adhering to the CCM Directors' Code of Ethics, the Board is setting standards for exemplary corporate conduct for the Management and the staff to emulate. Thereby, corporate governance, work culture and ethics, commitment and loyalty to the Group is enhanced.</p> <p>Further, the Board will provide the strategic directions for the Group to strengthen its relationship with the stakeholders and the Community by initiating efforts and programmes which would benefit them.</p> <p>The Company is currently in the process of adopting its own Code of Conduct and Ethics for Directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Since September 2014, the Group has been implementing its Whistleblowing Policy as an initiative to promote a culture of openness, accountability and integrity among the Directors, officers and employees of the Group.</p> <p>Achieving high ethical standards of the Group through the implementation of this policy is crucial in creating an organisation that is both reliable, credible and mindful of its internal matters.</p> <p>The policy serves as an avenue upon which any person can confidently disclose unlawful conducts, malpractices or breach of ethics occurring within the Group so that appropriate action may be taken to prevent loss or damage to the Group.</p> <p>As the Whistleblower Protection Act 2010 protects the “whistleblower” who can disclose such misconduct without fear of reprisal or retribution from any source.</p> <p>Under this policy, information disclosed by the “whistleblower” must be substantiated and well-founded, and relayed to the Head of Group Internal Audit through channels prescribed under this policy.</p> <p>This will enable expeditious investigation to be conducted in a fair manner so that those responsible or involved in the misconduct could be brought to justice or appropriate disciplinary actions taken against them.</p> <p>After such disclosure, the “whistleblower” would be notified on the outcome of such investigation and any action taken by the relevant disciplinary authority as provided under Section 13(4) of the Whistleblower Protection Act 2010.</p>
<b>Explanation for departure</b>	:	

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



### Intended Outcome

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

### Practice 4.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Article 109 of the Company's Article of Association provides that there shall be at least two (2) and not more than twelve (12) members of the Board. As at 28 February 2019, the Board membership stands at twelve (12) members comprising of seven (7) Non-Independent Non-Executive Directors and the remaining five (5) are Independent Non-Executive Directors. This composition fulfils the requirements mandated by the MMLR of Bursa Malaysia under Paragraph 15.02(1), which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors.</p> <p>The current size and composition of the Board is considered well balanced in addressing any business challenges and driving the business of the Group to greater heights. The Board members come from various professional backgrounds in terms of mix of skills, knowledge, expertise, experience and other requisite qualities.</p> <p>These qualities include core competencies in finance, business, oil and gas, law, general management and strategic thinking that are essential for the success of the Group. The Independent Non-Executive Directors play active roles in deliberations of policies and providing unbiased independent views and sound judgement.</p> <p>The composition of the Board fairly reflects the interest of the major shareholders as represented by the appointment of their nominee Directors. The Preference Shareholder is the Minister of Finance (Incorporated) while the Petroliam Nasional Berhad (PETRONAS), Sarawak State Financial Secretary (SFS), Equisar Assets Sdn Bhd and Kumpulan Wang Persaraan (Diperbadankan) (KWAP) are the major shareholders of the Group. The Independent Directors are also responsible for safeguarding the interest of minority shareholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

**Practice 4.2**

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

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

<b>Application</b>	:	Not applicable - No independent director(s) serving beyond 9 years	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives in order to bring values to board deliberations. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.</p> <p>It is designed to be sufficiently large to capture the diversity of skills and expertise required to evaluate the best interests of shareholders, while not too large to ensure an effective decision making process and active participation of every director. A balanced board in this regard can help dispel stereotyping, make commercial decisions that are aligned to customer and investor needs.</p> <p>The current Board composition comprises of nine (9) male Directors and three (3) female Directors. The Board is of the view that the current composition will generate positive impact on business and create value for the Company. While the Board strives to promote diversity, appointments of Directors are still premised on merits, knowledge and expertise which must be relevant to the Company.</p> <p>With regards to the appointment of Directors and senior managements, the Nomination and Remuneration Committee (NRC) of BPHB take into account the current diversity in skills, experience, age, cultural background and nationality of the potential candidates. This helps to ensure an appropriate balance between the experience perspectives of the long term directors and new perspectives that bring fresh insights to the Board.</p> <p>The Board strongly views that diversity of the Board's composition is important optimal decision-making by harnessing different insights and whilst the capital market experience is of paramount importance Board, a high performance board should comprise directors with a wide of backgrounds, experiences and skills.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

## Intended Outcome

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

## Practice 4.5

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>At present, the Company has achieved a 25% female representation in its Board and will continue to remain steadfast in applying best governance practices underlined in the MCGG.</p> <p>The Board through its Board Charter envisioned a diverse Board in terms of experience, skills, competence, race, gender, culture and nationality to ensure that different perspectives are brought to bear on issues.</p> <p>The Board is of the opinion that a balanced Board composition can help dispel stereotyping, make commercial decisions that are aligned to customer and investor needs.</p> <p>The Board recognises that diversity is not limited to gender representation, but encompasses ethnicity/ race, age as well as nationality. The Board embraced Practice 4.5 as recommended in the MCGG whereby gender representation has become increasingly important. With the appointment of Datuk Yasmin binti Mahmood, Datuk Nozirah binti Bahari and Datuk Siti Zauyah binti Md Desa the current Board composition comprises of nine (9) male Directors and three (3) female Directors.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	<p>At present, the Company has achieved a 25% female representation in its Board and will continue to remain steadfast in applying best governance practices underlined in the MCGG.</p> <p>The Board is of the view that the current composition will generate positive impact on business and create value for the Company. While the Board strives to promote diversity, appointments of Directors are still premised on merits, knowledge and expertise which must be relevant to the Company.</p>
<b>Timeframe</b>	:	Within 3 years





## Intended Outcome

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

## Practice 4.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee (“NRC”) is guided by the Protocol in carrying out its responsibilities in respect of the nomination, selection and appointment process in BPHB and its subsidiaries, which also provides the requirements under the relevant laws and regulations on the matter.</p> <p>With reference to Paragraph 15.08A(3)(b) of the MMLR of Bursa Securities, the pool has been continuously refreshed with new potential candidates in 2018, having regard to the selection criteria, to ensure that the list of potential candidates remains relevant and offers the talent/skills required for the NRC/Board’s consideration.</p> <p>In this exercise, the NRC had selected some candidates for engagement sessions to review their suitability having regard to their qualifications and experience/skill sets with reference to the ‘must have’ and ‘nice to have’ criteria. This was in view of filling the vacancy following the retirement of a Director in accordance with the 9-year policy.</p> <p>Apart from these criteria, the NRC also considered the mix of skills, backgrounds, experiences, personality and time commitments.</p> <p>To ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, the criterion as agreed by the Board for determining candidates for the pool of potential Directors is that they must not hold directorships of more than five (5) public listed companies (as prescribed in Paragraph 15.06 of the MMLR of Bursa Securities).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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 4.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee (NRC) comprises of the following members:</p> <div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;"> <p><b>BPHB Nomination and Remuneration Committee (NRC) Composition</b></p> <p><b>Name of Directors</b></p> </div> <p><b>Independent Non – Executive Directors</b></p> <div style="background-color: #d9e1f2; padding: 2px 5px; margin-bottom: 5px;"> <p>Dato’ Sri Mohamed Khalid bin Yusuf @ Yusup <i>Chairman of NRC</i></p> </div> <p>Datuk Nozirah binti Bahari</p> <div style="background-color: #d9e1f2; padding: 2px 5px; margin-bottom: 5px;"> <p><b>Non – Independent Non – Executive Directors</b></p> </div> <p>Dato Sri Fong Joo Chung</p> <p>The membership classification of the NRC is set out in its Terms of Reference. The current Chairman of the NRC is an Independent Director who is nominated amongst the Independent Non-Executive Directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Performance Assessment for Board was adopted by BPHB in 2014. It is conducted internally upon completion of the financial year and comprises of Board Evaluation and Committee Evaluation. It is designed to increase the Board's effectiveness and efficiency as well as to draw the Board's attention to key areas that need to be addressed in order to maintain consistency of the Board's performance regardless of its diversity.</p> <p>Questionnaire on the PAB include the effectiveness of the Board of Directors as a whole, as well as that of the Board Committees. The Committees' structure and processes as well as accountabilities and responsibilities are also evaluated.</p> <p>The assessment questionnaire is distributed to all respective Board members and covers topics such as the contribution and performance of Directors with regards to their competency, time commitment, integrity and experience in meeting the needs of the Group and suggestions to enhance board effectiveness.</p> <p>The overall results for the Board assessment revealed that the Board has performed evidently well, indicating Directors' satisfaction with the Board's overall performance. The Board Committees assessment showed indications that Committee members have performed effectively as a group and in assisting the Board to discharge its roles and responsibilities.</p> <p>Upon reviewing the results of the Board and Committee assessment, Nomination and Remuneration Committee has identified training for Directors and succession planning for the Group as areas that need improvement.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 6.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The fees of the Non-Executive Directors and any benefits payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting in accordance with Section 230 of the Companies Act 2016.</p> <p>The Nomination and Remuneration Committee ("NRC") reviews the remuneration policy for the members of the Board, Board Committees, Nominee Directors on the functional Board of the subsidiaries of BPHB and the GCEO, and recommends to the Board for approval.</p> <p>The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Company as well as other individuals serving as members of the Board Regulatory Committees.</p> <p>The NRC is also responsible to recommend the utilisation of the provision for annual salary increments, and performance bonuses in respect of each financial year.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 6.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is satisfied that the NRC has effectively and efficiently discharged its roles and responsibilities with respect to its nomination and remuneration functions, which include amongst others, reviews of the remuneration policies for the Board, Board Committees, the GCEO and key management personnel. As such, there is no need to separate the nomination and remuneration functions into distinct nomination and remuneration committees.</p> <p>Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 23<sup>rd</sup> Annual General Meeting ("AGM") on the Directors' remuneration in two (2) separate resolutions as follows: -</p> <p><b>Resolution 1:</b> Shareholders' approval is to be sought on the payment of Directors' fees up to an amount of RM2,096,900.00 to the Non-Executive Directors of the Company with effect from 23 April 2019 until the next 24<sup>th</sup> AGM in 2020, as follows:</p> <ul style="list-style-type: none"><li>(i) the payment of Directors' fees amounting RM1,371,500.00 to the Non-Executive Directors of Bintulu Port Holdings Berhad; and</li><li>(ii) the payment of Directors' fees amounting RM725,400.00 to the Non-Executive Directors of Bintulu Port Holdings Berhad's Subsidiaries.</li></ul> <p>The estimated amount of RM2,096,900.00 for the payment of Directors' fees to the Non-Executive Directors of the Company is based on the following:</p>

Company / Committee	Designation	Director's Fees per Month (RM)
BPHB	Chairman	12,000.00
	Non-Executive Directors (Members)	8,500.00
BPSB / BBSB / SPSB (subsidiaries)	Chairman	6,000.00
	Non-Executive Directors (Members)	4,200.00

**Resolution 2:** Shareholders' approval is to be sought on the payment of Directors' benefits payable up to an amount of RM765,000.00 to the Non-Executive Directors of Bintulu Port Holdings Berhad Group of Companies for the year 2019 starting from 23 April 2019 until the next AGM of the Company in 2020 as follows:

- (i) the estimated Directors' benefits payable amounting RM511,500.00 to the Non-Executive Directors of Bintulu Port Holdings Berhad; and
- (ii) the estimated Directors' benefits payable amounting RM253,500.00 to the Non-Executive Directors of Bintulu Port Holdings Berhad's Subsidiaries.

The estimated amount of RM765,000.00 for the Directors' benefits payable to the Non-Executive Directors of the Company is based on the following:

Allowances and Benefits	Chairman	Members
<b>Meeting Allowance (Per Meeting)</b>	<b>(RM)</b>	
Bintulu Port Holdings Berhad Board	3,000.00	2,000.00
Audit and Risk Committee	2,000.00	1,500.00
Nomination and Remuneration Committee	2,000.00	1,500.00
Finance and Investment Committee	2,000.00	1,500.00
Bintulu Port Sdn. Bhd. Board	2,000.00	1,500.00
Biport Bulkiers Sdn. Bhd. Board	2,000.00	1,500.00
Samalaju Industrial Port Sdn. Bhd. Board	2,000.00	1,500.00
Monthly Fixed Allowance	4,500.00 per month	Not Applicable
Other Benefits	Medical coverage, travel and other claimable benefits	



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

## Intended Outcome

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

## Practice 7.1

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

<b>Application</b>	:	Applied																									
<b>Explanation on application of the practice</b>	:	<p>The responsibility of setting appropriate Directors' remuneration framework and packages is under the purview of the NRC. The package has to be attractive enough to ensure that the Group continues to motivate Directors and retain talents that are necessary to manage the Group professionally and effectively.</p> <p>Non-Executive Directors are paid fixed annual Directors' fees as members of the Board. In addition to fixed annual Directors' fees, the Directors are paid meeting allowance for each Board and Board Committees' meetings. Directors' fees will be paid to the Directors upon approval at the AGM as provided in the Article 110 (1) of the Company's Article of Association.</p> <p>Under the provision of Section 230 (1) of Companies Act 2016, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.</p> <p>The detailed disclosure allows shareholders to make an informed decision when voting on the approval of directors' remuneration and to consider the appropriate remuneration package taking into account the responsibilities of the directors.</p> <table border="1"> <thead> <tr> <th>Company / Committee</th> <th>Designation</th> <th>Director's Fees (RM '000)</th> <th>Meeting Allowance (RM '000)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">BPHB</td> <td>Chairman</td> <td>12.0</td> <td>3.0</td> </tr> <tr> <td>Non-Executive Directors (Members)</td> <td>8.5</td> <td>2.0</td> </tr> <tr> <td rowspan="2">BPSB / BBSB / SIPSB (subsidiaries)</td> <td>Chairman</td> <td>6.0</td> <td>2.0</td> </tr> <tr> <td>Non-Executive Directors (Members)</td> <td>4.2</td> <td>1.5</td> </tr> <tr> <td rowspan="2">ARC / NRC / FIC</td> <td>Chairman</td> <td>Not Applicable</td> <td>2.0</td> </tr> <tr> <td>Non-Executive Directors (Members)</td> <td>Not Applicable</td> <td>1.5</td> </tr> </tbody> </table>	Company / Committee	Designation	Director's Fees (RM '000)	Meeting Allowance (RM '000)	BPHB	Chairman	12.0	3.0	Non-Executive Directors (Members)	8.5	2.0	BPSB / BBSB / SIPSB (subsidiaries)	Chairman	6.0	2.0	Non-Executive Directors (Members)	4.2	1.5	ARC / NRC / FIC	Chairman	Not Applicable	2.0	Non-Executive Directors (Members)	Not Applicable	1.5
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NAME OF DIRECTORS	FEES (RM '000)		ALLOWANCES (RM '000)			BENEFITS-IN-KIND (RM '000)
	BPHB	SUBSIDIARY	BPHB	COMMITTEES	SUBSIDIARY	
<b>Non-Independent Non-Executive Directors</b>						
Tan Sri Dr. Ali bin Hamsa	144.0	50.4	30.0	-	9.0	54.0
Datuk Sifi Zauyah binti Md Desa	102.0	50.4	15.5	1.5	7.5	-
Tan Sri Datuk Amar Hj. Mohamad Morshidi bin Abdul Ghani	102.0	50.4	9.5	-	6.0	-
Gen Dato' Seri DiRaja Tan Sri (Dr.) Mohd. Zahidi bin Hj. Zainuddin	102.0	50.4	18.5	1.5	9.0	-
Dato Sri Fong Joo Chung	102.0	72.0	18.0	9.0	16.0	-
Datuk Nasarudin bin Md Idris	102.0	72.0	18.5	2.0	12.0	-
Dzafri Sham bin Ahmad	102.0	50.4	18.5	12.0	12.0	-
<b>Independent Non-Executive Directors</b>						
Dato' Sri Mohamad Norza bin Zakaria	102.0	50.4	14.5	14.0	7.5	-
Dato' Sri Mohamed Khalid bin Yusuf @ Yusup	102.0	72.0	22.0	12.0	12.0	-
Datuk Yasmin binti Mahmood	102.0	50.4	16.5	10.5	6.0	-
Datuk Nozirah binti Bahari	102.0	50.4	18.0	9.0	9.0	-
Salihin bin Abang	93.5	46.2	21.0	9.0	9.0	-
<b>Totals (RM '000)</b>	<b>1,257.5</b>	<b>665.4</b>	<b>220.5</b>	<b>80.5</b>	<b>115.0</b>	<b>-</b>
	<b>1,922.9</b>		<b>416.0</b>			<b>54.0</b>
<b>Explanation for departure</b> :						
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>						
<b>Measure</b> :						
<b>Timeframe</b> :						

## Intended Outcome

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

## Practice 7.2

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

<b>Application</b>	:	Applied								
<b>Explanation on application of the practice</b>	:	<p>In heeding MCGG's good corporate governance practice, the Group follows the recommended practice in disclosing its top 6 senior management remuneration to the public.</p> <p>This allows stakeholders to understand the relation between senior management remuneration and the company's performance. This will also enable stakeholders to determine whether the remuneration is fair and able to attract and retain talent.</p> <p>Details of the remuneration of the top 6 senior management (including salary, allowances and bonus) in each successive band of RM50,000 during the financial year 2018, are as follows:</p> <table border="1"> <thead> <tr> <th>Range of Remuneration (RM)</th> <th>Name of Top 6 Senior Management</th> </tr> </thead> <tbody> <tr> <td>300,000 – 350,000</td> <td> <ul style="list-style-type: none"> <li>• <b>Matshalleh bin Mohamad Etli</b> <i>Chief Operating Officer, SPSB</i></li> <li>• <b>Yusof bin Ibrahim</b> <i>Chief Operating Officer, BBSB (Appointed on 1 February 2018)</i></li> <li>• <b>Abu Bakar bin Husaini</b> <i>Company Secretary</i></li> <li>• <b>Daiana Luna Suip</b> <i>General Manager, Group Finance</i></li> </ul> </td> </tr> <tr> <td>450,001 – 500,000</td> <td> <ul style="list-style-type: none"> <li>• <b>Omar bin Hj. Salleh</b> <i>Chief Operating Officer, BPSB</i></li> </ul> </td> </tr> <tr> <td>700,001 – 750,000</td> <td> <ul style="list-style-type: none"> <li>• <b>Dato Mohammad Medan bin Abdullah</b> <i>Group Chief Executive Officer</i></li> </ul> </td> </tr> </tbody> </table>	Range of Remuneration (RM)	Name of Top 6 Senior Management	300,000 – 350,000	<ul style="list-style-type: none"> <li>• <b>Matshalleh bin Mohamad Etli</b> <i>Chief Operating Officer, SPSB</i></li> <li>• <b>Yusof bin Ibrahim</b> <i>Chief Operating Officer, BBSB (Appointed on 1 February 2018)</i></li> <li>• <b>Abu Bakar bin Husaini</b> <i>Company Secretary</i></li> <li>• <b>Daiana Luna Suip</b> <i>General Manager, Group Finance</i></li> </ul>	450,001 – 500,000	<ul style="list-style-type: none"> <li>• <b>Omar bin Hj. Salleh</b> <i>Chief Operating Officer, BPSB</i></li> </ul>	700,001 – 750,000	<ul style="list-style-type: none"> <li>• <b>Dato Mohammad Medan bin Abdullah</b> <i>Group Chief Executive Officer</i></li> </ul>
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<b>Explanation for departure</b>	:									
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>										

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

**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit and Risk Committee (ARC) comprises of four (4) members at present, three (3) of the members are Independent Non-Executive Directors and one (1) Non –Independent Non-Executive Directors.</p> <p>The Chairman of ARC, Salihin bin Abang is a Chartered Accountant of Malaysian Institute of Accountants (MIA), ASEAN Chartered Professional Accountant and a Fellow International Accountant of the Association of International Accountants, United Kingdom (AIA). He is a graduate from Universiti Islam Antarabangsa Malaysia.</p> <p>He is not the Chairman of BPHB. As per Practice 8.1 of the MCGG, where it is recommended that the Chairman of ARC is not the Chairman of the Board, the Chairman of BPHB is held by Tan Sri Dr. Ali bin Hamsa.</p> <p>Salihin bin Abang is an Independent Non-Executive Director and was appointed Chairman of the ARC since 22 November 2018.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	None of the members of the Board were former key audit partners within the cooling-off period of two (2) years as per the new recommendation under Practice 8.2 of the MCCG. Therefore, there is no such person being appointed as the member of the AC.  As the Company is currently in the midst of reviewing its Board Charter, proper steps will be taken to address this Practice.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In reference to the Board Charter, the ARC requires written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.</p> <p>The ARC is also responsible to ensure that the financial statements of the Group comply with the current applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of Companies Act 2016.</p> <p>Further, the responsibility of recommending the person or persons to be nominated to act as the External Auditor rests upon the ARC. The ARC has also reviewed first, second and third quarters of 2018 financial reports, relevant reports for the inclusion of the 2018 annual report and also audit issues raised by internal and external auditors.</p> <p>With regards to the suitability of Ernst &amp; Young (EY) as the external auditors of the Group, the ARC finds the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group is sufficient and satisfactory. The ARC was also satisfied in its review that the provision of the non-audit services by EY to the Company for the financial year 2018 did not in any way impair their objectivity and independence as external auditors of the Group.</p> <p>Having regard to the outcome of the annual assessment of external auditors, the Board had in February 2019 approved the ARC's recommendation for the shareholders' approval to be sought at the 23<sup>rd</sup> AGM on the appointment of EY as external auditors of the Company for the financial year 2019.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit and Risk Committee ("ARC") members are expected to devote sufficient time in improving their knowledge and enhancing their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>The Chairman and members of the ARC are financially literate, and have carried out their duties in accordance with the TOR of the ARC.</p> <p>Based on the outcome of the ARC effectiveness assessment of the Performance Assessment for Board of Directors (PAB) for the FY2018, the Board is satisfied with the ARC's performance as its Chairman and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the ARC.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the responsibility for reviewing the adequacy and integrity of the Group's internal control and risk management system. The system of internal control covers governance, risk management, financial, strategy, organisational, operational, regulatory and compliance control matters.</p> <p>The Board, whilst acknowledging its responsibility, recognises that the risk management and internal control system are designed to manage, rather than eliminate, the risks that may impede the achievement of the Group's business goals and objectives. Therefore, the system can only provide reasonable, but not absolute assurance, against the occurrence of any material misstatement, fraud or losses.</p> <p>To ensure the adequacy and effectiveness of the Group's risk management and internal control, the Board has maintained full control over strategic, financial, organisational and compliance issues and has put in place the formal lines of responsibility and delegation of authority.</p> <p>The review of risk management and internal control reports and processes is delegated by the Board to the ARC.</p> <p>As for risk management, the Board has carried out an on-going process of identifying, evaluating as well as deliberating and providing advice on matters pertaining to key corporate risks of the Group, the mitigation measures and its action plans to ensure that key risk areas are managed to achieve the Group's business objectives.</p> <p>A summary of the Company's Internal Control and Risk Management structure and segments are as illustrated in the Company's Statement on Risk Management and Internal Control of the Annual Report 2018, pages 87 and 92.</p> <p>In recognition of its sound management systems, the Group through its subsidiaries has managed to secure accreditations from various bodies and agencies which are all available inside the Company's Sustainability Statement of the Annual Report 2018, page 128.</p>

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

## Intended Outcome

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

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

## Practice 9.2

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

<b>Application</b>	:	Applied							
<b>Explanation on application of the practice</b>	:	<p>The Group's internal control segments comprise the following key elements:</p> <table border="1" data-bbox="533 819 1382 2029"> <thead> <tr> <th data-bbox="533 819 608 864">NO.</th> <th data-bbox="608 819 836 864">SEGMENT</th> <th data-bbox="836 819 1382 864">KEY ELEMENT</th> </tr> </thead> <tbody> <tr> <td data-bbox="533 864 608 2029">1</td> <td data-bbox="608 864 836 2029">AUTHORITY &amp; RESPONSIBILITY</td> <td data-bbox="836 864 1382 2029"> <ul style="list-style-type: none"> <li data-bbox="849 864 1382 898">• <b>TERMS OF REFERENCE</b></li> </ul> <p data-bbox="895 913 1382 1048">The Board has delegated certain responsibilities to Board Committees, as follows, through clearly defined and approved Terms of Reference ("TOR") which shall be reviewed when necessary:</p> <ul style="list-style-type: none"> <li data-bbox="895 1070 1190 1099">○ Audit &amp; Risk Committee</li> <li data-bbox="895 1099 1366 1128">○ Nomination &amp; Remuneration Committee</li> <li data-bbox="895 1128 1294 1158">○ Finance &amp; Investment Committee</li> </ul> <p data-bbox="895 1178 1382 1234">The above TOR is accessible in the website of the Group.</p> <p data-bbox="895 1254 1382 1335">In addition, there are a number of committees established by the Management with specific TOR.</p> <ul style="list-style-type: none"> <li data-bbox="849 1357 1382 1391">• <b>ORGANISATIONAL STRUCTURE</b></li> </ul> <p data-bbox="895 1411 1382 1570">The Group has an organisational structure with formal lines of authority and accountability which sets out clear segregation of powers to guarantee effective control at various levels of the Group.</p> <p data-bbox="895 1590 1382 1697">The Management is responsible for the implementation of the Group's strategies and day-to-day businesses based on the established structure and limits of authority.</p> <p data-bbox="895 1718 1382 1854">The organisational structure is reviewed from time to time to address changes in business environment as well as to keep abreast of current and future trending of new technologies, products and services.</p> </td> </tr> </tbody> </table>		NO.	SEGMENT	KEY ELEMENT	1	AUTHORITY & RESPONSIBILITY	<ul style="list-style-type: none"> <li data-bbox="849 864 1382 898">• <b>TERMS OF REFERENCE</b></li> </ul> <p data-bbox="895 913 1382 1048">The Board has delegated certain responsibilities to Board Committees, as follows, through clearly defined and approved Terms of Reference ("TOR") which shall be reviewed when necessary:</p> <ul style="list-style-type: none"> <li data-bbox="895 1070 1190 1099">○ Audit &amp; Risk Committee</li> <li data-bbox="895 1099 1366 1128">○ Nomination &amp; Remuneration Committee</li> <li data-bbox="895 1128 1294 1158">○ Finance &amp; Investment Committee</li> </ul> <p data-bbox="895 1178 1382 1234">The above TOR is accessible in the website of the Group.</p> <p data-bbox="895 1254 1382 1335">In addition, there are a number of committees established by the Management with specific TOR.</p> <ul style="list-style-type: none"> <li data-bbox="849 1357 1382 1391">• <b>ORGANISATIONAL STRUCTURE</b></li> </ul> <p data-bbox="895 1411 1382 1570">The Group has an organisational structure with formal lines of authority and accountability which sets out clear segregation of powers to guarantee effective control at various levels of the Group.</p> <p data-bbox="895 1590 1382 1697">The Management is responsible for the implementation of the Group's strategies and day-to-day businesses based on the established structure and limits of authority.</p> <p data-bbox="895 1718 1382 1854">The organisational structure is reviewed from time to time to address changes in business environment as well as to keep abreast of current and future trending of new technologies, products and services.</p>
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			<ul style="list-style-type: none"> <li>• <b>RESPONSIBILITY LEVELS</b> The Group has instituted the levels of authority which were approved by the Board and are subject for review from time to time to reflect the limit of authority of Management in all aspects of the Group's major business, operations and functions.</li> <li>• <b>COMPLIANCE ENVIRONMENT</b> Each divisions and business units within the Group have established adequate compliance environment by instituting specific &amp; dedicated function to oversee compliance matters in respect to business and operations.</li> <li>• <b>INTERNAL CONTROL POLICY</b> The policy was established and was approved by the Board of Directors and it is subject for review from time to time, in order to reflect changes of internal control environment that may affect the Group's business and operations.</li> </ul>
	2	PLANNING, MONITORING & REPORTING	<ul style="list-style-type: none"> <li>• <b>BUDGET</b> The Group has also performed comprehensive budgeting and forecasting exercises.  An annual planning and budgetary exercise was undertaken requiring all divisions to prepare business plans and budgets for the forthcoming year.  These are deliberated on and approved by the Board prior to implementation by the Management.</li> <li>• <b>PERFORMANCE REVIEW</b> The Group's business plans for the year are reviewed and deliberated by the Board on a yearly basis.  The actual performance against budget and financial performance variances is analysed and reported on a quarterly basis to the Board and timely corrective actions are then taken.</li> <li>• <b>FINANCE FUNCTION</b> The Group Finance Division is required to provide assurance to the ARC that appropriate accounting policies have been adopted and applied consistently, the going concern basis as applied in the Annual Financial Statements and Condensed Consolidated Financial Statements of the Group is appropriate, and that prudent judgements and reasonable estimates have been made in accordance with the requirements set out in the established and adopted Financial Reporting Standards.</li> </ul>



	3	POLICY & PROCEDURES	<ul style="list-style-type: none"> <li>• <b>STANDARD OPERATION PROCEDURES</b>  Clear, formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations.   Information relating to Financial, Procurement &amp; Contract Management, Human Resources and Information Technology are documented and accessible through the Group's Intranet and manuals.   In addition, the Group has obtained accreditation from local and international bodies to standardised the relevant processes.</li> <li>• <b>CODE OF CONDUCT</b>  The Code of Conduct is given to all newly recruited staff upon joining the Group.   They are required to strictly adhere to the Code of Conduct in order to ensure high level of discipline and integrity while executing their duties.   It is the responsibility of all staff to maintain and practice the Code of Conduct as part of their accountability towards achieving the overall Group's objectives.</li> <li>• <b>CUSTOMER CHARTER</b>  The Customer Charter is a benchmark set by the Group for evaluating operational efficiency and performances towards meeting service delivery standards and customer's satisfaction.   The Management is committed to ensure strict adherence to the Customer Charter at all levels of operation.   For any failure to meet the Customer Charter, the Management carries out service recovery initiatives.</li> <li>• <b>WHISTLEBLOWER POLICY</b>  The Policy was approved by the Board to provide an avenue for employees or any external party to report any breach or suspected breach of any law or regulation, including breach of Code of Conduct and the Group's policies in a safe and confidential manner.</li> </ul>
	4	AUDIT	<ul style="list-style-type: none"> <li>• <b>INTERNAL AUDIT</b>  The internal control practices are audited in-house by the GIA to identify any non-compliance elements of policies, procedures, regulations and standards.   Any irregularity or significant finding by the GIA is reported to the ARC together with recommendations for corrective measures on timely basis.</li> </ul>

		<p>The Management is responsible to ensure that corrective actions are carried out within determined time frame.</p> <ul style="list-style-type: none"> <li> <b>EXTERNAL AUDIT</b> <p>The External Auditors' annual plan which comprises planned audit services (inclusive of other assurance-related services), recurring non-audit services and non-recurring non-audit services is tabled to the ARC for deliberation and approval.</p> <p>Other than financial statutory audit, there was audit on operational statutory compliance conducted by the government agencies, to ensure fulfilment of licenses conditions.</p> </li> <li> <b>CERTIFICATION AUDIT</b> <p>The audit was conducted by the Certification Bodies, on a scheduled-basis, to ensure continuous certification is obtained from local and international bodies including renewals.</p> </li> </ul>
5	COMPLIANCE	<p>The role of Group Legal Counsel is to advise the Board and Management on all legal matters and manage litigations.</p> <p>It also plays a pivotal role in ensuring that interests of the Group are legally preserved and safeguarded.</p> <p>The Board is updated through reports as and when there are introductions of new legislations, new terms of business or changes in existing laws relevant to the Group.</p>
6	PERFORMANCE MEASUREMENT	<p>Key Performance Indicators ("KPIs"), which are based on the Corporate and Divisional Balanced Scorecards and Individual KPIs and Behavioural Competencies are used to track and measure employees' performance.</p> <p>In addition, annual employee engagements and customer satisfaction surveys are conducted to gain feedback on effectiveness and efficiency of stakeholder's engagements for continuous improvement.</p>
7	EMPLOYEES' COMPETENCY	<p>Training and development programmes are identified and scheduled for the staff to acquire the necessary knowledge, skills and core competencies to enhance their professionalism. This is to ensure that the Group can assign staff with specific and specialised training at the right place thereby minimising unnecessary errors or non-compliance to the established policies.</p>

The Group's Enterprise Risk Management (ERM) elements comprise the following key elements:

NO.	SEGMENT	KEY ELEMENTS
1	ERM ENVIRONMENT	<p>One of the key features of the risk management environment is the implementation of established and clear functional responsibilities and accountabilities for the management of risk.</p> <p>The ERM Environment consists of framework, process and governance which is illustrated in the Annual Report 2018 Statement on Risk Management and Internal Control, page 94 to 95.</p>
2	MATERIALITY ASSESSMENT	<p>Pursuant to the recommendation of Bursa Malaysia's Sustainability Reporting Guide, an organisation should reconsider its material sustainability risks and opportunities (i.e. sustainability matters) at least once a year.</p> <p>This is to ensure that the sustainability matters being managed and reported remained significantly important to its business and are aligned to stakeholders' needs. The Group undertook a materiality assessment in 2018, comprising of a series of focus group sessions and interviews with various key internal stakeholders.</p>
3	RISK MANAGEMENT COMMITTEE	<p>The Risk Management Committee was established, comprising of members as follows:</p> <ul style="list-style-type: none"> <li>• Group Chief Executive Officer ("GCEO")</li> <li>• Chief Operation Officers ("COOs")</li> <li>• General Manager of Group Legal Counsel</li> <li>• General Manager of Group Finance</li> <li>• General Manager of Group Health &amp; Safety Environment</li> <li>• General Manager of Group Corporate Planning &amp; Development</li> <li>• General Manager Group Information Technology</li> <li>• Senior Manager of Group Security</li> </ul> <p>In 2018, there were two (2) meetings conducted and the Management planned to have a quarterly basis meeting in 2019.</p>
4	RISK MANAGEMENT FUNCTION	<p>The risks are viewed from and managed on a Group-wide basis and driven by a designated ERM Unit under Group Corporate Planning &amp; Development ("GCPD").</p> <p>ERM Unit is responsible for overall coordination of risk management of the Group by working closely with Risk Focal Person who undertakes monitoring and assessing risks controls in their respective Division and Department.</p> <p>The ERM Unit reports directly to the GCEO.</p>

5	RISK MANAGEMENT AWARENESS PROGRAM	The main objectives of the program are to inculcate robust risk governance and compliance culture to all staff ranging from operational to Senior Management, which is conducted on a yearly-basis.
6	GROUP PRINCIPAL RISK REGISTER & PROFILE	The Group Principal Risk Register & Profile is a permanent agenda of ARC Meeting, which deliberated the following principal risks: <ul style="list-style-type: none"> <li>• Strategic Risk</li> <li>• Financial Risk</li> <li>• Operation Risk</li> <li>• Business Environment / Hazard Risk</li> <li>• Information &amp; Data Risk</li> <li>• Governance / Legal Risk</li> </ul>
8	INSURANCE	Sufficient insurance coverage and physical safeguards on major assets are in place to ensure the Group's assets are adequately covered against any mishap that could result in material loss.

**REVIEW OF EFFECTIVENESS**

The Board remains committed towards improving the system of internal control and risk management process to meet its corporate objectives. The Board is of the opinion that the Group's present system of internal controls is sound and sufficient to safeguard the Group's interest and its business operations. It is also satisfied that the risks taken are at an acceptable level within the control of the business environment of the Group.

**REVIEW OF THIS STATEMENT**

In line with Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 issued by the Malaysian Institute of Accountants.

Based on their review for the financial year ended 31 December 2018 and up to date of issuance of the financial statements, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in all material aspects.

This Statement on Risk Management and Internal Control had been reviewed and affirmed by the Internal Auditors as well as the External Auditors for inclusion in the Annual Report of the Group for the financial year ended 31 December 2018 in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements.

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

**Intended Outcome**

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

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

**Practice 9.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is carried out by the Group Internal Audit of Bintulu Port Holdings Berhad. The Group Internal Auditors works independently and are answerable to the Audit and Risk Committee (“ARC”) and administratively to the GCEO. Internal Audit must be independent to ensure it is able to discharge its duties in an objective manner and provide impartial advice to the ARC.</p> <p>The Internal Audit is also responsible in providing the ARC with independent and objective reports on the state of internal controls, risk management, governance processes and the extent of compliance to the Group’s established policies and procedures, and the relevant statutory requirements.</p> <p>The Internal Audit also provides reasonable assurance to the ARC and to the Board based on audit findings concerning the effectiveness of risk management, internal controls and governance processes.</p> <p>For the year 2018, the Group Internal Audit managed to perform its responsibilities with independence, proficiency and due professional care so as to give assurance to the Board on the integrity of its internal control and the reliability of the systems as a whole.</p> <p>The Internal Audit personnel constantly keep themselves abreast with developments in the profession, relevant industry and regulations through attendance at conferences/trainings.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 10.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>At current, the Group Internal Audit function has seven (7) personnel comprised of the Senior Manager of Internal Audit, the Manager of Internal Audit, four (4) internal auditors and a secretary.</p> <p>The Senior Manager of Group Internal Audit, Haji Mohamad Yacop bin Mohamad Junit assumed the position of Manager, Group Internal Audit of BPHB since January 2014. He graduated from Institut Teknologi MARA with a Diploma in Accountancy in 1987. In 1999 he obtained a Bachelor Communication from Universiti Putra Malaysia. He has also attended the Management Development Programme at the Asian Institute of Management (AIM), Makati, Philippines in 2015.</p> <p>The Group complies with current applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of Companies Act 2016 with regards to the internal audit function. For the year 2018, the Group Internal Audit managed to perform its responsibilities with independence, proficiency and due professional care so as to give assurance to the Board on the integrity of its internal control and the reliability of the systems as a whole.</p>
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	



<b>Timeframe</b>	:		
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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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Shareholders can access corporate information, Annual Reports, press releases, financial information, company announcements and share prices through investors' relations programmes and the Group's website. However, undisclosed material information about the Group will not be given to any single shareholder or shareholder groups.</p> <p>Ongoing engagement and communication with stakeholders build trust and understanding between the company and its stakeholders. It provides stakeholders a better appreciation of the company's objectives and the quality of its management. This in turn will assist stakeholders in evaluating the company and facilitate shareholders to determine how their votes should be exercised. From the company's perspective, it provides an avenue for invaluable feedback that can be used to understand stakeholders' expectations and develop business strategies.</p> <p>The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.</p> <p>Dialogue with stakeholders is a necessary and beneficial process as it enables companies to understand stakeholders' concerns and to take these concerns into account when making decisions.</p> <p>In addition to that, the Group conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.</p> <p>The Group holds separate interfacing sessions with fund managers, institutional investors and investment analysts as well as the media. The sessions are intended to disseminate updated progress and development of the Group's business to interested parties including the shareholders and stakeholders.</p>

	<p>In year 2018, the Group's interfacing sessions were as follows:</p>																			
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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 11.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>For Annual Report 2018, the Company strives to provide as much valuable information as it can to all shareholders and stakeholders so that they will be provided with an opportunity to make informed investment decisions in regards to the Company</p> <p>The Company produced a comprehensive Sustainability Statement made according to the guidance issued by Bursa Malaysia (Sustainability Reporting Guide) as well as full disclosures on its account in the Annual Report 2018.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	<p>The Company has produced a comprehensive Sustainability Statement made according to the guidance issued by Bursa Malaysia (Sustainability Reporting Guide) as well as full disclosures on its account in the Annual Report 2018.</p> <p>In addition, shareholders and investors may also obtain the up-to-date information, the latest corporate, financial and market information as well as digital version of Annual Reports of the Group through the Bursa Malaysia website at <a href="http://www.bursamalaysia.com">http://www.bursamalaysia.com</a>.</p> <p>The primary contacts of the Group are as follows:</p> <p><b>Group Chief Executive Officer</b> Bintulu Port Holdings Berhad Tel: +60 86 291001 (ext. 300) Fax: +60 86 253597</p> <p><b>Company Secretary</b> Bintulu Port Holdings Berhad Tel: +60 86 291001 (ext. 257) +60 86 261257 (Direct Line) Fax: +60 86 254062</p>

	<p>While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Board is mindful of the legal and regulatory framework governing the release of material and price sensitive information.</p> <p>For the upcoming Annual Report 2019, the Company is looking forward to produce an integrated report in year 2020.</p>	
<b>Timeframe</b>	:	Within 1 year

**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Bintulu Port Holdings Berhad issued the notice of its Annual General Meeting (“AGM”) to shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.</p> <p>The additional time were given to shareholders to allow them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p> <p>The notes to the Notice of the 23<sup>rd</sup> AGM dated 28 March 2018 had provided detailed explanations for each resolution proposed, e.g. final dividend, re-election/retirement of Directors, Directors’ remuneration comprising the Directors’ fees and benefits, appointment of auditors, etc., to enable shareholders to make informed decisions in exercising their voting rights.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 12.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the 22<sup>nd</sup> Annual General Meeting (‘‘AGM’’), all Directors were present in person to engage directly with shareholders and be accountable for their tenure of the Company.</p> <p>At the previous AGM, among the Directors present were the Chairmen of the Audit and Risk Committee (‘‘ARC’’), Nomination and Remuneration Committee (‘‘NRC’’) and Finance and Investment Committee (‘‘FIC’’) respectively.</p> <p>The proceedings of the 22<sup>nd</sup> AGM included the presentation of the Company’s operating and financial performance for 2017 and a Questions &amp; Answers session during which the Chairman invited shareholders to raise questions pertaining to the Company’s financial statements and other items for adoption at the meeting, before putting a resolution to vote.</p> <p>The Directors, GCEO, Management and external auditors were in attendance to respond to the shareholders’ queries. The CEO also shared with the shareholders present the Company’s responses to questions submitted in advance of the AGM by the Minority Shareholder Watchdog Group (MSWG).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 12.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Bintulu Port Holdings Berhad ("the Company") adopted poll voting since its 21<sup>st</sup> Annual General Meeting held on 21 April 2017 for all resolutions proposed, where the votes were cast by way of voting slips.</p> <p>The voting at the 22<sup>nd</sup> AGM held on 30 April 2018 was conducted on a poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company had appointed Tricor Investor &amp; Issuing House Services Sdn. Bhd. ("Tricor") as Poll Administrator to conduct the polling process, and Scrutineer Solutions Sdn. Bhd. as Scrutineers to verify the poll results.</p> <p>Upon verification of the poll results by the Scrutineers, the Chairman announced the results for each resolution which include votes in favour and against. The Chairman later then declared whether the resolutions were carried. The poll results were also announced by the Company via Bursa LINK on the same day for the benefit of all shareholders.</p> <p>The 22<sup>nd</sup> AGM of the Company was held on 30 April 2018, with the Notice being issued on 28 March 2018. The 22<sup>nd</sup> AGM was held at Putrajaya Marriott Hotel in Putrajaya. This venue was easily accessible as it was familiar to most shareholders of the Company.</p> <p>The Company will continue to consider all factors including all applicable requirements, necessary framework and processes, as well as communication to shareholders.</p> <p>Shareholders of the Company are allowed to appoint up to two (2) person(s) as their proxies to attend, participate, speak and vote in his or her stead at a general meeting.</p>
<b>Explanation for departure</b>	:	



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

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

**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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