

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2143
COMPANY NAME : ECM Libra Financial Group 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is primarily entrusted with the responsibility of setting the goals, strategies, and the business and organisational policies of the Group. It also oversees the conduct of the Group's businesses, ensuring various control systems are in place as well as regularly evaluating such systems to ensure its integrity. The Board is guided by its Board Charter which sets out the functions, roles and responsibilities of the Board which include:</p> <ul style="list-style-type: none">- setting the strategic direction, approving and reviewing the business plans of the Group;- overseeing the conduct and performance of the Group's businesses;- identifying and managing principal risks affecting the Group;- reviewing the adequacy and integrity of the Group's internal control systems;- approving changes to the corporate organisation structure;- approving the appointment of Directors and Directors' emoluments and benefits;- approving the appointment of Chief Executive Officer of the Company and its major subsidiary companies;- approving the compensation of senior management staff;- approving the policies relating to public relations, investor relations and shareholder communication. <p>In formulating the goals and strategies of the Group, the Board is mindful of the importance of business sustainability and ensures that particular attention is given to promote sustainability.</p> <p>To ensure the Group is efficiently managed, the Board meets on a quarterly basis and additionally as and when required, with a formal schedule of matters specifically reserved for its deliberation and decision.</p>

The Board collectively reviews and considers all corporate proposals prior to their implementation. Corporate proposals are put to vote after careful deliberation. The Directors are updated on the Group's affairs at Board meetings. The Board members have unlimited access to all information with regard to the activities of ECMLFG Group during deliberations at the Board meetings as well as through regular interaction with senior management who are obliged to provide the Board with complete, well-focused and adequate information in a timely manner. The Directors are encouraged to obtain information on the Group's activities at any time by consultation with senior management. Where necessary, the Board shall also have access to advice of independent professional advisers at the expense of the Company. The Board will discuss and collectively decide on seeking such independent advice. These enable the Board members to discharge their duties and responsibilities competently and in an informed manner.

Specific authorities of the Board are delegated to the Board Committees and the Managing Director. The Board Committees comprise Board Nomination Committee ("BNC"); Board Remuneration Committee ("BRC"); and Board Audit & Risk Management Committee ("BARMC").

All matters not specifically reserved to the Board and necessary for the day-to-day operations of the Group are delegated to the Managing Director and management which include, among others:

- formulating, recommending and implementing the strategic objectives of the Group;
- translation of the strategic business plan approved by the Board into annual operating and financial plans of the business;
- manage and fully utilise the Group's human, physical and financial resources and other available resources to achieve the Group's objectives;
- discharge duties and responsibilities within the delegated authority limits set by the Board;
- perform the day-to-day responsibility and manage all aspects of the day-to-day running of the Group and ensure the Group conforms with relevant laws and regulations and its compliance framework;
- develop, implement and manage the Group's risk management and internal control system and operate within the acceptable risk level set by the Board;
- develop, implement and update policies and procedures;
- keep abreast with industry and economic trends and updates in the environment where the Group operates in; and
- furnish the Board with accurate, timely and clear information to enable the Board to perform its duties and make decision.

	<p>The BNC is responsible for assessing and recommending new nominees to the Board, re-appointment of retiring Directors as well as Directors to fill seats on Board Committees; assessing the effectiveness of the Board and the Board Committees; and to review the required mix of skills, experience and other qualities which Directors should bring to the Board. The BNC is responsible to assess the independence of Independent Directors based on the criteria established by the BNC. The BNC is also responsible to assess and recommend to the Board the appointment of Chief Executive Officer, oversee the succession of Board members and Chief Executive Officer and evaluate the performance of the Managing Director and other key senior management of the Group. The BNC facilitates board induction and oversees continuing education programmes to be provided to Board members in areas that would strengthen their contribution to the Board.</p> <p>The BRC is responsible for assessing and recommending to the Board the remuneration of Directors and key senior management officers, and the payment of performance bonus and salary increments for employees of the Group.</p> <p>The BARMC is responsible for the following and report the same to the Board:</p> <ul style="list-style-type: none"> - to review and approve the internal and statutory audit plans and the audit reports, and evaluate internal controls, including risk management and compliance matters; - to review the quarterly interim financial statements and year-end financial statements of the Group and the Company; - to consider related party transactions and conflict of interest situations that may arise within the companies in the Group; and - to review the appointment/re-appointment of the external auditors and their fees, and the scope, competency and resources of the internal audit function. <p>The detailed terms of reference of the BNC, BRC and BARMC are set out in the Appendices I, II and III of the Board Charter which is available on the website of the Company (www.ecmlibra.com) at dedicated section on Investor Relations.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board has been appointed and leads the Directors in discharging the Board's responsibilities and oversight of management. The responsibilities of the Chairman, amongst others, are as follows:</p> <ul style="list-style-type: none">- lead the Board in establishing and monitoring good corporate governance practices in the Company;- lead the Board and ensure its effectiveness of all aspects of its role;- ensure the efficient organisation and conduct of the Board's function and meetings;- lead Board meetings and discussions and act as a facilitator to ensure effective contribution of all Directors at the Board meetings and discussions;- encourage active participation and allowing dissenting views to be freely expressed;- promote constructive and respectful relations between Directors, and between the Board and management; and- ensure effective communication with shareholders and relevant stakeholders and that their views are communicated to 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

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 positions of Chairman and Managing Director of the Company are held by different Directors to ensure there is a balance of power and authority. The Chairman of the Board leads the Directors in the performance of the Board's responsibilities and oversight of management whilst the responsibility of managing the Group's business activities is delegated to the Managing Director. The Managing Director is accountable to the Board and is responsible for growing the Group's overall business and providing direction in the implementation of strategies, policies and business plans approved by the Board.</p> <p>The Chairman of the Board is Dato' Seri Kalimullah bin Masheerul Hassan whilst the Managing Director of the Company is Mr Lim Kian Onn.</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>All members of the Board have access to the advice and support of suitably qualified and competent Company Secretaries. The Company Secretaries play an important advisory role and are a source of information and advice to the Board on issues relating to procedural and statutory requirements affecting the Company and Group. The Company Secretaries update the Board on material changes in law and table the regulatory development at the Board meeting for Board's notation.</p> <p>Mr Ng Cheong Seng and Madam Jasmindar Kaur A/P Sarban Singh were the Company Secretaries of the Company for the financial year under review. Mr Ng Cheong Seng was appointed as the Company Secretary on 25 October 2017. He is the registered members of the Malaysian Institute of Accountants and is qualified to act under Section 235 of the Companies Act 2016. The resignation of Mr Ng Cheong Seng as Company Secretary of the Company with effect from 1 March 2019 was accepted by the Board on 27 February 2019.</p> <p>Madam Jasmindar Kaur A/P Sarban Singh, the joint company secretary of the Company, was appointed on 21 February 2018. She completed her requirements with the Institute of Chartered Secretaries and Administrators and is now a Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators.</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>The Board members are provided with the notice, setting out the agenda and the comprehensive Board papers at least four (4) days prior to Board meetings. Board papers are the key source of information for Directors before the meeting and senior management are obliged to provide sufficient, accurate and relevant supporting information in the Board papers. The Chairman with the assistance of the Company Secretaries ensures the integrity of the information provided and the timeliness of Board papers. Any late provision of board papers are discouraged by the Board, particularly if it involves complex matters.</p> <p>Upon conclusion of the meeting, the minutes is circulated on a timely manner to the Board members before it is confirmed and approved at the next meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a Board Charter which is made available on the Company's website (www.ecmlibra.com). The Board is guided by the Board Charter which sets out the functions, roles and responsibilities of the Board, Board Committees and individual Directors. The Board Charter is reviewed at least once a year and updated as and when necessary to align with changes in the business environment and needs of the Group and the regulatory requirements.</p> <p>During the financial year, the Board reviewed and adopted the updated Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adheres to the codes as set out in the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia and the requirements under the Companies Act 2016 which provide guidance on the standards of conduct and prudent business practices as well as standards of ethical behaviour. The said code is incorporated in the Board Charter and made available on the website of the Company (www.ecmlibra.com).</p> <p>The salient points of the Code of Ethics for Company Directors are, the Directors:</p> <ul style="list-style-type: none">- Should ensure at all times that the Company is properly managed and effectively controlled;- Should stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;- Should disclose immediately all contractual interests whether directly or indirectly with the Company;- Should at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of their powers in discharging their duties; and- Relationship with shareholders, employees, creditors and customers:<ul style="list-style-type: none">o Should be conscious of the interest of shareholders, employees, creditors and customers of the Company;o Should at all times promote professionalism and improve the competency of management and employees; ando Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace. <p>The Board has approved a Code of Conduct to be observed by all employees of the Group, incorporating a Code of Ethics and a Code of Practice on the Prevention and Eradication of Sexual Harassment in the Workplace. The said code is published on the intranet of the Group and it is accessible to the employees of the Group.</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 Board has put in place the Whistle Blowing Policy to enable the Group to take necessary measures so as to minimize, discourage, detect and prevent any form of unlawful, unethical, non-compliance and questionable practices within the Group. The Board has entrusted the Board Audit & Risk Management Committee ("BARMC") to be responsible for overseeing the application of the Whistle Blowing Policy. The Whistle Blowing Policy is accessible to the employees via intranet of the Group.</p> <p>The employees are encouraged to report in good faith if they are aware of any wrongdoing, malpractice or corporate misdeed has been, is being, or is likely to be committed within the Group. They are guided by the Whistle Blowing Policy when relaying any information in relation to the abovementioned either in writing or through oral communication to designated persons stated in said Policy. Upon receipt of report made by employees together with available evidence which have been verified accordingly, the BARMC would evaluate and make decision to determine the process that is to be initiated thereafter.</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 comprises six (6) Directors, three (3) of whom are independent. The Board has exercised its judgement that the current composition of the Board with 50% Independent Directors fairly reflects the investment in the Company by all the shareholders and is appropriate to protect the interest of all the shareholders.</p> <p>The Independent Directors have declared their independence and have been assessed independent by the Board Nomination Committee and the Board based on the criteria set in an annual assessment of their independence. The criteria set in the annual assessment of independence are in line with the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Policy on Tenure of Independent Directors and as suggested in Exhibit 8 of the Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) issued by Bursa Malaysia Securities Berhad. The Independent Directors have committed that they would remain objective and independent in expressing their opinions and in participating in the decision making and act in the best interest 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	:	

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	:	Applied - Two Tier Voting
Explanation on application of the practice	:	<p>The Board is of the view that a Director's independence should not be determined solely based on the tenure of service and the continued tenure of directorship brings considerable stability to the Board. The Company benefits from Directors who have, over time, gained valuable insight into the Group. The ability and effectiveness of an Independent Director is dependent on his calibre, qualification, experience, integrity and objectivity in discharging his responsibilities in good faith in the best interest of the Company and to safeguard the interests of the shareholders of the Company. Amongst various matters taken into consideration, the Board seeks to strike an appropriate balance between tenure of service, continuity of experience and the merit of refreshing the Board.</p> <p>In Year 2015, the Board after careful consideration, approved the Policy on Tenure of Independent Directors which sets a cap of 12 years for the tenure of Independent Directors. Upon completion of 12 years, such Directors can be re-designated as Non-Independent Directors. In line with good corporate governance practices as set out in the Malaysian Code of Corporate Governance 2012, the Board had sought and obtained approval of the shareholders at the Tenth Annual General Meeting of the Company held on 28 May 2015 for Datuk Kamarudin bin Md Ali, Dato' Othman bin Abdullah and En Mahadzir bin Azizan, who had served as Independent Non-Executive Directors of the Company for a cumulative term nearest to 9 years, to continue to serve in the same capacity until their tenure reach 12 years, provided always the criteria for assessment of their independence are met and subject to the provision on Director's retirement in accordance with the Articles of Association of the Company.</p> <p>At the Thirteenth Annual General Meeting of the Company held on 25 April 2018, Datuk Kamarudin bin Md Ali, Dato' Othman bin Abdullah and En Mahadzir bin Azizan had served as independent non-executive Directors of the Company for nearest to twelve years. After taking into consideration the on-going corporate exercise involving acquisition of interest and hotels as approved by the shareholders on 12 December 2017, the Board had sought and obtained approval of the shareholders at the Thirteenth Annual General Meeting through a two-tier voting process on the continuation of Datuk Kamarudin bin Md Ali, Dato' Othman bin Abdullah and En Mahadzir bin Azizan as independent non-executive</p>

	<p>Directors of the Company until the conclusion of the Fourteenth Annual General Meeting based on the following justifications that the three Directors:</p> <ul style="list-style-type: none"> (i) have met the criteria set in the annual assessment of their independence in line with the Main Market Listing Requirements of Bursa Securities; (ii) have vast experience gained at senior management level in their past career. Their financial management, accounting and legal background have provided support to enable the Board to discharge its duties effectively and in a competent manner; (iii) have acted in the best interest of the Company by providing independent view to the deliberations and decision making of the Board and Board's Committees; (iv) understand the Group and its businesses, the industry and challenges and therefore are able to contribute to the development of the Group; (v) are able to devote time and commitment to attend to the functions and duties as independent director, including attendance and informed participation at Board and Board's Committee Meetings; (vi) have confirmed that notwithstanding the 12 year tenure, they can and will remain objective and independent in expressing their opinions and in participating in the decision making and act in the best interest of the Company; and (vii) the on-going corporate exercise involving the acquisitions of equity interest and hotels by the Company to diversify its principal activities and not to change its business direction or policy. <p>Upon conclusion of the Fourteenth Annual General Meeting, they may continue to service on the Board subject to re-designation as non-independent Directors.</p> <p>At the forthcoming Fourteenth Annual General Meeting of the Company to be held on 27 June 2019, the Board would seek shareholders' approval via a two-tier voting process for the ordinary resolutions to enable Datuk Kamarudin bin Md Ali, Dato' Othman bin Abdullah and En Mahadzir bin Azizan to continue serving as Independent Non-Executive Directors of the Company until the conclusion of the next Annual General Meeting of the Company based on the justifications set out from the above items (i) to (vi).</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>In assessing the suitability of a new Director appointment, the Board Nomination Committee (“BNC”) takes into consideration a candidate’s skills, knowledge, experience, competency and other relevant factors as may be determined by the BNC which would contribute to the Board’s mixed of skills. Capabilities, integrity, reputation, time commitment of a candidate to discharge his duties and responsibilities and contribution that a candidate would bring to the Board and the Group and other appropriate character and requisite quality of that person would also be taken into account by the BNC in the assessment of appointment of new Director. Bankruptcy search would be conducted on the candidate as part of the suitability assessment. In case of appointment of new Independent Directors, independence of a candidate is assessed based on the criteria established by the BNC. A candidate that has been assessed fit and proper for the appointment to the Board and the Group would be recommended by the BNC to the Board for approval.</p> <p>The Board aims to maintain a diversity of expertise, skills, competency, personalities and attributes among the Directors so as to provide a comprehensive range of perspectives and experiences, resulting in improved decision making. The Board members are persons of high calibre and integrity and are able to devote sufficient time to discharge their duties. The number of Board members fairly reflects the investment in the Company by all the shareholders and is suitable to protect the interest of all the shareholders.</p> <p>Currently the Board comprised all male members who are aged between 36 and 70, of which 67% are Bumiputera and 33% are Chinese. There was no new appointment to the Board during financial year ended 31 December 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

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

Practice 4.5

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Whilst the Board recognises the contribution that women could bring to the Board, it has not established a specific target for the appointment of women candidates in its recruitment of Directors. The Board supports a policy of non-discrimination on the basis of gender, ethnicity and age for the Board and the workforce.</p> <p>The Board will only set aside specific targets in relation to gender and ethnicity and age diversity if the situation so requires and if it is in the best interest of the Company.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
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	:	<p>The Board Nomination Committee is responsible for assessing and recommending new nominees to the Board. For appointment of new Directors, selection of candidates is facilitated through recommendations from the Directors or external parties including the Company's contacts in related industries, and finance, legal and accounting professions.</p> <p>There was no new appointment to the Board during financial year ended 31 December 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

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	:	<p>The Board Nomination Committee (“BNC”) has been chaired by the Independent Director since it was set up on 27 September 2006. Practice 4.7 has been adopted and incorporated in the terms of reference of the BNC and any appointment of new Chairman of the BNC in future will be guided accordingly.</p> <p>The Chairman of BNC is Dato’ Othman bin Abdullah, an Independent Non-Executive Director 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	:		

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 assessment on the effectiveness of the Board and the Board Committees is undertaken annually via Evaluation Form comprising questions related to Board's structure, Board's operations, Board's roles and responsibilities, Board Chairman's role and responsibilities and Board Committees of the Company. The Evaluation Form is to be completed by each member of Board Nomination Committee ("BNC") and kept by the Company Secretaries. The findings from the Evaluation Form are compiled and tabled to the BNC for discussion. Subsequently, relevant report with views and recommendations of the BNC would be prepared and presented to the Board for consideration. The effectiveness of the Board and Board Committees is assessed in the areas of composition, mix of skills and experience, administration and process of meeting, quality of decision making, contribution and commitment.</p> <p>In annual assessment of individual Directors by the BNC, 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. The level of time commitment of individual Directors to discharge their responsibilities are assessed based on the record of their attendance at the Board and Board Committee meetings held during the financial year, the number of directorships in public listed companies held by them and their participation in continuing training programme and/or non-structured continuing professional development through reading articles relating to topics relevant to the business of the Group. The BNC would deliberate on the outcome of the annual assessment on individual Directors and present the outcome with their views and recommendations to the Board for consideration.</p> <p>The consent of retiring Directors for their re-election at annual general meeting would be obtained and bankruptcy search would be conducted on them before the BNC reviews on the re-election of retiring Directors. In considering re-election of retiring Directors, due regard would be given to a Director's skill, experience, contribution at Board and Board Committee meetings and time he has devoted to discharge his duties. With the consent given by the retiring Directors</p>

	for their re-election at annual general meeting, the BNC would recommend the re-appointment of retiring Directors to the Board if the results of annual assessment and bankruptcy search conducted on them and their performance and attendance at the Board and Board Committee meetings are satisfactory.	
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 Remuneration Committee ("BRC") is responsible for assessing and recommending to the Board the remuneration of Directors and key senior management officers, and the payment of performance bonus and salary increments for employees of the Group.</p> <p>ECM Libra Financial Group Berhad has an established framework that entails annual performance review against Key Performance Indicator (KPI) to evaluate performance and determine reward for Executive Directors and all employees of the Group. Remuneration packages for the Executive Directors and employees are formulated to be competitive, with emphasis being placed on performance of the Group as well as the individual, experience and scope of responsibilities and aims to attract, motivate and retain the right staff to manage the Group.</p> <p>The remuneration of Executive Directors consists of salary, defined contribution plan and other benefits. For Non-Executive Directors, the level of remuneration would commensurate with the experience and level of responsibilities undertaken by them. The remuneration of Non-Executive Directors comprises annual Directors' fees, an allowance of RM1,000 for every Board and Board Committee meeting attended, medical coverage and other claimable benefits.</p> <p>During the financial year, the Board formalised and confirmed the Remuneration Policy for Directors and Senior Management Staff after the review and recommendation of the BRC. The said policy is available on the Company's website (www.ecmlibra.com) at the dedicated section on Investor Relations and will be reviewed at least once a year.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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 Remuneration Committee ("BRC") was established on 27 September 2006. It is responsible for assessing and recommending to the Board the remuneration of Directors and key senior management officers, and the payment of performance bonus and salary increments for employees of the Group.</p> <p>The terms of reference of the BRC is available on the Company's website (www.ecmlibra.com) at the dedicated section on Investor Relations.</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 :	The Company has adopted Practice 7.1 and complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in the Annual Report 2018. The details of remuneration of the Directors of the Company on a named basis for the financial year ended 31 December 2018 as set out below are also disclosed on page 20 and page 104 of the Annual Report 2018.										
	Group					Company					
2018	Salaries	Bonus	Director Fees	Other emoluments ¹	Total	Salaries	Bonus	Director Fees	Other emoluments ¹	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Executive Directors											
Dato' Seri Kalimullah bin Masheerul Hassan *	325	88	23	101	537	325	88	23	101	537	
Mr Lim Kian Onn	1,200	300	-	225	1,725	1,200	300	-	225	1,725	
	1,525	388	23	326	2,262	1,525	388	23	326	2,262	
Non-Executive Directors											
Datuk Kamarudin bin Md Ali	-	-	73	17	90	-	-	53	9	62	
Dato' Othman bin Abdullah	-	-	48	9	57	-	-	48	9	57	
En Mahadzir bin Azizan	-	-	70	18	88	-	-	50	10	60	
Mr Gareth Lim Tze Xiang	-	-	33	5	38	-	-	33	5	38	
	-	-	224	49	273	-	-	184	33	217	
Total Directors' remuneration	1,525	388	247	375	2,535	1,525	388	207	359	2,479	
Notes:											
* Redesignated from Non-Executive Director to Executive Director on 16 June 2018.											
¹ "Other emoluments" represents the Company's contribution to the Employees Provident Fund, benefits-in-kind of the Executive Directors and meeting allowances of the Non-Executive Directors.											
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 7.2

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

Application	:	Departure										
Explanation on application of the practice	:											
Explanation for departure	:	<p>Due to confidentiality and sensitivity of the remuneration package of senior management, it would be in the best interest of the Company for not disclosing their remuneration on a named basis.</p> <p>As an alternative to Practice 7.2, the Company has disclosed the remuneration of senior management (excluding Executive Directors) for the financial year ended 31 December 2018 in the following manner:</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM300,000 to RM350,000</td> <td>1</td> </tr> <tr> <td>RM350,001 to RM550,000</td> <td>-</td> </tr> <tr> <td>RM550,001 to RM600,000</td> <td>1</td> </tr> <tr> <td>Total</td> <td>2</td> </tr> </tbody> </table> <p>The above disclosure is also available on page 21 of the Annual Report 2018.</p>	Range of Remuneration	Senior Management	RM300,000 to RM350,000	1	RM350,001 to RM550,000	-	RM550,001 to RM600,000	1	Total	2
Range of Remuneration	Senior Management											
RM300,000 to RM350,000	1											
RM350,001 to RM550,000	-											
RM550,001 to RM600,000	1											
Total	2											
<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 Board Audit & Risk Management Committee ("BARMC") and the Chairman of the Board are held by two different Directors. The Chairman of the BARMC is Datuk Kamarudin bin Md Ali whilst the Chairman of the Board is Dato' Seri Kalimullah bin Masheerul Hassan. The BARMC members comprise solely independent Directors since it was established on 28 June 2006. Practice 8.1 has been adopted and incorporated in the term of reference of the BARMC and any appointment of new Chairman of the BARMC will be guided accordingly.
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	:	Practice 8.2 has been adopted and incorporated in the terms of reference of the BARMC. A member who is a former key audit partner will only be appointed to the BARMC after he has passed the 2 year cooling-off period.	
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 Board Audit & Risk Management Committee ("BARMC") undertakes assessment of the suitability and independence of the Group's external auditors according to the guidelines and procedures set out in the External Auditors Assessment Policy before recommending their re-appointment to the Board and shareholders for approval. The BARMC with the feedback provided by management assesses the external auditors via evaluation form comprising various questions which structured to test on the suitability and independence of external auditors. In undertaking the assessment, due consideration is given to the adequacy of resources of the external auditors to manage and undertake the audit, the level and quality of service provided by the external audit team, communication between the external auditors and management as well as the competence, knowledge, experience and independence of advice provided by the engagement partner.</p> <p>The BARMC will review the External Auditors Assessment Policy at least once a year to ensure the said policy remains relevant and appropriate and fit for its purpose.</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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board Audit & Risk Management Committee ("BARMC") comprises solely Independent Directors since it was established on 28 June 2006. This will remain unchanged unless there is a change required under the relevant regulatory requirement. Practice 8.4 has been adopted and incorporated in the terms of reference of the BARMC.

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	:	The members of the Board Audit & Risk Management Committee ("BARMC") are kept abreast with the relevant development in accounting standards, practices and rules as well as their implication on the financial reporting of the Group, by the Chief Financial Officer and the external auditors of the Company. The members of the BARMC will also attend continuous professional development courses as necessary.
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 has appointed the Board Audit & Risk Management Committee ("BARMC") comprising Independent Directors to examine the effectiveness of the Group's risk management policies, processes and infrastructure which are established to manage various types of risks and to ensure an effective internal audit function. This is accomplished through the Compliance and Risk Management Department and the independent outsourced Internal Auditors who undertake the internal audit function for the Group.</p> <p>The BARMC oversees the establishment of a robust risk management framework. The BARMC reviewed, on a quarterly basis, the risk management reports that covered the review and management of risks in the day-to-day business operation and activities of the Group including the newly acquired hotel businesses, so as to ensure that the key risks encountered by the Group were properly managed and mitigated.</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 has appointed the Board Audit & Risk Management Committee ("BARMC") comprising Independent Directors to examine the effectiveness of the Group's risk management policies, processes and infrastructure which are established to manage various types of risks and to ensure an effective internal audit function. This is accomplished through the Compliance and Risk Management Department and the independent outsourced Internal Auditors who undertake the internal audit function for the Group. The focus is on areas of priority identified through risk assessment and in accordance with the plans approved by the BARMC. In the process of risk identification and evaluation, a "bottom-up" approach is adopted. Specific risks are identified by the respective business/operating units and self-assessed with the support from the Compliance and Risk Management Department in the identification, evaluation and quantification, monitoring and management of such risks undertaken by the Group as a whole. The regular risk assessment exercise using the bottom-up approach promotes risk awareness and facilitates the effective control and management of potential risks for the Group, as risk identification, evaluation and mitigation are reported to the Compliance and Risk Management Department for review and reporting to top management and the BARMC, for high-level direction and management, where applicable.</p> <p>The framework of the Group's system of internal control and key procedures include:</p> <ul style="list-style-type: none">- a management structure with clearly defined lines of responsibility and appropriate levels of delegation to govern the Group's business activities to be consistent with the Group's overall business objective and risk appetite and subjected to adequate risk management and internal controls;- clear definitions of limits of authority to cover inter alia the day-to-day operations, credit limit, investment and capital expenditure. The limits of authority have been approved by the Board and put in place to ensure control procedures and limits are implemented and complied with;- key functions such as finance, credit control, human resources and legal matters are controlled centrally. Internal control measures such as segregation of duties, independent checks, segmented

	<p>system access controls and multi-tier authorisation processes are put in place to ensure these key functions are operating within the control environment;</p> <ul style="list-style-type: none"> - the management determines the applicability of risk monitoring and reporting procedures and is responsible for the identification and evaluation of significant risks applicable to their areas of business and operation together with the design and operation of suitable internal controls. The business and support units each undertakes periodic self-assessment to identify and assess the effectiveness of the controls put in place for all material activities, processes and systems to manage the risks identified. The undertaking of self-assessment serves as an early warning tool to drive appropriate management action before the risks materialise into losses; - policies and procedures with embedded internal controls are documented in a series of Policies and Procedures that are subjected to periodic review for updating of any changes in operational processes or regulatory requirements. The business and support units in the Group are guided by the Policies and Procedures in performing their duties to ensure compliance with internal controls and relevant laws and regulations; - corporate values, which emphasise on ethical behaviour and quality services, are formalised into a Code of Conduct as set out in the Group's Employee Handbook and the Board Charter. The Code of Conduct provides guidance to the Directors and employees of the Group on expected moral and ethical behaviour in carrying out their duties; - updates relating to regulatory requirements/guidelines from Bursa Malaysia Securities Berhad, Securities Commission Malaysia and other regulatory bodies are disseminated to the relevant employees of the Group on a timely manner to ensure compliance of the activities of the Group with the relevant regulatory requirements; and - the requirement of periodical declaration of compliance by employees of the Group to meet the statutory compliance.
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

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	:	Adopted
Explanation on adoption of the practice	:	The Board Audit & Risk Management Committee was established on 28 June 2006 and consists of Independent Non-Executive Directors.

Intended Outcome

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Group has been outsourced to an independent internal audit service provider (“Internal Auditors”) who reports directly to the Board Audit & Risk Management committee (“BARMC”). The BARMC relies on the support of the Internal Auditors to ensure the internal audit function is effective and able to function independently. During the financial year, the BARMC reviewed and approved the internal audit plan. Based on the approved internal audit plan, the Internal Auditors scheduled and conducted internal audit reviews and subsequently provided the BARMC with reports highlighting outcome of the review and their recommendations; as well as reporting on management action taken to redress any lapses.</p> <p>Further details of the internal audit function are set out in the BARMC report 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 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 internal audit function of the Group has been outsourced to Messrs Crowe Governance Sdn Bhd (“Crowe Malaysia”), an independent internal audit service provider. All the internal audit personnel involved are free from any relationships or conflicts of interest, which could impair their objectivity and independence. All employees in Crowe Malaysia are required to complete the Independence Declaration Form on annually basis. In addition, all the internal audit personnel involved are required to acknowledge on the Employee Professional Conduct And Ethics Declaration on assignment basis.</p> <p>Crowe Malaysia has 25 permanent internal audit personnel and 1 admin personnel. Mr Amos Law is the person responsible for the internal audit. He holds a Certification in Risk Management Assurance. He is a Certified Internal Auditor and a Chartered Member of The Institute of Internal Auditors Malaysia. All the internal audit personnel are guided by International Professional Practices Framework issued by The Institute Of Internal Auditors Malaysia in carrying out the internal audit function.</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 others objectives and expectations.

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to provide all stakeholders with timely and equitable access to material information that is comprehensive and accurate to ensure its compliance with the disclosure requirements as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other applicable laws. In line with this commitment and for transparency and accountability, material corporate disclosures are deliberated by the Board before being released to the public.</p> <p>The Company's website (www.ecmlibra.com) serves as the main mean of communication of the Company to reach its shareholders and general public. To maintain transparency and to promote the timely dissemination of corporate disclosures, all information made public to Bursa Malaysia Securities Berhad, such as the Company's Annual Report, the quarterly financial results, all corporate announcements and circular to shareholders together with the Board Charter, the Code of Ethics for Company Directors, the terms of reference of Board Committees and other corporate information are made available on the Company's website at the dedicated section on Investor Relations. The Company would also publish summary of the key matters discussed at the general meetings as soon as practicable on the Company's website.</p> <p>The management has the option of calling for meetings with investors/analysts if it is deemed necessary. Thus far, the Board is of the opinion that this arrangement has been satisfactory to all parties. Besides that, the Board has identified the Company Secretaries as the liaison person of the Company whom shareholders can refer to if they require any assistance on matters affecting their interests. The contact details of the Company Secretary are published on the website of the Company.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each others 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	:	Not applicable as ECM Libra Financial Group Berhad does not fall under the category of Large Companies	
<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>For the 13th Annual General Meeting (“13th AGM”) of the Company held on 25 April 2018, the notice of 13th AGM together with the Annual Report 2017 were despatched to shareholders on 27 March 2018, being at least 28 days before date of the meeting.</p> <p>The notice of 13th AGM was published in the press and the website of the Company (www.ecmlibra.com) and made available to public to Bursa Malaysia Securities Berhad. The Board with the assistance of the Company Secretaries had ensured the notice of 13th AGM contained sufficient information related to the resolutions discussed at the meeting. Shareholders would have sufficient information to make informed decision at the meeting.</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>The 13th Annual General Meeting (“13th AGM”) of the Company was held on 25 April 2018. The date of the said meeting was made available to the Directors in advance before the end of the previous financial year and this arrangement had assisted the Directors to plan ahead with their schedule.</p> <p>All the Directors attended the 13th AGM except for Mr Gareth Lim Tze Xiang, a Non-Independent Non-Executive Director who was unable to attend the said meeting due to unforeseen circumstances. The attendance of Directors had provided an opportunity for shareholders to communicate with the Directors and for the Directors to clarify and elaborate any issues raised by shareholders at the meeting. The Chairmen of the Board & Audit Risk Management Committee, Board Nomination Committee and Board Remuneration Committee were at the 13th AGM to answer questions from the shareholders on the respective committees’ activities. Hence, the shareholders would have sufficient information to exercise their rights at the 13th 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 12.3

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	:	Applied
Explanation on application of the practice	:	For the convenience of shareholders and to encourage greater participation of them at the annual general meeting, the Company had arranged its 13 th Annual General Meeting (“13 th AGM”) held on 25 April 2018 in town area which has sufficient parking space and accessible by public transport. Besides that, with sufficient notice of the 13 th AGM given to the shareholders, being 28 clear days prior the meeting, shareholders would have sufficient time to make the necessary arrangement to attend the meeting or to appoint their proxies to attend, speak and vote on their behalf if they were unable to attend the meeting.
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	:	

**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.

Not applicable
