

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2143
COMPANY NAME : ECM Libra Group Berhad (formerly known as ECM Libra Financial Group Berhad)
FINANCIAL YEAR : December 31, 2019

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 responsible to set goals, strategies, and the business and organisational policies of the Group. It also oversees the conduct of the Group's businesses, ensures various control systems are in place as well as regularly assesses such systems to ensure its integrity. The Board Charter sets out the functions, roles and responsibilities of the Board which include the following and the Board is guided accordingly:</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>The Board is mindful of the importance of business sustainability and ensures that particular attention is given to promote sustainability when formulating the goals and strategies of the Group.</p> <p>To ensure the Group is efficiently managed, the Board has meeting on a quarterly basis and additionally as and when required, with the presence of senior management. At Board meeting, the Board deliberates a formal schedule of matters specifically reserved for its deliberation and any proposals from senior management, and is updated by senior management on the Group's affairs including the</p>

performance of the Group and the status of implementation of approved proposals. The Board members have unlimited access to all information with regard to the activities of the Group during deliberations at the Board meeting as well as through regular interaction with senior management who are obliged to provide the Board with complete, well-focused and adequate information. The Directors are encouraged to obtain information on the Group's activities at any time by consultation with senior management. With all these arrangements, the Board members would have clear understanding of the Group's affairs which enable them to discharge their duties and responsibilities competently and in an informed manner.

Specific authorities of the Board are delegated to the Managing Director and the Board Committees. The Managing Director who is accountable to the Board, together with senior management are responsible for the day-to-day operations of the Group 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.

During the financial year, the Board were assisted by the Board Committees comprised Board Audit & Risk Management Committee ("BARMC"), Board Nomination Committee ("BNC") and Board Remuneration Committee ("BRC") and in discharging its duties. The Board Committees respectively reported to the Board significant matters deliberated at the meetings and key recommendations for the Board's consideration and approval.

The BARMC is responsible to review and approve the internal and statutory audit plans and the audit reports, and evaluate internal controls, including risk management and compliance matters. The

	<p>BARMC reviews the quarterly interim financial statements and year-end financial statements of the Group and the Company and considers related party transactions and conflict of interest situations that may arise within the companies in the Group. The BARMC is also responsible 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> <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>Subsequent to the financial year end, the Board resolved to merge the BNC and the BRC into one single committee and renamed it as Nomination and Remuneration Committee with effect from 26 February 2020 to improve efficiency and effectiveness in discharging duties and responsibilities. The Nomination and Remuneration Committee assumes the roles and responsibilities of the BNC and BRC and shall discharge its functions efficiently and effectively according to its terms of reference.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board leads the Directors in discharging the Board's duties and 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. <p>The Board Nomination Committee ("BNC") undertook an annual assessment on the performance of Dato' Seri Kalimullah bin Masheerul Hassan, the Chairman of the Board and the results of the assessment was satisfactory. The BNC was generally in agreement that the Chairman of the Board has encouraged and built healthy boardroom dynamics as well as an effective decision-making process where alternatives are adequately deliberated on before a decision is made. The BNC also agreed that the Chairman of the Board has ensured that the Board's workload is properly managed and, where appropriate, is allocated to the Board Committees with specific terms of reference approved by the Board.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>To ensure there is a balance of power and authority, the positions of Chairman and Managing Director of the Company are held by different Directors who respectively have their own duties and responsibilities. The Chairman of the Board leads the Directors in the performance of the Board's duties and responsibilities and oversight of management whilst the Managing Director who is accountable to the Board, 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 and the Managing Director of the Company is Dato' 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 Lim Kam Choy and Madam Jasmindar Kaur A/P Sarban Singh are the joint Company Secretaries of the Company for the financial year under review.</p> <p>Mr Lim Kam Choy was appointed on 30 August 2019 and he is a member of the Malaysian Institute of Accountants and is qualified to act under Section 235 of the Companies Act 2016.</p> <p>Madam Jasmindar Kaur A/P Sarban Singh was appointed on 21 February 2018 and she is 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	:	The Board members are provided with the notices, setting out the agenda and the comprehensive Board papers at least four (4) days prior to Board meetings. The Chairman with the assistance of the Company Secretaries ensures the information and relevant supporting documents provided in the Board papers are of sufficient clarity and quality and adequate and well in advance for the Board to make informed decision. Any late provision of board papers to the Board members are strongly discouraged, particularly if it involves complex matters or proposals, so that the Board members would have sufficient time to go through the board papers and prepare themselves for the meeting. Upon conclusion of the meeting, the Company Secretaries ensure the minutes of Board meeting is circulated on a timely manner to the Board members before it is confirmed and approved at the next 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	:	

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 sets out the functions, roles and responsibilities of the Board, Board Committees and individual Directors. The Board is guided by its Board Charter to discharge its duties and responsibilities. The Board Charter is made available on the Company's website (www.ecmlibra.com) and 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 observes the codes as set out in the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia and the said code was incorporated in the Board Charter and made available on the website of the Company (www.ecmlibra.com). The Code of Ethics for Company Directors sets out the standards of conduct and prudent business practices as well as standards of ethical behaviour with the purpose to enhance the standard of corporate governance and corporate behaviour.</p> <p>The Code of Ethics describe, amongst others, that 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 Directors would act and carry out their duties and responsibilities in accordance with the Code of Ethics for Company Directors in order to uphold good corporate integrity. The Directors would exercise their authorities for the purposes they were conferred, and for the benefit of the Company. The Director would disclose to the Board any transactions of the Company which involve his interest and abstain himself from deliberating and voting in the transactions.</p>

	The Board has established a Code of Conduct to be observed by all employees of the Group and the said code is accessible to the employees via intranet of the Group.	
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 entrusted the Board Audit & Risk Management Committee (“BARMC”) to be responsible for overseeing the application of the Whistle Blowing Policy which has been put in place 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 Whistle Blowing Policy governs reporting and investigations of allegations of suspected improper/unethical activities, violations of the laws, regulations, internal policies, procedures, guidelines and code of ethics and the whistle blower protection.</p> <p>The Whistle Blowing Policy is published on the intranet of the Group and is accessible to the employees of the Group. The Whistle Blowing Policy provides a mechanism and a minimum standard to be adhered by all the companies across the Group in dealing with disclosure on questionable actions or wrong doings by personnel in the Group. 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. The identity of the employee who is the whistle blower, will be kept confidential, unless so required under the provisions of the law or policy, and for the purpose of conducting a competent investigation, the disclosure of which would be subject to the consent of the whistle blower.</p> <p>The Whistle Blowing Policy is reviewed at least once a year to ensure it still remains relevant, appropriate and fit for its purpose.</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

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>As at financial year ended 31 December 2019, the Board comprised six (6) Directors, three (3) of whom were independent. The Board has exercised its judgement that the 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>Dato' Othman bin Abdullah, an Independent Non-Executive Director, passed away on 4 April 2020. Consequently, the number of Board members has reduced to five (5) Directors and two (2) of them are Independent Directors. The Board took cognizance of the Practice 4.1 and would fill the vacancy accordingly.</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.</p> <p>Despite the twelve (12) year cap set on the tenure of independent directors under the Policy on Tenure of Independent Director approved by the Board in year 2015, the Board had sought and obtained approval of the shareholders at the Fourteenth Annual General Meeting through a two-tier voting process 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 thirteen (13) years, to continue in the same capacity until the conclusion of the forthcoming Fifteenth Annual General Meeting, based on the following justifications that the three (3) 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 Malaysia Securities Berhad;(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;

	<p>(vi) have confirmed that notwithstanding the thirteen (13) 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.</p> <p>At the forthcoming Fifteenth Annual General Meeting, the Board would seek shareholders' approval through ordinary resolutions via a two-tier voting process for Datuk Kamarudin bin Md Ali 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.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 supports a policy of non-discrimination on the basis of gender, ethnicity and age for the Board and the workforce. In considering a new appointment of Director to the Board, the Board Nomination Committee ("BNC") would assess a candidate's skills, knowledge, experience, competency and other relevant factors which would contribute to the Board's mixed of skills. The BNC would also take into account a candidate's capabilities, integrity, reputation, his time commitment to discharge his duties and responsibilities and contribution that he would bring to the Board and the Group and other appropriate character and requisite quality of that person, in the assessment of the suitability of appointment of new Director. As part of the assessment by the BNC, a bankruptcy search would be conducted on the candidate. With regard to appointment of new Independent Directors, additional assessment will be conducted on independence of a candidate based on the criteria established by the BNC. The BNC would report the results of the assessment and make recommendation to the Board for approval if a candidate has been assessed fit and proper for the appointment to the Board and the Group.</p> <p>During the financial year, there was an appointment of Alternate Director. The BNC had assessed the candidate fit and proper based on the criteria as mentioned above and recommended his appointment to the Board for approval.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	The Board recognises the contribution that women may bring to the Board, however, it currently 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 and would only set aside specific targets in relation to gender, ethnicity and age diversity if the situation so requires and if it is in the best interest of the Company.
<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>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 an appointment of Alternate Director during the financial year ended 31 December 2019 and the candidate for the Alternate Director was nominated by his appointor who is a 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

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”) was merged with the Board Remuneration Committee as a single committee on 26 February 2020 (“Merging”) and renamed as Nomination and Remuneration Committee (“NRC”). The BNC was chaired by an Independent Director since it was set up on 27 September 2006. The late Dato’ Othman bin Abdullah, an Independent Non-Executive Director, was the Chairman of the BNC. He was subsequently appointed as the Chairman of the NRC upon the Merging.</p> <p>Practice 4.7 was incorporated in the terms of reference of the BNC and subsequently the NRC and any appointment of the new Chairman would be guided accordingly.</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 annual assessment on the effectiveness of the Board and the Board Committees for financial year ended 31 December 2019 was carried out 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. Each member of Board Nomination Committee ("BNC") completed the Evaluation Form and the results of the evaluation were compiled and tabled to the BNC for discussion. Subsequently, the BNC reported their views and recommendations to the Board for consideration. The effectiveness of the Board and Board Committees was assessed in the areas of composition, mix of skills and experience, administration and process of meeting, quality of decision making, contribution and commitment. Based on the results of the assessment, the Board concurred with the BNC that the composition of the Board and Board Committees are appropriate and suitable with a good mix of skills, core competencies and good balance of Independent Directors and the Board and Board Committees have discharged their roles and responsibilities accordingly.</p> <p>The BNC undertook the annual assessment of individual Directors by reviewing the skills and experience of individual Directors 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 BNC also assessed the level of time commitment of individual Directors to discharge their responsibilities 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 deliberated on the outcome of the annual assessment on individual Directors and reported the outcome with their views and recommendations to the Board for consideration. The Board was satisfied with the results of the assessment that there is a good mix of skills in the composition of the Board to meet the business needs of the Group and all the Directors had devoted sufficient time to discharge their responsibilities.</p>

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

Intended Outcome

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

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

Practice 6.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board determined the remuneration of Directors and key senior management officers, and the payment of performance bonus and salary increments for employees of the Group for the financial year ended 31 December 2019 based on the assessment and recommendations of the Board Remuneration Committee and guided by the approved Remuneration Policy for Directors and key senior management officers.</p> <p>The Remuneration Policy for Directors and key senior management officers outlines the remuneration framework and procedures to determine the remuneration of the Directors and key senior management officers. Under the remuneration framework, annual performance of Executive Directors and key senior management officers were reviewed and evaluated against the Key Performance Indicator in determining the reward to them under the Bonus, Increment and Promotion Exercise. Remuneration packages for the Executive Directors and key senior management officers 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. The remuneration of Executive Directors and key senior management officers can be made up of salary, defined contribution plan, monetary incentives and other fringe benefits.</p> <p>In determining the remuneration for Non-Executive Directors, the Board would ensure the level of remuneration is commensurate with the experience and level of responsibilities undertaken by them. The remuneration of Non-Executive Directors comprises annual Directors' fees, an allowance for every Board and Board Committee meeting attended, medical coverage and other claimable benefits.</p>

	<p>The Remuneration Policy for Directors and key senior management officers is made available on the Company's website (www.ecmlibra.com) at the dedicated section on Investor Relations. During the financial year, the Board reviewed the Remuneration Policy for Directors and key senior management and agreed that it remains, relevant, appropriate and fit for its purpose.</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

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 established the Board Remuneration Committee ("BRC") on 27 September 2006 and approved the terms of reference of the BRC which set out its authorities and responsibilities to assess and recommend 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>On 26 February 2020, the BRC merged with the Board Nomination Committee as a single committee and renamed as Nomination and Remuneration Committee. The Nomination and Remuneration Committee assumes the roles and responsibilities of the BRC and Board Nomination Committee.</p> <p>The terms of reference of the Nomination and Remuneration Committee is available on the Company's website (www.ecmlibra.com) at the dedicated section on Investor Relations and would be reviewed at least once a year and updated as and when necessary to align with changes in the business environment and the regulatory requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.1

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

Application :	Applied																																																																																																																				
Explanation : on application of the practice	<p>The Company has adopted Practice 7.1 and accordingly has complied with the disclosure requirement as set out in Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The detailed disclosure of remuneration of the Directors of the Company on a named basis for the financial year ended 31 December 2019 is as below and the same is also disclosed on page 20 of the Annual Report 2019:</p> <table border="1"> <thead> <tr> <th rowspan="2">2019</th> <th colspan="4">Group</th> <th colspan="4">Company</th> </tr> <tr> <th>Salaries RM'000</th> <th>Director Fees RM'000</th> <th>Other emoluments¹ RM'000</th> <th>Total RM'000</th> <th>Salaries RM'000</th> <th>Director Fees RM'000</th> <th>Other emoluments¹ RM'000</th> <th>Total RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="9">Executive Directors</td> </tr> <tr> <td>Dato' Seri Kalimullah bin Masheerul Hassan</td> <td>900</td> <td>-</td> <td>135</td> <td>1,035</td> <td>900</td> <td>-</td> <td>135</td> <td>1,035</td> </tr> <tr> <td>Dato' Lim Kian Onn</td> <td>1,320</td> <td>-</td> <td>198</td> <td>1,518</td> <td>1,320</td> <td>-</td> <td>198</td> <td>1,518</td> </tr> <tr> <td></td> <td>2,220</td> <td>-</td> <td>333</td> <td>2,553</td> <td>2,220</td> <td>-</td> <td>333</td> <td>2,553</td> </tr> <tr> <td colspan="9">Non-executive Directors</td> </tr> <tr> <td>Datuk Kamarudin bin Md Ali</td> <td>-</td> <td>53</td> <td>30</td> <td>83</td> <td>-</td> <td>53</td> <td>25</td> <td>78</td> </tr> <tr> <td>Dato' Othman bin Abdullah</td> <td>-</td> <td>48</td> <td>15</td> <td>63</td> <td>-</td> <td>48</td> <td>15</td> <td>63</td> </tr> <tr> <td>En Mahadzir bin Azizan</td> <td>-</td> <td>50</td> <td>31</td> <td>81</td> <td>-</td> <td>50</td> <td>26</td> <td>76</td> </tr> <tr> <td>Mr Gareth Lim Tze Xiang</td> <td>-</td> <td>33</td> <td>9</td> <td>42</td> <td>-</td> <td>33</td> <td>9</td> <td>42</td> </tr> <tr> <td></td> <td>-</td> <td>184</td> <td>85</td> <td>269</td> <td>-</td> <td>184</td> <td>75</td> <td>259</td> </tr> <tr> <td>Total Directors' remuneration</td> <td>2,220</td> <td>184</td> <td>418</td> <td>2,822</td> <td>2,220</td> <td>184</td> <td>408</td> <td>2,812</td> </tr> </tbody> </table> <p>Note: ¹ "Other emoluments" represents the Company's contribution to Employees' Provident Fund for Executive Directors and allowances for Non-Executive Directors.</p>	2019	Group				Company				Salaries RM'000	Director Fees RM'000	Other emoluments ¹ RM'000	Total RM'000	Salaries RM'000	Director Fees RM'000	Other emoluments ¹ RM'000	Total RM'000	Executive Directors									Dato' Seri Kalimullah bin Masheerul Hassan	900	-	135	1,035	900	-	135	1,035	Dato' Lim Kian Onn	1,320	-	198	1,518	1,320	-	198	1,518		2,220	-	333	2,553	2,220	-	333	2,553	Non-executive Directors									Datuk Kamarudin bin Md Ali	-	53	30	83	-	53	25	78	Dato' Othman bin Abdullah	-	48	15	63	-	48	15	63	En Mahadzir bin Azizan	-	50	31	81	-	50	26	76	Mr Gareth Lim Tze Xiang	-	33	9	42	-	33	9	42		-	184	85	269	-	184	75	259	Total Directors' remuneration	2,220	184	418	2,822	2,220	184	408	2,812
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Intended Outcome

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

Practice 7.2

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

Application	:	Departure														
Explanation on application of the practice	:															
Explanation for departure	:	<p>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 2019 in the following manner:</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM200,001 to RM250,000</td> <td>1</td> </tr> <tr> <td>RM250,001 to RM300,000</td> <td>1</td> </tr> <tr> <td>RM350,001 to RM400,000</td> <td>1</td> </tr> <tr> <td>RM550,001 to RM600,000</td> <td>1</td> </tr> <tr> <td>RM600,001 to RM650,000</td> <td>1</td> </tr> <tr> <td>Total</td> <td>5</td> </tr> </tbody> </table> <p>The above disclosure is also available on page 20 of the Annual Report 2019.</p>	Range of Remuneration	Senior Management	RM200,001 to RM250,000	1	RM250,001 to RM300,000	1	RM350,001 to RM400,000	1	RM550,001 to RM600,000	1	RM600,001 to RM650,000	1	Total	5
Range of Remuneration	Senior Management															
RM200,001 to RM250,000	1															
RM250,001 to RM300,000	1															
RM350,001 to RM400,000	1															
RM550,001 to RM600,000	1															
RM600,001 to RM650,000	1															
Total	5															
<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 comprises 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 appointment of new Chairman of the BARMC, if any, 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 Board Audit & Risk Management Committee ("BARMC"). A member who is a former key audit partner of the Group would only be appointed to the BARMC after he has passed the two (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>During the financial year, the BARMC undertook an annual assessment on the suitability and independence of the Group's external auditors according to the guidelines and procedures set out in the External Auditors Assessment Policy ("Policy"). With the feedback provided by management, the BARMC assessed the external auditors' suitability and independence via evaluation form comprising various questions. The assessment was focus on 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 and these are also the criteria that set out in the Policy with regard to the appointment of new external auditors. The BARMC was satisfied with the results of the assessment on the suitability and independence of the external auditors and recommended their re-appointment to the Board for endorsement. Based on the recommendation from the BARMC, the Board assessed and deliberated the suitability and independence of external auditors and was satisfied that the external auditors had met the criteria and recommended their re-appointment for approval of shareholders at the Fourteenth Annual General Meeting held on 27 June 2019. Their tenure of appointment shall lapse at the conclusion of the forthcoming Fifteenth Annual General Meeting.</p> <p>The BARMC would review the Policy at least once a year to ensure it 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 would 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 Chief Financial Officer and the external auditors of the Company would inform the BARMC members any updates and changes in the financial reporting development including the relevant new and amended major financial reporting standards and their implication on the financial reporting of the Group. Further elaboration would be given to the BARMC members on those updates and changes that have significant impact on the financial position and financial performance of the Group. The members of the BARMC would 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 Head of Risk Management and the independent outsourced Internal Auditors who undertake the internal audit function for the Group. The BARMC oversees the establishment of a robust risk management framework.</p> <p>During the financial year, the BARMC reviewed the quarterly risk management reports that covered the review and management of risks in the day-to-day business operation and activities of the Group, so as to ensure that there are internal control measures and mitigating factors in place to manage and mitigate the risks encountered by 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

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 Audit & Risk Management Committee ("BARMC") was appointed by the Board 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 Head of Risk Management 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 guidance by the Head of Risk Management 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 Head of Risk Management 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 system access controls and multi-tier authorisation processes are put in place to ensure these key functions are operating within the control environment;

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

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Group are 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.</p> <p>During the financial year, the BARMC reviewed and approved the internal audit plan presented by the Internal Auditors and ensured adequate scope and coverage of internal audit on activities and operations of the Group. The BARMC also assessed if adequate time and resources were allocated by the Internal Auditors to perform the audit. 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 address any lapses. The BARMC reviewed the reports provided by the Internal Auditors and ensured that actions taken by management were satisfactory and within the agreed timeline.</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	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is 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. The Company's website (www.ecmlibra.com) serves as the main mean of communication of the Company to reach its shareholders and other stakeholders. All the information of Company including its 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, summary of the key matters discussed at general meetings and other corporate information are made available on the Company's website at the dedicated section on Investor Relations.</p> <p>The stakeholders of the Company could contact the Company if they wish to have further details with regard to the Company. The contact details of the Company which include an email address (GroupCommDL@ecmlibra.com) are published on the website of the Company. Any correspondences from the stakeholders to the Company through the said email address will directly reach the Chief Financial Officer and Company Secretaries of the Company. The management has the option of calling for meetings with investors/analysts if it is deemed necessary. The shareholders of the Company can liaise with the Company Secretaries if they require any assistance on matters affecting their interests. The contact details of the Company Secretaries which include an email address (secretarialdl@ecmlibra.com) are published on the website of the Company. The Board opines that all these arrangements have allowed effective, transparent and regular communication of all parties.</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 11.2

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 Group Berhad (formerly known 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 14th Annual General Meeting (“14th AGM”) of the Company held on 27 June 2019, the notice of 14th AGM together with the Annual Report 2018 were despatched to shareholders on 29 April 2019, which was more than 28 days before the 14th AGM was held.</p> <p>The notice of 14th AGM was published in the press and the website of the Company (www.ecmlibra.com) and made available public via Bursa Malaysia Securities Berhad. The Board with the assistance of the Company Secretaries had ensured the notice of 14th AGM contained sufficient information related to the resolutions discussed at the meeting and the shareholders would have sufficient information to make informed decision.</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 14th Annual General Meeting (“14th AGM”) of the Company was held on 27 June 2019. 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. Whilst the two Extraordinary General Meetings (“EGMs”) of the Company held on 27 June 2019 and 3 December 2019, the Chairman of the Board with the assistance of the Company Secretaries scheduled the said meetings after consulting with all the Directors.</p> <p>All the Directors attended the 14th AGM and the EGMs. With the attendance of all the Directors, opportunities had been provided for shareholders to communicate with the Directors and for the Directors to clarify and elaborate any issues raised by shareholders at the meetings. The Chairmen of the Board & Audit Risk Management Committee, Board Nomination Committee and Board Remuneration Committee were at the 14th AGM and the EGMs to answer questions from the shareholders on the respective committees’ activities and matters within their duties and responsibilities. Hence, the shareholders would have sufficient information to exercise their rights of voting at the 14th AGM and the EGMs.</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	:	To encourage greater participation of shareholders at the general meeting of the Company, the Company arranged its 14 th Annual General Meeting (“14 th AGM”) and its two Extraordinary General Meetings (“EGMs”) held during the financial year 31 December 2019 at a venue that is accessible by public transportation. The Company gave sufficient notice of the 14 th AGM and the EGMs to the shareholders and the shareholders would have sufficient time to make the necessary arrangement to attend the said meetings or to appoint their proxies to attend, speak and vote on their behalf if they were unable to attend the said meetings in person.
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
