

# CORPORATE GOVERNANCE OVERVIEW STATEMENT |

This Corporate Governance Overview Statement (CG Overview Statement) sets out the principal features of TA Global Berhad (TAG or the Company) and its subsidiaries' (collectively referred to as the Group) corporate governance approach, summary of corporate governance practices during the financial year ended 31 December 2017 as well as key focus areas and future priorities in relation to corporate governance.

The CG Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) and guidance drawn from Practice Note 9 of the MMLR and the new Malaysian Code on Corporate Governance (MCCG 2017) issued by the Securities Commission Malaysia which took effect on 26 April 2017.

This CG Overview Statement is to be read in conjunction with the Corporate Governance Report (CG Report), which is made available online at [www.taglobal.com.my](http://www.taglobal.com.my). The CG Report provides the details how the Company has applied each Practice as set out in the MCCG 2017 during the financial year 2017.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

The Board is responsible for the corporate governance practices of the Group. Being at the helm of the Group, the Board governs the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group.

The Board has adopted a Board Charter which is available on the corporate website, [www.taglobal.com.my](http://www.taglobal.com.my). The Board Charter clearly sets out the principal role of the Board, the demarcation of the roles, functions and responsibilities of the Board, the Board Committees and the senior management. The Board Charter is reviewed annually or as and when necessary to keep it up to date with changes in regulations and best practices and ensure its effectiveness and relevance to the Board's objectives.

The Board has on 28 February 2017 reviewed and approved certain revision to the Board Charter to be in line with the new Companies Act 2016. Following the introduction of the new Corporate Governance Guide 2017 (3rd Edition) by Bursa Malaysia, the content of the Board Charter will be further reviewed at a later date to enhance relevant applications of good governance practices to be adopted by the Company.

As integrity is a core value of the Group, the Board is cognisant of its responsibility to set the ethical tone for the Group. A Directors' Code of Conduct and Whistleblowing Policy have been put in place to foster an ethical culture and allow legitimate ethical concerns to be escalated in confidence without risk of reprisal. Both the Code of Conduct and the Whistle-Blowing Policy are available on the corporate website, [www.taglobal.com.my](http://www.taglobal.com.my).

The Directors allocate sufficient time to discharge their responsibilities effectively and attend Board and Board Committee meetings with sufficient regularity to deliberate on matters under their purview. Board meetings are held at quarterly intervals with additional meetings convened for particular matters, when necessary. During the financial year ended 31 December 2017, five (5) Board Meetings were held and the attendance of the Board members is as follows:-

Name of Directors	Number of Board Meetings	
	Held During Tenure in Office	Attended
Datuk Tiah Thee Kian	5	5
Datin Tan Kuay Fong	5	5
Zainab Binti Ahmad	5	4
Dato' Sri Mohamed Bin Abid	5	5
Kimmy Khoo Poh Kim	5	5
Peter U Chin Wei	5	5
Jory Leong Kam Weng	5	5
Christopher Koh Swee Kiat	5	5
Datin Rahmah Binti Mahmood	5	5

The Board members have full access to the two (2) Company Secretaries (both have professional qualifications and are qualified to act as company secretary under the Companies Act 2016). The Company Secretaries acts as corporate governance counsel and ensure good information flow within Board, Board Committees and Senior Management. The Company Secretaries attend all meetings of the Board and Board Committees.

## II. Board Composition

As at the date of this statement, the Board consists of nine (9) members comprising of:

- a. an Executive Chairman;
- b. two (2) Executive Directors;
- c. two (2) Non-Independent Non-Executive Directors; and
- d. four (4) Independent Non-Executive Directors (INED).

The profile of each Board member is set out on pages 18 to 28 of this Annual Report.

The current composition of the Board complies with Paragraph 15.02(1) of the Main Market Listing Requirements which required at least two (2) directors or one third (1/3) of the Board, whichever is higher, are Independent Directors.

The Board comprises of directors with the areas of expertise required to ensure effective governance of the Company and provide strategic advice to the Management. The Directors through their vast experiences and qualifications in economics, accounting, finance, legal, property development, property investment, hospitality and business management provide effective contribution and support to the functions of the Board. They bring with them a broad range of skills, experiences and knowledge required to successfully direct and supervise the Group's business activities which are vital to its success.

The Board had on 28 February 2017 adopted a Board Diversity Policy. The policy will emphasize on the needs for diversity amongst the Board members, amongst others, include race, ethnicity, age, gender, skills, competencies, experiences and expertise.

The Board had also implemented a process for annual assessment of the effectiveness of the Board as a whole, the Board committees, and for assessing the contribution of each individual Director. This annual process will be carried out by the Nomination Committee (NC). Specific disclosures on the activities of the NC in relation to Practice 4.4 of the MCCG 2017 are provided in the CG Report.

## III. Remuneration

The Company aims to set remuneration at levels which are sufficient to attract and retain high calibre Directors and Senior Management needed to run the business successfully, taking into consideration all relevant factor including the function, workload and responsibilities involved.

A Remuneration Committee (RC) has been established by the Board to assist the Board in establishing a formal and transparent procedure for developing policy on compensation and remuneration and for fixing the remuneration packages of individual Directors. The RC comprises of three (3) members all of whom are INEDs. The Remuneration Committee is chaired by Mr Peter U Chin Wei, an INED, who is also the Senior Independent Director identified by the Board.

For confidentiality and sensitivity of personal information, the details of the Directors' remuneration are not disclosed for each individual Director. The disclosure and transparency aspects of the Directors' remuneration are deemed appropriately served by the disclosures in the ensuing paragraphs.

The remuneration of Directors who served during the financial year ended 31 December 2017 are categorised as follows:-

		<b>Fees RM'000</b>	<b>Salaries &amp; Other Emoluments RM'000</b>	<b>Total RM'000</b>
<b>The Group</b>	Executive Director	-	35,993	35,993
	Non-executive	395	334	729
<b>The Company</b>	Executive Director	-	27,038	27,038
	Non-executive	208	-	208

The number of Directors of the Company whose total remuneration falls into the respective bands is as follows:

		<b>Number of Directors</b>
<b>Executive Directors</b>	RM450,001 - RM500,000	1
	RM2,050,001 - RM2,100,000	1
	RM24,300,001 - RM24,350,000	1
<b>Non-Executive Directors</b>	Below RM50,000	3
	RM50,001 - RM100,000	3

#### IV. Directors' Trainings

Pursuant to the requirements of Bursa Malaysia, a newly appointed Director is required to attend Mandatory Accreditation Program (MAP) in full and procure a certificate from the program organiser approved by Bursa Malaysia to confirm his/her completion of the MAP. He/She is required to complete the MAP within 4 months of his/her appointment.

All members of the Board had attended and completed the MAP as prescribed by Bursa Malaysia.

Directors' training is an on-going process as the Directors recognize the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry and business landscape.

The Company Secretary facilitates the organization of internal training programs and Directors' attendance of external seminars and programs, and keeps a complete record of the training received by the Directors.

All the Directors have attended conferences, seminars and trainings programs during the financial year. Particulars of programs attended by the Directors as at 31 December 2017 were as follows:

Directors	Training/Courses attended	Organiser	Date
Datuk Tiah Thee Kian	<ul style="list-style-type: none"> <li>• TA In-House Directors' Training on:               <ol style="list-style-type: none"> <li>1. Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT);</li> <li>2. Cyber Security; and</li> <li>3. Overview of Malaysian Financial Reporting Standard (MFRS) 15 Revenue from Contracts with Customers.</li> </ol> </li> </ul>	KPMG PLT	20 November 2017
Datin Tan Quay Fong	<ul style="list-style-type: none"> <li>• TA In-House Directors' Training on:               <ol style="list-style-type: none"> <li>1. Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT);</li> <li>2. Cyber Security; and</li> <li>3. Overview of Malaysian Financial Reporting Standard (MFRS) 15 Revenue from Contracts with Customers.</li> </ol> </li> </ul>	KPMG PLT	20 November 2017
Dato' Sri Mohamed Bin Abid	<ul style="list-style-type: none"> <li>• TA In-House Directors' Training on:               <ol style="list-style-type: none"> <li>1. Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT);</li> <li>2. Cyber Security; and</li> <li>3. Overview of Malaysian Financial Reporting Standard (MFRS) 15 Revenue from Contracts with Customers.</li> </ol> </li> </ul>	KPMG PLT	20 November 2017
Pn Zainab Binti Ahmad	<ul style="list-style-type: none"> <li>• TA In-House Directors' Training on:               <ol style="list-style-type: none"> <li>1. Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT);</li> <li>2. Cyber Security; and</li> <li>3. Overview of Malaysian Financial Reporting Standard (MFRS) 15 Revenue from Contracts with Customers.</li> </ol> </li> </ul>	KPMG PLT	20 November 2017
Ms Kimmy Khoo Poh Kim	<ul style="list-style-type: none"> <li>• TA In-House Directors' Training on:               <ol style="list-style-type: none"> <li>1. Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT);</li> <li>2. Cyber Security; and</li> <li>3. Overview of Malaysian Financial Reporting Standard (MFRS) 15 Revenue from Contracts</li> </ol> </li> </ul>	KPMG PLT	20 November 2017

Directors	Training/Courses attended	Organiser	Date
Mr Peter U Chin Wei	<ul style="list-style-type: none"> <li>Companies Act 2016: Practical Insights on Compliance</li> </ul>	Malaysian Institute of Accountants (MIA)	14 June 2017
	<ul style="list-style-type: none"> <li>Advocacy Session on Corporate Disclosure for Directors &amp; Principal Officer</li> </ul>	Bursa Malaysia	30 August 2017
	<ul style="list-style-type: none"> <li>Workshop on Malaysian Code on Corporate Governance</li> </ul>	MIA & Securities Commission	17 November 2017
	<ul style="list-style-type: none"> <li>TA In-House Directors' Training on:               <ol style="list-style-type: none"> <li>Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT);</li> <li>Cyber Security; and</li> <li>Overview of Malaysian Financial Reporting Standard (MFRS) 15 Revenue from Contracts with Customers.</li> </ol> </li> </ul>	KPMG PLT	20 November 2017
Mr Jory Leong Kam Weng	<ul style="list-style-type: none"> <li>Anti-Corruption Laws of Malaysia</li> </ul>	Turner International Group	19 May 2017
	<ul style="list-style-type: none"> <li>MFRS 9 &amp; MFRS 17 for Insurers</li> </ul>	Pricewaterhouse Coopers Malaysia	28 September 2017
	<ul style="list-style-type: none"> <li>MIA International Accountants Conference 2017</li> </ul>	MIA	7 & 8 November 2017
	<ul style="list-style-type: none"> <li>TA In-House Directors' Training on:               <ol style="list-style-type: none"> <li>Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT);</li> <li>Cyber Security; and</li> <li>Overview of Malaysian Financial Reporting Standard (MFRS) 15 Revenue from Contracts with Customers.</li> </ol> </li> </ul>	KPMG PLT	20 November 2017
Mr Christopher Koh Swee Kiat	<ul style="list-style-type: none"> <li>MIA International Accountants Conference 2017</li> </ul>	MIA	7 & 8 November 2017
	<ul style="list-style-type: none"> <li>TA In-House Directors' Training on:               <ol style="list-style-type: none"> <li>Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT);</li> <li>Cyber Security; and</li> <li>Overview of Malaysian Financial Reporting Standard (MFRS) 15 Revenue from Contracts with Customers.</li> </ol> </li> </ul>	KPMG PLT	20 November 2017
Datin Rahmah Binti Mahmood	<ul style="list-style-type: none"> <li>TA In-House Directors' Training on:               <ol style="list-style-type: none"> <li>Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT);</li> <li>Cyber Security; and</li> <li>Overview of Malaysian Financial Reporting Standard (MFRS) 15 Revenue from Contracts with Customers.</li> </ol> </li> </ul>	KPMG PLT	20 November 2017

Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for the Board's references.

The Board, via the Nomination Committee, will continue to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Company.

## **PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

### **I. Audit & Risk Committee**

In addition to the duties and responsibilities set out under its terms of reference, the Audit & Risk Committee (ARC) assists the Board by providing an objective non-executive review of the effectiveness and efficiency of the internal controls, risk management and governance process of the Company and the Group. The minutes of the ARC meetings are tabled to the Board for notation and action by the Board, where appropriate.

Membership of the ARC, their roles, number of meetings held and activities carried out by the ARC during the financial year are set out under the ARC Report of this Annual Report.

### **II. Risk Management & Internal Control Framework**

The Board is cognisant that a robust risk management and internal control framework helps the Group to achieve its value-creation targets by providing risk information to enable better formulation of the Group's strategies and decision making. The Group has established policies and framework for the oversight and management of business risks and has adopted a formal Risk Management Policy. The Group, through the Risk Management Committee (a Management-level Committee), maintains detailed risk registers which are reviewed and updated regularly or as and when required. Key focus areas of risks are reported and deliberated at the ARC meetings.

The internal audit function is carried out by the in-house Group Internal Audit (GIA) department. The GIA function reports directly to the ARC and is independent of the activities it audits. GIA's authority, scope and responsibilities are governed by an Internal Audit Charter, approved by the ARC.

The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

## **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

### **I. Communication with Stakeholders**

TAG always ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure. The Company actively engages all its stakeholders through various platforms including Annual Report, announcements to Bursa Malaysia via Bursa LINK, corporate website and periodic press releases.

### **II. Conduct of General Meetings**

The Company's Annual General Meeting (AGM) is an important means of communicating with its shareholders. To ensure effective participation of and engagement with shareholders at the 9th AGM of the Company held on 24 May 2017, all members of the Board were present at the meeting to respond to questions raised by the shareholders or proxies. The Senior Management of the Company were also present to respond to any enquiries from the shareholders.

The voting at the 9th AGM was conducted through electronic voting system. The Company will continue to explore the leveraging of technology, to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs of the Company.

## KEY FOCUS AREAS ON CORPORATE GOVERNANCE

Corporate governance areas which gained heightened attention from the Board during the financial year under review are as follows:-

### 1. Sustainability Report

The Company produces its first sustainability report for the financial year under review that outlines our high commitment to uphold ethical and responsible conduct across our operations and reduce our environmental impact. The Company has yet to adopt an integrated approach to reporting as the Board acknowledges that integrated reporting goes beyond a mere combination of financial statements and sustainability reporting into a single document.

### 2. Professional Development of Directors

Since the launch of the MCCG 2017, the Board has undertaken various measures to improve its corporate governance framework in line with the Practices. This includes attending seminar on the new MCCG 2017 conducted by external trainers, conducting a gap analysis to identify improvement areas and following which, implementing various action steps to improve its overall corporate governance framework, policies and practices. This will be the Company's continuing progress and efforts to comply with the practices stipulated within MCCG 2017, taking into account its unique business and operating context ie. the industry and environment that the Company operates in, the Group's size and the Group's risk profile.

## CORPORATE GOVERNANCE PRIORITIES

Moving forward, the Company will continue working towards achieving high standards of corporate governance. The Board has identified the following forward-looking action items that will help it to achieve its corporate governance objectives.

### 1. Integrated Reporting

The Company has yet to adopt an integrated approach to reporting as the Board acknowledges that integrated reporting goes beyond a mere combination of financial statements and sustainability reporting into a single document. Having said this, producing the yearly Annual Report and its various statements is a coordinated effort between cross-functional departments in the Company. The Board may consider adopting integrated reporting in the near future.

### 2. Dedicated Risk Committee

Currently, the ARC oversees the Company's risk management framework and policies. The roles and responsibilities in risk management are set out in the ARC's Terms of Reference.

The Company will explore the need to establish a separate Risk Management Committee with dedicated functions on Risk Management in the near future.

### 3. Disclosure of Directors and Senior Management's Remuneration

The Board wishes to give the assurance that the remuneration of Directors and Senior Management commensurate with their individual performance, taking into consideration the Group's performance and achievement. The remuneration packages of the Management are based on experience, expertise and skills.

The Board will review and consider the disclosure of Directors and top 5 Senior Management's remuneration on individual named basis in near future.

This CG Overview Statement and the CG Report were approved by the Board of Directors of TAG on 23 April 2018.