

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6173
COMPANY NAME : BINA DARULAMAN BERHAD (“the Company” or “BDB”)
FINANCIAL YEAR : December 31, 2022

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>Bina Darulaman Berhad (“BDB/the Company”) is managed in line with the corporate governance framework and commercial principles that would normally be expected of a public listed company. In this regard, the Company and its management undertake the following measures: -</p> <ul style="list-style-type: none">• The Board meets every quarter with additional meetings convened as and when necessary. The Board devotes much of its time to overseeing the Company’s strategy, governance, risk and policy, the approval of business plans, new business ventures and monitoring of performance.• The key governance, risk and internal control, financial and operational related policies are periodically reviewed by the Board to ensure they are aligned with the Company’s requirements.• The Board is guided by the Board Charter which outlines the duties and responsibilities of the Board and matters specifically reserved for the Board as well as delegated to the Board Committees, Group Chief Executive Officer & Executive Director (“The ED”), Executive Vice President I (“EVP I”) - Strategy, Finance & Corporate Services @ Chief Corporate Officer and Executive Vice President II (“EVP II”) – Operation @ Chief Operating Officer, (Referred as C-Level management). The power is delegated under the Company's approved Delegated Authority Limit (“DAL”).• The Board is assisted by six (6) Board Committees namely the Board Audit Committee (“the BAC”), the Board Nomination, Remuneration & ESOS Committee (“the BNREC”), the Board Risk Committee (“the BRC”), the Board Procurement Committee (“the BPC”), the Board Investment Committee (“BIC”) and the Board Sustainability Committee (“BSC”).• The Board also engaged with the senior key management in a robust discussion about strategic goals and challenges to execute the strategic plan to achieve the Company’s Business Plan. The Board together with the Management at the Boardaway session and business presentation session address the challenges and disruptions and encourage the management to business model canvas and strategic dream board for 2023-2025.

	<ul style="list-style-type: none"> The outcome of the discussion was deliberated in November 2022 and approved by the Board. 	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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>We have a clear division of the roles and responsibilities between the Chairman and the Group Chief Executive Officer/Executive Director ("The ED").</p> <p>As the Chairman of the Board, Tuan Sr. Haji Che Had Bin Dhali ("The Chairman") assumes the leadership role of the Board.</p> <p>The Chairman was appointed as Independent Director on 1 February 2022 and re-designated as Executive Chairman on 14 April 2022 until 15 October 2022. The re-designation as the Executive Chairman is temporary until the Board decides on the appointment of a new Group Chief Executive Officer ("GCEO").</p> <p>The new Group CEO / ED has been formalised and appointed on board with effect on 1 November 2023.</p> <p>The Chairman leads the Board on the following:</p> <ul style="list-style-type: none">• Providing leadership for the board so that the board can perform its responsibilities effectively, Leading the board in the adoption and implementation of good corporate governance practices in the company. Also, to oversee and review the Company's strategic matters, risk and corporate governance practices.• Deliberate and evaluate proposals put forward by the committees and executive team.• Deliberate and maintain a proper process and ensure adequate resources are available to ensure effective implementation of the Board Policies.• Identify and fulfil the development needs of directors and the Board to continuously enhance their effectiveness as a team.• Sets the board agenda and ensures that board members receive complete and accurate information in a timely manner to ensure the Board is well equipped before the meeting.• Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole. <p>Given his last experience in the diversified field, the Chairman of BDB is able to provide effective leadership for the Board to constructively together with the ED and management to formulate strategies as well as address key issues and challenges.</p>

	The Chairman also leads in the creation of effective corporate governance practices in the company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman, Tuan Sr. Haji Che Had Bin Dhali was appointed as the Chairman of the Company on 1 February 2022 and re-designated as Executive Chairman on 14 April 2022 until 15 October 2022. The re-designation is temporary arising from the "casual vacancy" following the resignation of the President & Group Chief Executive Officer ("Group CEO"), Encik Faris Najhan Bin Hashim who resigned on 3 February 2022. The Company is in its best effort to source for replacement, a suitable candidate to fill the position. Prior to the appointment of a new Group CEO:</p> <ol style="list-style-type: none">Encik Mohd Sobri Bin Hussein has been appointed to take the helm of the position of Acting Group CEO with effect from 4 February 2022 until 30 June 2022. He then relinquished his post to focus on project implementation.Encik Mohd Iskandar Dzulkarnain Bin Ramli was then appointed to take the helm of the position of Acting Group CEO with effect from 18 July 2022 until 31 October 2022.On 1 November 2022, the Board identified YM Raja Shahreen Bin Raja Othman as a Group Chief Executive Officer / Executive Director ("the ED") of BDB and its subsidiary companies. <p>The ED proposes, implements, and reports on the strategic direction of the Company's business.</p> <p>The ED on his appointment month, November 2022 brings forward to the Board business plans, budgets, and updates on key strategic issues as discussed with the Board prior to his appointment. Once matters are adopted, the ED is responsible for the implementation, delivery, and reports on progress at frequent and regular intervals.</p> <p>All members of the key senior management team report directly to the ED. He is responsible for appraising the performance of each member of the team as well as developing and training resources, where necessary.</p> <p>The ED and the Chairman, represent the Company with all external audiences. The ED takes lead responsibility for the maintenance and development of the Company's operational matters, reputation and relationships with the media, regulators, governments, local communities, suppliers, customers, trade bodies, and all other stakeholders.</p>

	The ED is supported by senior management of the BDB Group in setting, implementing, and achieving the strategic direction of the Company as endorsed by the Board.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee, or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman, Tuan Sr. Haji Che Had Bin Dhali remains independent as he is not a member of any of the Company's committees.
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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has an in-house Company Secretarial function which is led and supported by an internally qualified and competent Company Secretary. The Company Secretary, namely Khairulmuna Binti Abd Ghani and she is a qualified Secretary under Section 235(2)(a) of the Companies Act 2016 registered with the Companies Commission of Malaysia, and is an affiliate member of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (“MAICSA”). She is assisted by her team, all together four (4) of them.</p> <p>All Directors have unrestricted access to the advice and report of the Company Secretary in relation to Board policies and procedures, compliance with applicable rules and regulations by the Group, and corporate governance-related practices.</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 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meetings are scheduled and planned in advance. Annual Board Meeting Planner will be circulated in December for each calendar year. The Annual Planner covers the Board Committees' meetings with a window of at least three (3) days.</p> <p>The notice of a meeting of the Board has been sent to each Director in a stipulated time (7 working days except in the case of urgent matters whereby a special meeting is required to be held 5 working days is encouraged). The notice includes the time, venue of the meeting and agendas to be discussed during the meeting. In order to ensure the notice has been provided in an effective and timely manner, the Company Secretary will e-mail the notice to all Directors as a method of delivery of notice to facilitate the transfer of information.</p> <p>Depending on the issues and agendas to be deliberated, generally all materials and relevant information will be prepared, and circulated to board members at least 5 days prior to a scheduled meeting.</p> <p>Records and minutes of meetings will be circulated to all board members for confirmation of accuracy and verification. The directors may raise their concerns on any amendment to the minutes to the Company Secretary. Thereafter, all documents and minutes will be safely kept by the Company Secretary at the registered address.</p> <p>The minutes and other statutory records are kept at the registered office of the companies.</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 a 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	:	BDB formalised its Board Charter on 25.5.2015 and last reviewed on 17.3.2019. The Board Charter is reviewed periodically, updates and/or revisions will be done to incorporate the latest applicable rules and regulations, as well as updates to the Code of Corporate Governance. The latest review was made on 17 March 2019. The next review will be implemented in Quarter 3 FY2023. The latest copy of the Board Charter is available at the BDB company website at https://www.bdb.com.my/bdbpolicies/ for public viewing.
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 BDB's Board is committed to promoting good business conduct and maintaining a healthy and ethical corporate culture. The Board Members are experienced professionals and experts from various industries, they have been adhering to the Company's ethical values and regulatory requirements when carrying out their duties all these years.</p> <p>In view of the latest regulatory development, the Company has established a formal Code of Conduct and Ethics which serves as guidelines and principles for the BDB's directors, management, and employees which is to be observed by the employees of the Company in the performance and exercise of their responsibilities.</p> <p>The Code of Conduct and Ethics as approved and adopted by the Board, will be subject to periodic review and update.</p> <p>The latest copy is available on BDB's website https://www.bdb.com.my/bdbpolicies/ for public viewing.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>A formal Whistle-Blowing Policies and Procedures (“WBP”) has been implemented in the Company since 1st January 2014. The WBP highlights the Company’s commitment in achieving and maintaining high standards with regards to behaviour at work.</p> <p>The WBP provides an avenue for employees to communicate any instances of the breach or suspected breach of any law or regulation, illegal and/or immoral conduct in a safe and confidential manner. It also provides proper investigation to be initiated on all allegations or reports about the Group.</p> <p>Like all policies, WBP is also subjected to continuous review and update. In 2018, the WBP incorporated principles of the 10 Integrity Pledge Guidelines issued by SSM, where applicable.</p> <p>The WBP is published and is made available at the company’s website at https://www.bdb.com.my/bdbpolicies/.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action, and risk management.</p> <p>The Company's Board of Directors has initiated the plan to collect data for sustainability matters as part of its corporate governance and risk management functions. The Board members are highly qualified professionals who bring a wealth of industry experience and expertise combined with financial and related skills to lead the Company towards achieving its long-term goals.</p> <p>The Board has established the Board Committees comprising the Board Audit Committee, Board Risk Committee, Board Nomination Remuneration & ESOS Committee carry out its duties and responsibilities.</p> <p>The Board has formalised the Sustainability Committee on 1 January 2023 and together with the management is committed to driving sustainability agenda on ESG upfront across the Board.</p> <p>The strategic management of material sustainability matters is driven by the Management Risk Committee, comprising the senior management of the Company. The Management Risk Committee meets every month to review and make executive decisions on material issues and business strategies, including ESG (“Environmental, Social and Governance”) related matters.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to building strong relationships with its key stakeholders to ensure that their interests and concerns help inform the Board and management in their decision-making.</p> <p><u>Sustainability Report</u> The Sustainability Report elaborates on the initiative of the Group to increase its Environment, Social & Governance (“ESG”) disclosures each year progressively and gradually.</p> <p>BDB’s Sustainability Statement 2022 has been prepared according to Bursa Malaysia’s Sustainability Reporting Guide, with reference to the FTSE 4Good Bursa Malaysia Index and the new guidelines of the GRI Standards. Additionally, BDB has aligned the GRI indicators with relevant United Nations’ Sustainability Development Goals (“UNSDGs”), creating a better and more transparent understanding of BDB’s sustainability initiatives. The Annual Report 2022 includes information for the same set of GRI indicators as the Sustainability Statement.</p> <p>The Company strive to create a strong ESG proposition by focusing on four key areas:</p> <ul style="list-style-type: none"> Focus Area 1 - Supporting Government Aspirations for Sustainable Growth Focus Area 2 - Preserving the Environment Focus Area 3 - Enabling and Empowering Employees Focus Area 4 - Engaging Effectively with Stakeholders <p>The above 4 key areas is to make positive impacts within the scope of our stakeholders, ecosystem and beyond.</p> <p><u>Sustainability Committee</u></p> <p>The Sustainability Committee was formed on 1 January 2023 to implement the sustainability plans and Group’s ESG initiatives and the duties of the BSC as stated in the TOR, including the following:</p>

No	Item	Description
1	Authority	<p>In carrying out its duties and responsibilities, the BSC shall have the following powers and authority, in accordance with the procedures to be determined by the Board and at the cost of BDB:</p> <p>1.1 To have the resources which are required to perform its duties.</p> <p>1.2 To have full, free and unrestricted access to any information, records, properties and personnel of BDB and/ or within the Group.</p> <p>1.3 To appoint external counsels or advisers to obtain independent professional advice and services as necessary.</p> <p>1.4 To invite outsiders with relevant experience to attend any BSC meeting and to brief the BSC thereof if the BSC deems it necessary.</p>
2	Duties & Responsibilities	<p>2.1 Provide oversight, guidance and direction with regards to BDB's sustainability functions and processes.</p> <p>2.2 Review and endorse BDB's sustainability framework and strategy.</p> <p>2.3 Ensure that the relevant sustainability practices are integrated within BDB's business strategies, operations and processes.</p> <p>2.4 Review and approve BDB's sustainability statement for inclusion in the Annual Report.</p>
3	Meetings Frequency & Administration	<p>3.1 The BSC shall meet at least four (4) times a year or quarterly basis, or at any other times as may be necessary.</p> <p>3.2 The meetings may be attended by representatives and any other invited persons as determined by the BSC Chairman.</p>

			<p>3.3 Any BSC member and/or invited participants with conflicting interest shall abstain from discussion and participating in decisions or voting of the related matters. He/she will excuse himself/herself from the meeting during discussions or deliberations of any matter which he/she has interest in or which may give rise to an actual or perceived conflict of interest situation for him/her.</p> <p>3.4 Meetings of the BSC shall be called by the BSC Secretary upon request of the BSC Chairman.</p> <p>3.5 For good governance, each member must fully attend at least 50% of the meetings held within the year.</p>
<p>The Sustainability Report is referred to on pages 77 to page 118.</p>			
<p>Explanation for departure</p>	<p>:</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>:</p>		
<p>Timeframe</p>	<p>:</p>		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has initiated training and engaged with external professionals in its initiative to embrace sustainability issues that are relevant to the Company and its business. The plan has been reviewed and approved by the Board to kick start in 2022.</p> <p>The Covid-19 impact from 2020 to 2021 has caused many actions plan in this area to be postponed to commence in 2022, currently, the Company has kick start its initiatives like internal discussion, training and awareness programmes for an action plan in sustainability issues that are relevant to the Company and its business, including climate-related risks and opportunities.</p> <p>The Board to show its support for the Sustainability agenda has established a Sustainability Committee and cascaded it down to the management level to carry through the Sustainability agenda.</p> <p>The Executive Director created a Sustainability Department to be in support the Sustainability agenda across the board.</p> <p>The Company is taken initiatives to measure the gap and create awareness amongst the employees. The initiatives were rolled up end of last year and will be continued and monitored and assessed by the Board and Board Sustainability Committee.</p> <p>As and when needed the Board will pursue the support of external ESG experts and advisors to update their ESG competency.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board and senior management have undertaken performance evaluations to address the Company and its unlisted subsidiaries' material sustainability risks and opportunities as the sustainability works are still ongoing and the action will be rolled out in phases starting in 2022. We have conducted the awareness session with management in October 2021 and the Board in April 2022.</p> <p>The formation of the Sustainability Unit / Department has been the kickstart of the Group initiative to show seriousness in supporting the ESG agenda across the board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	: Adopted
Explanation on adoption of the practice	<p>The Company has formed a suitable management person for this function through the establishment of the Sustainability Department. The resource issue will be reviewed continuously to see if the matters are being managed appropriately and the Company also will consider added strategies to engage with relevant experts and training to continuously improve the competency of our resources.</p> <p>The Management is supported by the Sustainability Committee to oversee the implementation of business sustainability practices within the Group.</p> <p>Puan Nawal Binti Hanafiah was appointed as the Chairman of the Board Sustainability Committee on 1 January 2023 to lead and drive the Group's ESG Agenda.</p> <ol style="list-style-type: none"> a. Developing sustainability policy. b. Reviewing and approving sustainability related internal guidelines and c. Overseeing the implementation of sustainability initiatives.

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on a satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Nomination, Remuneration & ESOS Committee ("BNREC") has been established to evaluate the characteristics, relevance, and performance of its board members.</p> <p>The terms of reference of the BNREC specifically ensure that the selection and appointment of the best candidates to the board are in place to meet the regulatory standards.</p> <p>The duties of the BNREC, as stated in terms of reference of the BNREC, include the following:</p> <ul style="list-style-type: none">a) Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.b) Evaluate the balance of skills, knowledge and experience on the Board, and in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment of Director.c) Review the time required from a Non-Executive Director. The performance evaluation should be used to assess whether the Non-Executive Director is spending enough time to fulfil their duties.d) Consider candidates from a wide range of backgrounds and look beyond the "usual suspects".e) Give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in the future.f) Regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.g) Keep under review the leadership needs of the organisation, both executive and nonexecutive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.h) Make a statement in the annual report about its activities; the process used for appointments and explain if external advice or open advertising has not been used; the membership of the Committee, number of Committee meetings and attendance of members over the course of the year.

- i) To develop criteria and oversee the annual assessment of Directors with the appropriate criteria.
- j) To develop criteria to assess the independence of Directors. Such assessment will then be conducted by the Board.
- k) Facilitate Board induction and training for newly appointed Directors.
- l) Review training programs for Board (in areas for which the Directors may be lacking).
- m) Facilitate the achievement of board gender diversity policies and targets.
- n) To consider the Board's appointment is guided by the Director's Fit & Proper Policy

At the 27th Annual General Meeting held on 26 May 2022, Dato' Haji Abdul Rahman Bin Abdullah who had served as Non-Independent Non-Executive Director for five (5) years and four (4) months retired from the Board in accordance with Article 88(ii) of the Constitution and did not seek for re-election.

Following the Board vacancy, the BNREC reviewed the Board's composition, and skill matrix and recommended to the Board the appointment of Professor Dr. Mohd Suffian Bin Yusoff and Puan Nawal Binti Hanafiah.

As part of the process leading to the appointment of both directors, the BNREC

- a. Interviewed Professor Dr. Mohd Suffian Bin Yusoff and Puan Nawal Binti Hanafiah.
- b. Reviewed, assured, and recommended the changes of the Board Committees.

On 13 February 2023, BNREC during its 50th Meeting, the BNREC discussed the proposal for the rotation of directors. The following directors were subject to retirement at the forthcoming 28th AGM.

Article	Directors	Directorship	Length of Service
88(ii)	YB Ir. Ts. Khairil Nizam Bin Khirudin	Independent Non-Executive Director	2 years & 7 months
	Dato' Haji Syed Yusoff Bin Syed Othman	Non-Independent Non-Executive Director	2 years & 4 months
	Tuan Haji Muhamad Bin Osman	Non-Independent Non-Executive Director	2 years & 7 months

	89 (1 st year rotation)	Professor Dr. Mohd Suffian Bin Yussof	Independent Non-Executive Director	10 months
		Puan Nawal Binti Hanafiah	Independent Non-Executive Director	7 months
		YM Raja Shahreen Bin Raja Othman	Executive Director	5 months
The BNREC reviewed and assessed the performance of each board members who have offered themselves for re-election at the 28 th AGM.				
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 5.2

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>Currently, BDB has nine (9) Directors out of which five (5) are Independent Directors, one (1) Executive Director, two (2) are Non-Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Chairman. In our mission to ensure an effective board composition and compliance with regulatory requirements, the board size will continuously be reviewed and if necessary, improvements will be made.</p> <p>Although all the Directors have equal responsibilities for the Group's operations, the roles of Independent Directors are particularly important in bringing independent judgement and ensuring all issues proposed by the executive management are fully discussed and examined to consider the long-term interests, not only for the shareholders, but also for other stakeholders such as the employees, customers and business associates.</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 5.3

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 provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	The tenure of all the independent directors does not exceed a cumulative term limit of nine years and the board has no plan to retain any independent directors beyond nine years at this juncture.	
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 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step-Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e., shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: BDB has been practising this matter even though there were no explicit requirements to do so. In view of the regulatory requirements for greater disclosure, the Company will continue to disclose its policy in its CG Statement, Annual Report and Website.

Intended Outcome

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

Practice 5.5

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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>A fit and proper policy has been established on 17 July 2022 and serves to guide the BNREC and Board in their review and assessment of candidates that are to be appointed to the Board.</p> <p>Appointments and recruitment of senior management will be subjected to policies and proper due process. Psychometric assessment was conducted to the first tier and second tier management will be identify through a proper due process by Human Resource of BDB Group as part of a succession planning programme. Appropriate strategy and measures are used to identify the best possible candidates for the respective position. We will take into consideration the Company’s current team’s strengths and weaknesses, so that we can focus on best fit such as complimentary skills, knowledge, experience, age, cultural background, and gender.</p> <p>The Company take cognisance that diversity in the team is beneficial to the Company. As such, the resource requirements and performance are continuously being reviewed and monitored. Appropriate training and development programmes for internal resource are provided, especially those with potential to be developed for bigger roles and responsibilities in the Company.</p> <p>In selecting new candidates to be proposed to the Board, the Company undertakes the necessary background screening where the credibility of the candidates will be checked to have good standing and able to commit satisfactorily.</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 5.6

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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>We have engaged with head-hunters, professional advisory firms, professional bodies as well as external organisations such as the Institute of Corporate Directors Malaysia (“ICDM”) to source and identify suitable qualified candidates when it comes to identifying candidates for appointment as directors.</p> <p>We have formalised the appointment of the board members after the Company undertakes the necessary background screening where the credibility of the candidates will be checked to have good standing and able to commit satisfactorily.</p> <p>The session with the Chairman, the Senior Independent Director and the Independent Director in most cases the Chairman of the Board Audit Committee was held for induction purposes with the candidate.</p> <p>The proposed candidate will be assessed by the BNREC and tabled for the Boards’ 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

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has provided a statement accompanying the Notice of AGM as required under Paragraph 8.27(2) of the MMLR of Bursa Securities. For the director's rotation and re-election, BDB's standard process pursuant to the Company's constitution will be carried and the motion will be passed through an AGM.</p> <p>As a normal practice, the Company will conduct an annual evaluation as disclosed in Practice 6.1, each director will carry out an annual evaluation and assessment.</p> <p>The details of each director's interest, position or any relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the listed company as a whole are disclosed in various parts of the Annual Report.</p> <p>Directors who are subjected to retirement by rotation for 27th AGM held on 26 May 2022 is Tuan Haji Sr Haji Che Had Bin Dhali and his re-election was noted and supported by the Board.</p> <p>While at the same time, Dato' Haji Abdul Rahman Bin Abdullah has expressed his intention not to seek re-election and he will only retain office until the close of the 27th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of Board Nomination Remuneration and ESOS Committee (“BNREC”) is Dato’ Zakiah Binti Kassim who is also a Senior Independent Director (“SID”) of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board currently has two (2) female Directors. Dato' Zakiah Binti Kassim, Senior Independent Director and Puan Nawal Binti Hanafiah, Independent Director.	
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	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:		

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	The Company takes board balance with gender diversity dedicatedly. Though the Company has put in place a Policy on Gender Diversity for the Board and senior management. However, due to various factors, including human resource movement, especially the industry BDB is in, this can be a moving target for BDB from time to time, BDB will continue with its best effort.	
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 6.1

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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The Board Assessment annual evaluation was conducted internally (BDB is a non-large company) as the Board has authorised the Senior Independent Director to take the lead and monitor the board assessment process and discuss with Chairman of BDB. The Board assessment process had commenced between January 2023 to March 2023 for FY2022. The board evaluation process involves Board approval, circulation of board assessment questionnaires, discussion with the individual director, discuss the evaluation results with the Chairman of the Main Board, action plan and improvements, and disclosure in the Corporate Governance Statement of the Annual Report 2022 and Corporate Governance Report Checklist. The evaluation covers Board and Board Committees evaluations, Self-Evaluation and Peers Evaluation. The Board assessment questionnaires covered four (4) themes and namely, Governance Role, Knowledge of the Organisation and the Environment, Effective Behaviour and relationship, and other feedback. No unacceptable practice was identified. Details Board assessment report and appendices are kept at the registered office with the Group Company Secretary's custodian.
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 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. 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 Company has policies and procedures in determining remuneration of directors and senior management. In this regard, a guideline on the Terms of Reference ("TOR") for each board committee has also been put in place to ensure that remuneration is commensurate with skills and experience. Every board committee is governed by their respective TOR.</p> <p>In addition, the Company had disclosed the remuneration of its' board members on named basis and senior management in bands of RM50,000.00 in its' Annual Report at Corporate Governance Statement.</p> <p>At the Board level, as a matter of regulatory requirements, the remuneration and fees of Board members will also be put for shareholders' approval during the general meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 7.2

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 Nomination, Remuneration and ESOS Committee (“BNREC”) is guided by appropriate policies and procedures when reviewing and recommending remuneration of board and senior management.</p> <p>Generally, the Company’s framework on Directors’ remuneration has the underlying objectives of attracting and retaining Directors of high calibre needed to run the Company successfully. In the case of Non-Executive Directors and Executive Director, the level of remuneration reflects the expertise, experience and level of responsibilities undertaken by a particular Non-Executive Director and Executive Director concerned.</p> <p>Where applicable, the BNREC also considers any relevant information provided by independent consultants or from survey data.</p> <p>The Terms of Reference for board committees were published at company’s website at https://www.bdb.com.my/bdbpolicies/.</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 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the disclosure are as per the table below. Remuneration package paid during the Year 2022.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Sr Haji Che Had Bin Dhali (Appointed: 01.02.2022 & Re-designated: 14.04.2022 until 15.10.2022 as Executive Chairman)	Chairman	44,000	37,500	N/A	N/A	N/A	212,500	294,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Dato' Zakiah Binti Kassim	Senior Independent Director	48,000	71,000	N/A	N/A	N/A	40,000	159,000	N/A	N/a	N/A	N/A	N/A	N/A	N/A
3	Mohamad Ibrahim Bin Ghazali	Independent Non-Executive Director	48,000	65,500	N/A	N/A	N/A	40,000	153,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	YB Ir. Ts. Khairil Nizam Bin Khirudin	Independent Non-Executive Director	48,000	78,500	N/A	N/A	N/A	40,000	166,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Dato' Haji Syed Yussof Bin Syed Othman	Non-Independent Non-Executive Director	48,000	53,000	N/A	N/A	N/A	40,000	141,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A

6	Dato' Haji Abdul Rahman Bin Abdullah (Retired w.e.f. 26.05.2022)	Non-Independent Non-Executive Director	19,467	38,500	N/A	N/A	N/A	16,021	73,988	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Haji Muhamad Sobri Bin Osman	Non-Independent Non-Executive Director	48,000	59,500	N/A	N/A	N/A	40,000	147,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8	Professor Dr. Mohd Suffian Bin Yusoff (Appointment w.e.f. 16.06.2022)	Independent Non-Executive Director	26,000	15,000	N/A	N/A	N/A	21,667	62,667	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	Nawal Binti Hanafiah (Appointment w.e.f. 26.09.2022)	Independent Non-Executive Director	12,667	6,000	N/A	N/A	N/A	10,556	29,222	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	YM Raja Shahreen Bin Raja Othman (Appointment w.e.f. 01.11.2022)	Executive Director	8,000	3,000	N/A	N/A	N/A	N/A	11,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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 8.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has disclosed on a named basis the C-Level Officers in the bands of RM50,000 in the Annual Report 2022 as stated on page 129 of the Annual Report.</p> <ol style="list-style-type: none"> 1. President & Group CEO: January & February 2022 2. Acting President & Group CEO 1: March until June 2022 3. Acting President & Group CEO 2: July until October 2022 4. Group Chief Executive Officer/Executive Director: November until December 2022 <p>The Company takes cognisance on the Malaysia Code of Corporate Governance issued in 2017 and the enhancement in 2021, recommending such disclosure be made.</p>
Explanation for departure	:	<p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	

No	Name	Position	Company					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1	Faris Najhan Bin Hashim (Resigned w.e.f. 03.02.2022)	President & Group Chief Executive Officer	55,357.14	N/A	N/A	N/A	N/A	55,357.14
2	Mohd Iskandar Dzulkarnain Bin Ramli	Executive Vice President I & Chief Corporate Officer ("EVP I")	277,800.00	N/A	N/A	N/A	N/A	277,800.00
3	Mohd Sobri Bin Hussein	Executive Vice President II & Chief Operating Officer ("EVP II")	253,800.00	N/A	N/A	N/A	N/A	253,800.00
4	YM Raja Shahreen Bin Raja Othman (Appointed w.e.f. 01.11.2022)	Executive Director	90,000.00	N/A	N/A	N/A	N/A	90,000.00

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 8.3 - Step Up

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

Application	: Not Adopted BDB is a small growing company and needs to take into consideration the importance of internal harmony, effective teamwork environment and competitive external factors that may affect the group's growth and survival in the industry. Such public disclosure may affect the Company's internal balance and function, BDB will review the appropriateness transparency with best effort. BDB will continue to ensure all senior management remuneration packages are fair, just and reasonable to the individual and the Company.
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 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	In BDB, the Chairman of the Board and the Chairman of the Board Audit Committee are currently held by different individuals. The Chairman of the Board is Tuan Sr. Haji Che Had Bin Dhali while the Chairman of BDB's Board Audit Committee is Tuan Mohamad Ibrahim Bin Ghazali who is an Independent Non-Executive Director.	
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 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The matter has been practiced by the Company.</p> <p>On 24 March 2023, the BAC approved the revision of the TOR of BAC to reflect the requirement of a former partner of the external audit firm to observe a cooling-off period of at least 3 years before being appointed as a member of BAC.</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 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board Audit Committee’s (“BAC”) assessment of the suitability of external auditors, the BAC is guided by a set of guidelines such as the routine check on their registration, background check on the audit partner, audit firm capacity, and assigned audit team competency.</p> <p>The Board on 29 March 2023, approved the Policy on Non-Audit Services provided by the External Auditors. The policy is available on the Company’s website at https://www.bdb.com.my/bdbpolicies/.</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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Applied
Explanation on adoption of the practice	:	Currently, the Board Audit Committee consists of three (3) independent directors.

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 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Audit Committee (“BAC”) Chairman is Encik Mohamad Ibrahim Bin Ghazali. He is an MIA member and started his career as an Auditor in May 1988 where he was involved in audits of various governmental agencies, legal firms, and conglomerates. He left after 2 years to join Shapadu Group of Companies as Internal Auditor. In January 1995, Mohamad Ibrahim was appointed as the Finance Manager at METC Holdings Sdn Bhd before assuming greater responsibilities as Senior Finance Manager from September 1996 to October 1999. He then moved on to be Financial Controller of ARZ Group of Companies in November 1999 and was promoted as General Manager in 2005 where he was responsible for identifying future business opportunities, reviewing the corporate planning, and handling all legal and secretarial matters. In 2009, he started his own tax, corporate secretarial, accounting, and management advisory firm, MIG Associates.</p> <p>The other 2 BAC Members have undertaken their relevant training and continuous personal development that enable them to support the function of the BAC and their personal development.</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 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is assisted by the Board Risk Committee (“BRC”) in decision making especially with regards to any future projects, proposed investment or acquisition. The BRC has its guidelines, terms of reference in discharging its duties. Policies, procedures and performance of the said Committee will be reviewed periodically, and enhancement be made where necessary.</p> <p>The Board through its BRC has taken necessary actions to ensure business continuity and business planning are reported to the Board periodically.</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 10.2

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	:	The Group's Risk Management practices are generally aligned with the principles of ISO 31000. The Group Risk Management will evaluate and study the risks profile that are affecting the Company. The BRC and the Board of Directors will be updated periodically on the assessment and feasibility study of possible pre-emptive measures or proposed solutions for key risks. Recommendation and assessment will be put to the BRC and the Board of Directors, especially on key risks issues for further deliberation and decision if 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 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	We have a Board Risk Committee, which comprises the majority of independent directors. This Committee supports the Board with reasonable assurance on possible adverse impacts from unexpected events. For practical reasons and in view of the business environment we are operating, this Committee will evaluate the risk factors and deliberate issues and make a recommendation to the Board as and when required.

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 11.1

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	:	BDB has established an in-house internal audit function known as Group Corporate Assurance. They operate within a prescribed policy and guidelines. The performance, effectiveness and competency are subjected to continuous review and monitoring by the Board Audit Committee.	
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 11.2

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 auditors’ team and personnel will be subjected to periodic evaluation and review to ensure that they are free from any issues of conflict of interest that may jeopardise their independence and objectivity.</p> <p>Our current Internal Audit team has five (5) members. Their names and qualifications are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #002060; color: white;"> <th style="width: 5%;">No.</th> <th style="width: 60%;">Staff</th> <th style="width: 35%;">Qualification</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Mohd Firdaus Shah Bin Amar Shah (Acting Head of Group Corporate Assurance)</td> <td>CA (M), MIA Bachelor of Accountancy (Hons.) (UiTM) Associate Member, IIAM</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Siti Marlina Bt Ismail (Assistant Manager)</td> <td>Bachelor of Accountancy (UPM)</td> </tr> <tr> <td style="text-align: center;">3.</td> <td>Nor Jani Zuriayati Bt Mohd Jamil (Senior Executive)</td> <td>Bachelor of Public Management (UUM)</td> </tr> <tr> <td style="text-align: center;">4.</td> <td>Zulfikri Zahini Haron (Executive)</td> <td>Bachelor of Accountancy (Hons.), UNITEN Associate Member, IIAM.</td> </tr> <tr> <td style="text-align: center;">5.</td> <td>Muhamad Hafifi Bin Mohd Rusli (Executive)</td> <td>Bachelor of Science (Hons.) Actuary Science (UiTM).</td> </tr> </tbody> </table> <p>We have adequate and qualified professional resources in the internal audit department to meet the objectives of the internal audit framework relevant and applicable for the industry we are operating in.</p>		No.	Staff	Qualification	1.	Mohd Firdaus Shah Bin Amar Shah (Acting Head of Group Corporate Assurance)	CA (M), MIA Bachelor of Accountancy (Hons.) (UiTM) Associate Member, IIAM	2.	Siti Marlina Bt Ismail (Assistant Manager)	Bachelor of Accountancy (UPM)	3.	Nor Jani Zuriayati Bt Mohd Jamil (Senior Executive)	Bachelor of Public Management (UUM)	4.	Zulfikri Zahini Haron (Executive)	Bachelor of Accountancy (Hons.), UNITEN Associate Member, IIAM.	5.	Muhamad Hafifi Bin Mohd Rusli (Executive)	Bachelor of Science (Hons.) Actuary Science (UiTM).
No.	Staff	Qualification																		
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Explanation for departure :																				
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																				
Measure :																				
Timeframe :																				

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board with the support of senior management continuously engaged with all stakeholders internal and external in various platform.</p> <p>General meetings especially AGM are held annually where BDB invites all its shareholders to engage with the Board Members and Top Managements for issues, amongst others relating to the Company's corporate affairs, finance and business development.</p> <p>BDB also continuously updated/published all the Company's latest news, business activities and developments on its website (www.bdb.com.my) and published all regulatory announcements on a timely basis on Bursa website.</p> <p>Internally, the Board communicates through various channel with its internal team via meetings, townhall events, emails, memos, circulars and periodicals.</p> <p>All stakeholders can freely access to the Company's official channel like phone and emails to provide suggestions and ideas.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

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

Practice 12.2

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

Application	:	Departure	
Explanation on application of the practice	:	N/A	
Explanation for departure	:	The Company would review the need to adopt the integrated reporting based on resource and ability. BDB does not fall within the definition of a large company. The adoption of an integrated reporting based on globally recognised framework is an effort that BDB will pursue and adopt upon evaluation and at the appropriate time.	
<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 13.1

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	:	The Company has complied with statutory requirements with regards to timeline in sending out notice of Annual General Meeting to shareholders all these years. With effect from 2018, the Company has improved the notice period up to at least 28 days to facilitate our shareholders to have the information on a timely basis.	
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 13.2

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>It has been the practice of the Company that all board members are present at the Annual General Meeting of the Company. BDB is committed to continuously adhere to the said standard to facilitate our shareholders to have information on a timely basis.</p> <p>All Board Members will attend the general meetings to engage with shareholders. In the event of a director is not able to attend in person, the Group will facilitate virtual attendance through the use of an appropriate online platform.</p> <p>When it is not possible to do so, the said director(s) will be updated on issues that requires his attention and onward action.</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 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The 27th AGM held on 26 May 2022 was the Company’s third fully virtual general meeting. Shareholders were able to participate remotely via live streaming webcast and vote in abstention using the Remote Participation and Voting Facilities (‘RPV’) provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online. 405 shareholders attended the virtual 27th AGM.</p> <p>A step-by-step administrative guide was issued to assist shareholders in registering participants and voting using the RPV. The administrative guide was also published in the Company & website to encourage shareholder’s participants.</p> <p>All resolutions were voted by poll and verified by the scrutineer in compliance with the MMLR.</p> <p>All Board members will attend the meeting to engage with the shareholders. In the event they are not able to attend in person, electronic devices will be used for their participation. Unless it is not possible to do so, the Directors will be updated on issues that require his attention.</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 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company’s financial and non-financial performance as well as the company’s long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman chairs the Annual General Meeting (“AGM”) with the presence of all board members to answer any questions and concerns raised by the shareholders. BDB is committed to continuously adhere to the said standard to facilitate our shareholders to have information about the performance of the company on a timely basis.</p> <p>All the shareholders, their proxies and/or corporate representatives in BDB AGM can raise questions either by write in before the AGM or verbally during the AGM, all questions including but not limited to the Company’s financial and non-financial performance and long-term strategies.</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 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	The 27 th Annual General Meeting was held virtually using the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd. The relevant regulatory requirements relating to virtual general meeting have been adhered to. Total logged in shareholders and representatives are 405.
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 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The 27 th AGM Minutes including the questions raised during the meeting and the answer were uploaded on the Company's website on 21 June 2022.
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 PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

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