

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1724
COMPANY NAME : Paramount Corporation Berhad
FINANCIAL YEAR : December 31, 2020

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.

Paramount Corporation Berhad (**Paramount** or **the Company**) is committed to maintaining high standards of corporate governance, integrity and accountability, underpinned by robust management of risks and internal controls to ensure long-term sustainability of its businesses and to safeguard the interests of all stakeholders. To this end, the Board of Directors of Paramount (**the Board**) will continue to review and enhance the manner in which the Company and its subsidiaries (**the Group**) have instituted the practices of good corporate governance.

This Corporate Governance Report 2020 of Paramount (**CG Report 2020**) provides insights into Paramount's corporate governance processes with reference to the three key corporate governance principles and best practices set out in the Malaysian Code on Corporate Governance (**MCCG**) for the financial year ended 31 December 2020 (**FY2020**) and during the period from 1 January 2021 up to the last practical date for the publication of this report.

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.

Not applicable

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>Board Responsibilities</p> <p>The Board is collectively responsible for the overall corporate governance of the Company and the strategic direction of the Group. Although the Board confers some of its authorities to the Board Committees and delegates the day-to-day management of the Group's business operations to the management team, it reserves for its decision significant matters, such as the following, to ensure that the direction and control of the Group is firmly in its hand:</p> <ul style="list-style-type: none"> • Strategic planning • Annual budgets and performance reviews • Financial reporting • Material acquisition and disposal of assets • Major capital expenditure and material investments • Fund raising activities • Corporate governance policies • Announcements to Bursa Malaysia Securities Berhad (Bursa Securities) • Dividend payments • Changes in the Board composition and principal officers • Board remuneration and succession plan <p>Activities of the Board in FY2020</p> <p>In discharging its fiduciary duties and leadership function, the Board exercised oversight on the Group's businesses and affairs through the following activities, amongst others, that were carried out by the Board in FY2020:</p> <ul style="list-style-type: none"> • Provided strategic guidance to management • Monitored the implementation of strategic initiatives and management's performance in meeting the growth targets set out in the Group's 5-year Strategic Plan for 2020 to 2024 (Y2020-Y2024 Plan) • Approved the Group's 2020 Budget and Business Plan, and monitored operational performance against the budget

- Monitored the progress of the following corporate and business proposals which were implemented in the financial year ended 31 December 2019 (**FY2019**) and extended to FY2020:
 - divestment of the Company's controlling equity interests in Paramount Education Sdn Bhd, Paramount Education (Klang) Sdn Bhd and Sri KDU Sdn Bhd to Prestigion Education Sdn Bhd for a total final cash consideration of RM538,511,000.00
 - expansion of Co-labs Coworking to five locations
- Reviewed and approved the following business proposal submitted by management:
 - acquisition of two contiguous pieces of freehold land measuring approximately 18,384 square metres (4.542 acres) in total area together with all buildings erected thereon and situated in Seksyen 89A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan from two subsidiaries of Wing Tai Holdings Limited at a total cash consideration of RM243,800,000.00
- Approved the award and vesting of new Paramount shares to eligible employees of the Group pursuant the Company's Long Term Incentive Plan (**LTIP**)
- Adopted an Anti-Bribery and Corruption Policy for the Group
- Updated the Group's Code of Business Conduct and Ethics for better clarity of certain provisions
- Updated the Terms of Reference (**TOR**) of the Audit Committee and the Board Risk Management Committee for consistency with the TORs of the other Board Committees
- Appointed an additional female Director as part of the Board's succession and gender diversity plan, and revised the composition of the Board Committees
- Recommended the payment of a final dividend for FY2019, and approved the payment of a special interim dividend for FY2020
- Tracked the Company's level of conformance to the MCCG
- Tracked the economic, environmental and social governance activities of the Group
- Tracked the Group's crisis management activities, risk exposure and risk mitigating action plans during the unprecedented Movement Control Order (**MCO**) period in FY2020 arising from the COVID-19 pandemic

Succession Planning

The Board takes a pivotal role in ensuring continuity in leadership at the board and senior management level. For board succession, the Board, through the Nominating Committee, conducts a yearly analysis of the skills matrix of the Directors to ensure that the Board continues to be well-equipped with skills and expertise that are aligned with the Group's strategic direction. In addition, the Board had, since 2016 and through the Group Human Resource Department, developed a group-wide management succession plan which entails the identification of three levels of successors at different levels of readiness for senior management positions. The identified successors are required to participate in the STARS (Sustainable Talent Acceleration and Retention Strategy) and LEAP (Leading with Energy and Passion) programmes that are designed to develop the management capabilities and leadership skills of the candidates, and to prepare them for senior management roles.

Explanation for departure	: Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: Not applicable	
Timeframe	: Not applicable	

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	:	Chairman The Board has stipulated in the Board Charter that the Chairman is responsible for the effective leadership, operation and governance of the Board. To this end, the Chairman of the Board, Dato' Teo Chiang Quan, works with the Group Chief Executive Officer (CEO), Mr Jeffrey Chew Sun Teong and the Company Secretary to set the agenda for Board meetings, and he ensures timely provision of accurate and relevant information to all Directors prior to the meetings. He leads the Board in all Board discussions, and ensures that all members of the Board continue to contribute effectively to the development of the Company's strategies and policies. The Chairman also presides over all board meetings of the Company's subsidiaries, and he ensures that the boards of the subsidiaries conform to the high standards of governance that are practised by the Board. He also acts as a facilitator to ensure that no Board member dominates the board discussions at the board meetings. In addition, the Chairman undertakes the executive function of guiding management in the evaluation and selection of land bank to grow the Group's property development business.
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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>Chairman</p> <p>To ensure separation of powers between the Chairman and the Group CEO, the position of Chairman is held by Dato' Teo Chiang Quan whose role and responsibilities are set out in Practice 1.2 of this report.</p> <p>Group CEO</p> <p>The position of Group CEO is held by Mr Jeffrey Chew Sun Teong who is responsible for the management of the Group's businesses, formulating strategy proposals including annual and medium-term plans on the delivery of such strategies for the Board's consideration. He keeps the Board apprised of the Group's financial and operational performance, and all matters that materially affect the Group. The Group CEO leads the management team in ensuring that the Group's businesses deliver shareholders value. It is also the responsibility of the Group CEO to ensure that adequate, well motivated and incentivised management resources are available, and succession plans for senior management as well as business processes are put in place. The Group CEO is supported by the Executive Director (ED) for Paramount Property, the Group Chief Financial Officer (CFO), the Group Human Resource Director, heads of the strategic business units (SBUs) and other senior management personnel in the management of the day-to-day business operations of the Group.</p> <p>Management Committees</p> <p>In addition, three management committees have been established to monitor adherence to the Group's internal control and risk management framework. They are the Executive Risk Management Committee, the Finance Committee, and the Tender Committee. These committees, which are led by the Group CEO, meet quarterly and when required between the intervals, and their functions are as follows:</p> <ul style="list-style-type: none">• Executive Risk Management Committee (ERMC) <p>The ERMC comprises the Group CEO, the Executive Director (ED) for Paramount Property, heads of strategic business units (SBUs) and heads of corporate functions. Its primary function is to monitor adherence to the Group's risk management and internal control frameworks, implementation of the risk management action plans identified based on the ISO31000:2009 Enterprise Risk Management (ERM) methodology, and the business continuity plan for the Group. The ERMC meets on a quarterly basis, and submits its report to the Board Risk Management Committee on a half-yearly basis.</p>

	<ul style="list-style-type: none"> • Finance Committee (FC) The FC comprises the Company's EDs, the Group Chief Financial Officer (CFO) and other senior management personnel, including particularly those who oversee the financial management and reporting of the Group. Its primary function is to monitor the Group's progress in meeting its financial targets (including financial key performance indicators) and business plans, and query the reasons for major deviation, if any, from those targets. It is also the scope of the FC to review and monitor the Group's cash flow, tax position, loan covenant compliances, asset impairment triggers, accounting policies and practices affecting the Group, related party transactions, and the impact of new business transactions and investments on the financial performance of the Group. The FC meets quarterly prior to the tabling of the respective company's financial results to their board of directors. It also convenes separate annual meetings to review annual budgets for the next financial year prior to the submission thereof to the respective company's board for approval. • Tender Committee (TC) The TC comprises the Group CEO, the ED for Paramount Property, and the Group CFO. Its primary function is to evaluate and decide on the award of tenders primarily for the purchase and procurement of goods and services that are necessary for the day-to-day business operations of the Group. It is also the responsibility of the TC to develop and continuously improve the tender processes and procedures for the Group. With experience gained from years of operating in different property cycles and economic trends, the TC has put in place a comprehensive set of tender procedures which set out detailed steps for compliance at four stages of the tender process, i.e. (1) pre-tender, (2) tender, (3) evaluation, and (4) approval of award. Authority limits at different stages of the tender process, and selection criteria, based on the tenderers' pricing, product/service quality, delivery timeliness, financial and manpower capacity, safety and health track record as well as good business conduct are also set out in the tender procedures.
Explanation for departure	: Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Not applicable
Timeframe	: Not applicable

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	Company Secretary All Directors have unrestricted access to the Company Secretary, who plays an advisory role to the Board in relation to the Board policies and procedures, compliance with applicable laws, rules and regulations and codes. The Secretary, who is duly certified by the Companies Commission of Malaysia pursuant to the requirements of the Companies Act, 2016, supports the Board and Board Committees in the discharge of their duties by monitoring the status of adherence to the relevant laws and regulations and conformance with corporate governance best practices. It is also the responsibility of the Secretary to ensure that all information and materials that are required for consideration by the Board and Board Committees are provided to the Directors expeditiously, and that all Board deliberations and decisions are well captured in the minutes and resolutions, and communicated to the respective members of the management team for their necessary action. The duties of the Secretary also include managing the processes pertaining to the Company's Annual General Meetings (AGM) and maintenance of the Group's statutory records. Additionally, the Secretary keeps the Directors updated on new statutory and regulatory requirements, and attends to the sourcing of training programmes for the Directors.
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 1.5

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

Application :	Applied																												
Explanation on application of the practice :	<p>Board Operations</p> <p>The Board's activities were mostly conducted at the Board and Board Committee meetings held during the year. The meetings were scheduled in advance before the end of the preceding year to enable the Board members to plan ahead for the meetings. In the intervals between the meetings, matters that required urgent decisions from the Board or the Board Committees were sought through circular resolutions, which were supported by information and explanations required for informed decisions to be made.</p> <p>Formal agendas together with a comprehensive set of meeting papers, consisting of the minutes of the previous meeting, management reports and proposals, were forwarded to the Directors five business days prior to the meetings. Except when abstention from deliberation is required, the Chairman chaired all Board meetings held in the year, and meeting of the Board Committees were chaired by their respective chairmen who updated the Board on the activities of the committees at the nearest Board meeting. Except when abstention from deliberation is required, all Directors participated actively in the Board deliberations, with no individual or group of individuals dominating the decision-making process of the Board or Board Committees. Deliberations and decisions made at such meetings were recorded in the minutes of the meetings, which were then tabled for confirmation at the next Board or Board Committee meeting.</p> <p>All information and materials required for the Board's consideration were provided to the Directors not less than five (5) business days prior to the meetings, and all Board deliberations and decisions were captured in the minutes and resolutions by the Secretary, and communicated to the management team for their action, where necessary.</p> <p>All Directors have attended 100% of the Board and Board Committees meeting held in FY2020, and the details of which are set out in the table below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Director</th> <th style="text-align: center;">Board</th> <th style="text-align: center;">Audit Committee</th> <th style="text-align: center;">Nominating Committee</th> <th style="text-align: center;">Remuneration Committee</th> <th style="text-align: center;">Board Risk Management Committee</th> </tr> </thead> <tbody> <tr> <td>Dato' Teo Chiang Quan*</td> <td style="text-align: center;">5/6</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">3/3</td> </tr> <tr> <td>Jeffrey Chew Sun Teong*</td> <td style="text-align: center;">5/6</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Benjamin Teo Jong Hian*</td> <td style="text-align: center;">5/6</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>					Director	Board	Audit Committee	Nominating Committee	Remuneration Committee	Board Risk Management Committee	Dato' Teo Chiang Quan*	5/6	-	-	-	3/3	Jeffrey Chew Sun Teong*	5/6	-	-	-	-	Benjamin Teo Jong Hian*	5/6	-	-	-	-
Director	Board	Audit Committee	Nominating Committee	Remuneration Committee	Board Risk Management Committee																								
Dato' Teo Chiang Quan*	5/6	-	-	-	3/3																								
Jeffrey Chew Sun Teong*	5/6	-	-	-	-																								
Benjamin Teo Jong Hian*	5/6	-	-	-	-																								

	Datuk Seri Dr Michael Yam Kong Choy	6/6	-	2/2	3/3	-
	Ong Keng Siew	6/6	-	2/2	-	3/3
	Quah Poh Keat	6/6	5/5	-	3/3	3/3
	Fatimah Merican ⁽¹⁾	6/6	2/2	2/2	-	2/2
	Foong Pik Yee ⁽²⁾	6/6	5/5	-	2/2	-
	Faizah Khairuddin ⁽³⁾	4/4	3/3	-	-	-
	<p>Notes:</p> <p>* the Executive Director was exempted from attending one board meeting that was held without the presence of executive board members and management</p> <p>(1) appointed as a member of the Board Risk Management Committee and ceased to be a member of the Audit Committee in the second half of FY2020 (2H20)</p> <p>(2) appointed as a member of the Remuneration Committee after the first Remuneration Committee meeting held in FY2020</p> <p>(3) appointed as an INED and a member of the Audit Committee in 2H20</p>					
Explanation for departure	Not applicable					
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>						
Measure	Not applicable					
Timeframe	Not applicable					

Intended Outcome

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

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

Practice 2.1

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

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

Application :	Applied
Explanation on application of the practice :	<p>Demarcation of Responsibilities</p> <p>In addition to outlining the role and duties of individual Directors, the Board Charter, which was adopted by the Board in 2013 and reviewed once in every three years, provides clear demarcation of responsibilities between the Board, the Board Committees, the Senior Independent Non-Executive Director (INED), the Chairman, and the Group CEO.</p> <p>Board</p> <p>The responsibilities and activities of the Board in FY2020, and the decisions reserved for the Board are set out in Practice 1.1 of this report.</p> <p>Board Committees</p> <p>The four Board Committees are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective TORs as determined by the Board and set out in the Board Charter. Although specific powers are delegated to the Board Committees, the Board continues to keep itself abreast of the actions and decisions taken by each Board Committee through reports by the Chairman of each of the Board Committees at Board meetings.</p> <p>The composition of the Board Committees, their functions and activities in FY2020 are reported below:</p> <ul style="list-style-type: none">• Audit Committee (AC) <p>Currently, the AC comprises INEDs, namely Mr Quah Poh Keat (as Chairman), Ms Foong Pik Yee and Puan Faizah Khairuddin.</p> <p>The primary objective of the AC is to assist the Board in the effective discharge of its fiduciary responsibilities for timely and accurate financial reporting and the development of sound internal controls. The AC Report in Paramount's Annual Report 2020 provides a detailed account of the activities of the AC in FY2020.</p>

- **Nominating Committee (NC)**

Currently, the NC comprises exclusively INEDs, namely Datuk Seri Dr Michael Yam Kong Choy who is the Senior INED (as Chairman), Mr Ong Keng Siew and Puan Fatimah Merican.

The primary function of the NC is to consider and recommend to the Board new nominees for appointment to the Board, the re-election of Directors, and to assess the independence of INEDs. It also conducts yearly assessment of the effectiveness of the Directors, the Board, the Board Committees, the Chairman and the Group CEO in fulfilling their respective duties.

The following activities were carried out by the NC in FY2020:

- Reviewed the outcome of the 2019 Directors' Self and Peer Assessment to assess the performance of individual Directors, the Board, the four Board Committees, the Chairman and the Group CEO, and recommended remedial actions where applicable
- Reviewed the training programmes attended by the Directors, and discussed the Directors' training needs for the ensuing year
- Reviewed the Declaration of Independence signed by all INEDs
- Assessed the eligibility of Directors for re-election at the 50th AGM of the Company
- Conducted a yearly review of its TOR
- Nominated one additional INED, namely Puan Faizah Khairuddin, for appointment to the Board after having assessed the eligibility and suitability of the candidate based on a set of criteria which included the preferred area of expertise and experience.
- Recommended revisions to the composition of the Board Committees to ensure even distribution of duties amongst the Directors
- Conducted a yearly analysis of the skills matrix of the Directors to ensure that the Board continues to be well-equipped with skills and expertise that are aligned with the Group's strategic direction and for board succession purpose
- Fulfilled the Board's gender diversity target of 30% with the nomination of Puan Faizah Khairuddin for appointment to the Board before the end of FY2020

- **Remuneration Committee (RC)**

Currently, the RC comprises exclusive INEDs, namely Datuk Seri Dr Michael Yam Kong Choy (as Chairman), Mr Quah Poh Keat and Ms Foong Pik Yee.

The primary function of the RC is to assess and recommend to the Board the remuneration packages of EDs, to ensure that their remuneration commensurate with their responsibilities and contribution to the Group's performance, and are adequately competitive to retain these key personnel for the future growth of the Group. The RC also recommends to the Board the policy and framework for determining Directors' fees and benefits, and has, since March 2015, assumed the role as the committee to implement and administer the Company's LTIP.

The following activities were carried out by the RC in FY2020:

- Reviewed bonus payments and salary increments to the EDs

- Reviewed bonus payments and salary increments to senior management personnel above a certain level
- Reviewed Directors' fees and Board Committee fees
- Reviewed the granting of Paramount shares under the 2020 LTIP Award and the vesting of Paramount shares pursuant to the 2017, 2018 and 2019 LTIP Awards
- Conducted a yearly review of its TOR

- **Board Risk Management Committee (BRMC)**

Currently, the BRMC comprises three INEDs, namely Mr Ong Keng Siew (as Chairman), Puan Fatimah Merican and Puan Faizah Khairuddin, and one ED, namely Dato' Teo Chiang Quan.

The primary function of the BRMC is to assist the Board in fulfilling its duty to ensure that adequate measures are put in place to address and manage the principal risks of the Group.

The following activities were carried out by the BRMC in FY2020:

- Reviewed the Top Key Risks of the Group and monitored the effectiveness of the risk management plans identified by the ERM
- Monitored the implementation progress of the Group's Business Continuity Management Plan drawn up by the ERM
- Monitored the implementation progress of the COSO Internal Control Integrated Framework by the Group
- Conducted a yearly review of its TOR

Chairman

The duties and responsibilities of the Chairman are set out in Practice 1.2 of this report.

Senior INED

The role of the Senior INED as a sounding board for the Chairman, an intermediary for other Directors, and as the point of contact for shareholders and other stakeholders is defined in the Board Charter. In addition, the Senior INED of Paramount holds the position as Chairman of both the NC and the RC.

Group CEO

The duties and responsibilities of the Group CEO are set out in Practice 1.3 of this report.

ED

The ED shall be responsible for developing innovative concepts to add value to Paramount Property's offerings and to scale up its eco-system of services to appeal to the new segment of audiences.

Directors' Continuing Development Programme

The Board Charter also requires all Directors to attend continuing development programmes to keep themselves abreast of regulatory changes pertaining to the functions of the Board as well as to be updated on relevant technical and industry related matters.

The Secretary, acting under the instruction of the NC, compiles training programmes that are available to the Directors for their selection. The Secretary

also attends to internally organised training programmes whereby industry experts are invited to update the Directors on industry related matters and share insights about the latest economic and industry outlook as well as market trends. In addition, the Secretary, the Group CFO and the external auditors update the Board on changes and amendments to legislative and regulatory provisions, where applicable.

In FY2020, all Directors of Paramount have attended training programmes on a wide range of topics, which include but are not limited to the following:

Legal & Regulatory Updates

- Corporate liability in compliance with Section 17A of the the Malaysian Anti-Corruption Commission (**MACC**) Act 2009 (**MACC Act**) by MACC
- Key features of the new Section 17A of MACC Act on corporate liability by the Securities Industry Development Corporation (**SIDC**)*
- Section 17A of the MACC Act: Policy and procedures by Moore Malaysia
- Raising defences for Section 17A of the MACC Act by Asia School of Business (**ASB**)*

Corporate Governance

- Anti-bribery and ant-corruption directors' masterclass by PricewaterhouseCoopers Malaysia (**PwC**)
- Guidelines on adequate procedures to safeguard an organisation against corruption by SIDC*
- Anti-money laundering (**AML**)/counter financing of terrorism (**CFT**) and targeted financial sanctions: A need to protect businesses by Vision Business Solutions*
- AML/CFT and anti-corruption training by Prof Datin Dr Mei Pheng Lee
- Corporate liability provision by Mr Low Chiun Yik, Boardroom (**Boardroom**)
- Virtual board meetings: In an era of social distancing by Asian Institute of Chartered Bankers (**AICB**)*
- Future of sustainability by Chartered Accountants Australia & New Zealand and PwC*
- Environmental, social & governance (**ESG**) trends & regulatory developments by ASB*
- Banking on governance in ensuring sustainability by ASB*
- Impact of COVID-19: Recovery and sustainability by AICB*
- Empowering ESG disclosure & journeys for integrated reporting & assurance by KPMG*

Finance and Risk Management

- How finance professionals navigate through a black swan COVID-19 global crisis by the Association of Chartered Certified Accountants
- Budget 2021 by PwC
- Malaysia Budget 2021: Paving the way to a resilient future by PwC
- Tax implication for debt restructuring by Boardroom*
- Financial oversight and assurance post COVID-19 by AICB*
- Climate change: the role of accountants and business by the Institute of Chartered Accountants England & Wales*
- Comprehensive guide on the impact of COVID-19 and the Movement Control Order on financial reporting, audit reports, tax and Companies Act 2016 issues by the Malaysian Institute of Accountants*
- Islamic finance for board directors by ISRA Consultancy Sdn Bhd*
- Intro to climate related financial disclosure: What is TCFD (Taskforce on climate-related financial disclosures) and its recommendations? by AICB

- Fraud risk management workshop by Bursa Malaysia Berhad (**Bursa Malaysia**)*
- Managing political risks by ASB*
- Rising corporate risks of weaponised fake news by the Institute of Corporate Directors Malaysia (**ICDM**)*
- Recovery and resilience governance and risk: An uncertain world, a riskier landscape by PwC*
- Risk and the board at a time of crisis by FIDE*
- Cyber and economic crime: Fraudsters and cyber criminals, too, can work from home by PwC*
- Cybersecurity and work from home security challenges amidst the COVID-19 pandemic by ASB*
- Does cybersecurity only become a priority once you're been attacked? by Ernst & Young (**EY**)

Leadership and Strategy Management

- Talent, tech and transformation: The role of business leaders in Asia by ASB *
- From leader-as-executor to leader-as-healer by the Institute of Management Development (**IMD**)*
- Become a COVID-19 innovator: How to think and act differently to exit the crisis stronger by IMD*
- Malaysian Investor Relations Association sustainability accelerator program*
- Transformation towards recovery: Operational resilience by KPMG*
- Transformation towards recovery: Technology and data by KPMG*
- Beyond COVID-19: Towards sustainable organisations and practices by Asia Pacific Accreditation Cooperation (**APAC**)*
- Stakeholder capitalism: A vital pandemic agenda? by ICDM*
- Women on boards and workplace diversity in Asia Pacific by Global Summit of Women
- Human resource in the 2020s, culture sculptor, risk manager and more by Mr Gabe Shawn Vargas, Iclif Executive Education Center
- The path to the next normal. So what now for leadership? by ICDM*
- Digital leadership and communication during turbulent times by ICDM*
- Staying resilient during an economic downturn by KPMG*
- The modern board architecture by ICDM*
- Insider's guide to surviving life in the boardroom by ICDM*
- In times of crisis: Stakeholders take centre stage by ICDM*
- Leading through crisis and uncertainty: Harnessing mental health and resilience to navigate storms of change by ICDM*
- Managing by freedom within the framework post COVID-19 by ASB*
- Evolutionary change to revolutionary impact by SIDC*

Economic, Industry and Market Trends

- The great rest: recalibrating investment strategies by CIMB Investment Bank
- Business foresight forum 2020 - evolutionary change to revolutionary impact by SIDC
- Multi sector real estate market outlook by the Malaysian Institute of Estate Agents
- Property developer versus the Inland Revenue Board by Thannees Tax Consulting Services
- Work from home experience – preferences and sentiments by EY
- Overview of the Malaysian real estate by the Real Estate Housing Developers Association (**REHDA**) and Universiti Tunku Abdul Rahman

	<ul style="list-style-type: none"> ▪ COVID-19 and its impact and managing tax concerns for property developers by REHDA ▪ Post COVID-19 strategic plan for the construction industry: challenges and solutions by Universiti Tun Hussein Onn & the Chartered Institute of Building Malaysia ▪ Tenancies, leases, other land transactions and caveats by Calibre Skills Development Sdn Bhd ▪ Current development and opportunities in property investment in the United Kingdom and Malaysia by The British Malaysian Society ▪ Digital economy and market outlook by SIDC ▪ The role of infrastructure in economic recovery by AECOM ▪ Staying ahead with data analytics by ASB ▪ COVID-19 and current economic reality: Implications for financial stability by SIDC* ▪ Economic outlook in an uncertain world by APAC* ▪ COVID-19 and current economic reality: Implications for financial stability by FIDE* ▪ Understanding the evolving cybersecurity landscape by FIDE* ▪ Helicopter money: How, for what, to whom? Stimulus package in a time of crisis by ASB* ▪ Marketing for a new normal by ASB* ▪ Flatten the curve: Then and what? by ASB* ▪ The impact of COVID-19 on Malaysia's digital economy: Transforming challenges into opportunities by PwC* ▪ The generative business of the future by ICDM* ▪ The pandemic digital tipping point & what to expect in 2021 by ICDM* <p>In assessing the training needs of the Directors, the Nominating Committee had agreed that the above topics were all relevant and useful in providing the Board with a broad range of information to facilitate informed decision-making.</p> <p>The INED who was appointed in FY2020 had also successfully completed the Mandatory Accreditation Programme* within the time-frame stipulated in the MMLR.</p> <p>The Board Charter and the TORs of all four Board Committee are available on Paramount's website at www.pcb.my.</p>
Explanation for departure :	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	Not applicable
Timeframe :	Not applicable

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>Promotion of Good Business Conduct</p> <ul style="list-style-type: none">• Directors' Code of Ethics and Code of Business Conduct & Ethics <p>Paramount has adopted a Directors' Code of Ethics and a Code of Business Conduct & Ethics to ensure that high standards of governance, ethical, prudent and professional behaviour are embedded in the Board's activities and management practices across the Group.</p> <ul style="list-style-type: none">• Related Party Transactions (RPT) <p>The Directors also adhere to the practice of declaring their interests, if any, in transactions that are submitted to the Board or Board Committees for approval, and abstaining from deliberation and voting on all transactions in which they have an interest.</p> <p>All RPTs are subject to the prior approval of the AC, and the Internal Audit Department (IAD) has been tasked to verify whether the terms of the RPTs are fair and at arm's length before any submission thereof to the AC for its consideration, IAD is also required to highlight to the AC should there be any non-adherence to the procedure put in place to monitor RPTs. All on-going recurrent RPTs are submitted to the AC for its review on a quarterly basis.</p> <p>Except as disclosed in Note 40 of the audited consolidated financial statements of the Company for FY2020, there were no RPTs nor conflict of interest involving the Directors in FY2020 and during the period from 1 January 2021 up to the last practical date for the publication of this report. The procedure by which RPTs are conducted and monitored is disclosed in the Board Policies section of the Company's website at www.pcb.my.</p> <ul style="list-style-type: none">• Anti-Bribery & Corruption Policy <p>An Anti-Bribery & Corruption Policy was adopted in FY2020 to reinforce Paramount's zero tolerance approach to bribery and corruption. A set of Anti-Bribery & Corruption Guidelines were disseminated to the Directors, employees and business associates to promote compliance with</p>

	<p>Paramount's Anti-Bribery & Corruption Policy. Face-to-face and virtual training on these two documents was provided across the Group in FY2020 to create greater awareness of Paramount's stance on such matters. A multi-media version of the training programme is also available on the Group's human resource portal for reference by all employees.</p> <ul style="list-style-type: none"> • Insider Dealing Policy <p>In efforts to prevent insider trading in the listed securities of Paramount and to maintain the confidentiality of price sensitive information, the Board has adopted an Insider Dealing Policy, providing better clarity to the definition of 'insider trading' and setting the steps that must be taken by all Directors and employees to ensure that full disclosure is made pre and post the act of trading during a closed period. The Board is not aware of any incidence of 'insider trading' in FY2020 and during the period from 1 January 2021 to the last practical date for the publication of this report.</p> <p>The Directors' Code of Ethics, the Code of Business Conduct & Ethics, the Anti Bribery & Corruption Policy, and an excerpt of the Insider Dealing Policy are available in the Board Policies section of the Company's website at www.pcb.my.</p>
<p>Explanation for departure</p>	<p>: Not applicable</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>: Not applicable</p>
<p>Timeframe</p>	<p>: Not applicable</p>

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	:	Whistleblowing Policy In promoting a culture of high integrity and greater transparency, the Board has adopted a Whistleblowing Policy which is reviewed once in every three years. This policy provides employees of the Group and stakeholders an avenue to raise concerns regarding suspected fraud, wrongdoings and malpractices without being subject to victimization, harassment or discriminatory treatment. The Whistleblowing Policy, examples of 'reportable activities' under the policy, the mechanism by which employees and any member of the public can confidently and anonymously voice concerns to the Chairman of the AC or Head of IAD at whistleblower@pcb.my are all disclosed in the Board Policies section of the Company's website at www.pcb.my . No report was received thus far from any whistle-blower in FY2020 and during the period from 1 January 2021 up to the last practical date for the publication of this report.
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 4.1

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

Application	:	Applied	
Explanation on application of the practice	:	Percentage of INEDs The current composition of 66.7% INEDs (i.e. six INEDs out of a total of nine Directors) on the Board of Paramount provides independent judgement to the Board's decisions.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 4.2

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

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

Application :	Applied - Annual shareholders' approval for independent directors serving beyond 9 years	
Explanation on application of the practice :	<p>Tenure of INEDs</p> <p>The Board has adopted the approach of seeking shareholders' approval at the Company's AGM for all INEDs who have served the Company for more than nine years to remain in office as INEDs on an annual basis up to the 12th year, after which time, they will not be eligible for re-election and their tenure shall expire at the nearest AGM</p> <p>One Director, namely Datuk Seri Dr Michael Yam Kong Choy, has served as an INED for more than nine years. Hence, the Board will be seeking shareholders' approval at the forthcoming 51st AGM for Datuk Seri Dr Michael Yam Kong Choy to remain in office as an INED for another year.</p> <p>The NC had assessed the independence of Datuk Seri Dr Michael Yam Kong Choy based on the Declaration of Independence made by him as at the end of FY2020 and the high rating received by him for 'taking strong constructive stands at Board or Board Committee meetings' in the 2020 Directors' Self and Peer Assessment exercise. The NC, being satisfied with the outcome of this assessment, concluded that the independence of Datuk Seri Dr Michael Yam Kong Choy is not impaired, and hence, had recommended that Datuk Seri Dr Michael Yam Kong Choy be allowed to continue in office as an INED for another year up to the 52nd AGM in 2022.</p>	
Explanation for departure :	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :	Not applicable	
Timeframe :	Not applicable	

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	<p>Tenure of INEDs</p> <p>Explanation set out in Practice 4.2 of this report.</p> <p>Nevertheless, the Company's Constitution provides that at each AGM, one-third of the Directors or if their number is not three or multiples of three, then the number nearest to but not less than one-third shall retire from office by rotation, and are eligible for re-election. Retiring Directors are selected on the basis of those who have been longest in office since their last re-election. Additional Directors appointed during the interval between two AGMs are also subject to retirement, and are eligible for re-election at the second AGM.</p> <p>In the event of any vacancy in the Board, resulting in a non-compliance of at least two directors or 1/3 of the Board are INEDs, the Company shall fill the vacancy within three months.</p> <p>The NC had, in accordance with these provisions in the Company's Constitution, conducted its evaluation of the eligibility of three INEDs, namely Datuk Seri Dr Michael Yam Kong Choy, Puan Fatimah Merican and Puan Faizah Khairuddin, and one ED, namely Mr Jeffrey Chew Sun Teong, for re-election at the forthcoming 51st AGM, with the Chairman of the committee abstaining from deliberation on his own evaluation.</p> <p>In assessing the eligibility of the Directors for re-election, the NC took into consideration the Directors' ability to exercise objective judgement, contribute positively to the Board and Board Committees on which they serve to facilitate sound decision-making, and to act in the best interest of the Company. The NC was satisfied with the evaluation results, and had recommended a re-election of all of the abovenamed Directors at the forthcoming 51st AGM.</p>

Intended Outcome

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

Practice 4.4

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

Application	: Applied						
Explanation on application of the practice	<p>Board Diversity</p> <p>The current Board composition of Paramount reflects diversity in expertise, experience and background, and this provides objectivity to the Board's decision-making process. The wealth of experience of the Board members in property development, finance, banking, marketing, information technology (IT), and management allows for effective oversight of the Group's businesses based on diverse perspectives and insights. The profiles of the current Board members are set out in the Company's Annual Report 2020.</p> <p>Board Assessment</p> <p>Paramount Group also adheres to the practice of non-discrimination, and ensures that the selection of a candidate for directorship or employment is based on merit, in the context of skills and experience.</p> <p>In assessing and selecting new candidates, attributes such as character, integrity, competence, experience and a commitment to serve the Group with diligence are highly regarded by Paramount.</p> <p>For the position of ED, further consideration will be given to the candidate's skills, knowledge and expertise whilst an INED will be evaluated based on the 'independent' test, as stipulated in the MMLR of Bursa Securities, and the candidate's ability to discharge such responsibilities as are expected of an independent director. In making its recommendations to the Board, the NC also assesses the Board structure, as a whole, to ensure that the desired skills and diversity matrix is relevant to the Group's strategic direction.</p> <p>A copy of the Boardroom Diversity Policy is available in the Board Policies section of the Company's website at www.pcb.my.</p> <p>The NC is entrusted with the duty of identifying, assessing and nominating candidates to fill Board vacancies as and when they arise and for succession planning. To perform this duty, the NC has formulated a procedural guide for the identification, assessment and selection of Board candidates, the details of which are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Step</th> <th>To be conducted by the NC on a yearly basis</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Identify the key responsibilities of the Board over a five-year horizon.</td> </tr> <tr> <td>2.</td> <td>Identify the talent needs of the Board in order to fulfil those key responsibilities.</td> </tr> </tbody> </table>	Step	To be conducted by the NC on a yearly basis	1.	Identify the key responsibilities of the Board over a five-year horizon.	2.	Identify the talent needs of the Board in order to fulfil those key responsibilities.
Step	To be conducted by the NC on a yearly basis						
1.	Identify the key responsibilities of the Board over a five-year horizon.						
2.	Identify the talent needs of the Board in order to fulfil those key responsibilities.						

	3.	Match the existing talent-mix of the Board against the above talent needs.
	4.	Identify the talent gaps. If there are gaps, proceed to the next Step. If there are no gaps, conclude the exercise with a report to the Board that no further action is needed during the year for board succession.
	5.	Identify talent sources (both internal and external) to fill those gaps.
	6.	Consider whether other areas of diversity such as gender, age, nationality or ethnicity are needed.
	7.	Submit a recruitment proposal to the Board for its approval. Ensure that the proposal is in line with the Board Charter.
	8.	Upon receipt of the Board's approval, proceed to engage with the talent source(s) for the identification, assessment and selection of suitable candidates.
	9.	Upon completion of the selection process, nominate suitable candidates to the Board for its consideration.
	Allocate a reasonable timeline of six months for the completion of Step 1 to Step 9.	
	Further details on Board Assessment are also set out in Practice 5.1 of this report.	
	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	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 4.5

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

Application	:	Applied	
Explanation on application of the practice	:	Gender Diversity The Paramount Group adheres to the practice of non-discrimination with regard to gender, and ensures that the selection of a candidate for directorship or employment is based on merit, in the context of skills and experience. The Board had achieved its target of 30% women representation on the Board (i.e. three women Directors out of a total of nine Directors) before the end of 2020. As at 28 February 2021, women constituted approximately 44.87% of the Group's total workforce of 517 employees, and 34.78% of managerial positions were held by women employees.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 4.6

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

Application	:	Applied	
Explanation on application of the practice	:	Appointment of new Directors The NC leverages on the Directors' wide network of professional and business contacts as well as talent consultants as the main sources for Board candidacies, and its recommendations are generally based on its assessment of the expertise, skills and attributes of the current Board members and the needs of the Board, taking into account the diversity approaches set out in the Boardroom Diversity Policy, the Group's future business direction, the tenure of service, contribution and the commitment of each Board member whilst supporting healthy Board rejuvenation.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	Chairman of the NC The NC is chaired by Datuk Seri Dr Michael Yam Kong Choy who is the Senior INED of Paramount.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Board Assessment</p> <p>The Directors conducted their yearly Self and Peer Assessment in November 2020, and the results were reviewed by the NC in January 2021. The assessment was based on the performance of each of the Directors, the Board as a whole, the four Board Committees, the Chairman and the Group CEO. Adequacy of the Board structure, efficiency and integrity of the Board's operations, effectiveness of the Board in the discharge of its duties and responsibilities are key criteria applied to the assessment of the Board and Board Committees. The individual Directors were assessed based on their competence, capability, commitment, objectivity, participation in Board deliberations and their contribution to the objectives of the Board and the Board Committees on which they serve. The Chairman was assessed based on his leadership role and his impartiality in overseeing the deliberation and decision-making process of the Board whilst the assessment of the Group CEO was co-related to the execution of the Group's strategic plans by management and the achievement of performance targets set by the Board. In addition to this assessment, all INEDs were required to sign a Declaration of Independence to re-confirm their status of independence. All Directors, the Board, the Board Committees, the Chairman and the Group CEO attained above average ratings in the 2020 Directors' Self and Peer Assessment exercise.</p>
Explanation for departure	:	Not applicable
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

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

Practice 6.1

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

Application	: Applied
Explanation on application of the practice	<p>Remuneration of Directors</p> <p>The Board has, since 2014, adopted a Board Remuneration Policy that sets out the manner in which the remuneration of Directors are determined. The policy is reviewed by the RC and the Board once in every three years. An excerpt of the Remuneration Policy is available in the Board Policies section of the Company's website at www.pcb.my.</p> <p>The Directors are entitled to Directors' fees and Board Committee fees (where applicable), which are benchmarked, once in every two years, against fees paid by comparable public listed companies in Malaysia.</p> <p>Paramount also adopts the practice of seeking shareholders' prior approval, at the AGMs, for the payment of Directors and Board Committee fees up to a certain amount for a 12-month period after the AGM. An aggregate amount of fees not exceeding RM1,500,000.00 for the 12-month period from 1 July 2021 to 30 June 2022 had been proposed for shareholders' approval at the forthcoming 51st AGM.</p> <p>A detailed disclosure of the Directors' remuneration on a named basis is reported in Practice 7.1 of this report.</p> <p>Remuneration of Key Senior Management</p> <p>The Group has in place an established procedure for the determination of Key Senior Management (KSM) remuneration. This procedure includes the RC's approval of salary increments and bonus payments to the EDs, who are KSM personnel, whilst salary increments and bonus payments to other KSM personnel who are not EDs are determined by the Group CEO in consultation with the Chairman. The Group's performance, prevailing market conditions, the level of responsibility, performance and contribution of the employees to the Group's performance and long-term objectives are key considerations in the determination of salary increments and bonuses.</p>

	<p>Salary increments are also benchmarked against market and industry trends whilst bonuses are designed to encourage and reward employees for their achievement and betterment of challenging financial and business targets, set in the annual budget adopted by the Board at the beginning of each financial year.</p> <p>All KSM personnel, except the Chairman, are also participants of the Company's LTIP.</p>	
Explanation for departure	: Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: Not applicable	
Timeframe	: Not applicable	

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	RC's role in matters relating to remuneration The Board has established the RC to implement the Board Remuneration Policy and to assess as well as recommend to the Board on matters relating to the remuneration of Directors and Key Senior Management. Details of the RC's functions and activities in FY2020 are provided in Practice 2.1 of this report. The TOR of the RC is attached to the Board Charter that is available in the Corporate Governance section of the Company's website at www.pcb.my .
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 7.1

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

Application :	Applied																																																																									
Explanation on application of the practice :	<p>Remuneration of Directors</p> <p>The remuneration of the Company's Directors for FY2020 with breakdown according to fees, salary, bonus, benefits in-kind and other emoluments are disclosed herein, as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Salary RM</th> <th>Bonus RM</th> <th>Directors' and Board Committee Fees RM</th> <th>Benefits in kind RM</th> </tr> </thead> <tbody> <tr> <td colspan="5">COMPANY AND GROUP</td> </tr> <tr> <td colspan="5">Executive Directors</td> </tr> <tr> <td>Dato' Teo Chiang Quan</td> <td>2,400,000.00</td> <td>2,900,000.00</td> <td>115,000.00</td> <td>75,300.00</td> </tr> <tr> <td>Jeffrey Chew Sun Teong</td> <td>1,575,000.00</td> <td>2,010,000.00</td> <td>70,000.00</td> <td>127,200.00</td> </tr> <tr> <td>Benjamin Teo Jong Hian</td> <td>360,000.00</td> <td>210,000.00</td> <td>70,000.00</td> <td>127,200.00</td> </tr> <tr> <td colspan="5">COMPANY ONLY</td> </tr> <tr> <td colspan="5">Non-Execs</td> </tr> <tr> <td>Datuk Seri Dr Michael Yam Kong Choy</td> <td>-</td> <td>-</td> <td>110,543.72</td> <td>-</td> </tr> <tr> <td>Ong Keng Siew</td> <td>-</td> <td>-</td> <td>102,538.26</td> <td>-</td> </tr> <tr> <td>Quah Poh Keat</td> <td>-</td> <td>-</td> <td>122,000.00</td> <td>-</td> </tr> <tr> <td>Fatimah Merican</td> <td>-</td> <td>-</td> <td>98,986.34</td> <td>-</td> </tr> <tr> <td>Foong Pik Yee</td> <td>-</td> <td>-</td> <td>101,980.87</td> <td>-</td> </tr> <tr> <td>Faizah Khairuddin ⁽¹⁾</td> <td>-</td> <td>-</td> <td>46,732.24</td> <td>-</td> </tr> </tbody> </table> <p>⁽¹⁾ appointed as an INED and a member of the Audit Committee in 2H20</p>					Salary RM	Bonus RM	Directors' and Board Committee Fees RM	Benefits in kind RM	COMPANY AND GROUP					Executive Directors					Dato' Teo Chiang Quan	2,400,000.00	2,900,000.00	115,000.00	75,300.00	Jeffrey Chew Sun Teong	1,575,000.00	2,010,000.00	70,000.00	127,200.00	Benjamin Teo Jong Hian	360,000.00	210,000.00	70,000.00	127,200.00	COMPANY ONLY					Non-Execs					Datuk Seri Dr Michael Yam Kong Choy	-	-	110,543.72	-	Ong Keng Siew	-	-	102,538.26	-	Quah Poh Keat	-	-	122,000.00	-	Fatimah Merican	-	-	98,986.34	-	Foong Pik Yee	-	-	101,980.87	-	Faizah Khairuddin ⁽¹⁾	-	-	46,732.24	-
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Faizah Khairuddin ⁽¹⁾	-	-	46,732.24	-																																																																						

	The above fees are paid based on the following fee structure:																																	
	<table border="1"> <thead> <tr> <th data-bbox="427 255 863 300">Board</th> <th data-bbox="863 255 1417 300">Fee Structure for FY2020 (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="427 300 863 367">Chairman</td> <td data-bbox="863 300 1417 367">105,000.00</td> </tr> <tr> <td data-bbox="427 367 863 456">Other Directors Additional duties</td> <td data-bbox="863 367 1417 456">70,000.00 20,000.00</td> </tr> <tr> <td colspan="2" data-bbox="427 456 1417 501">Board Committee</td> </tr> <tr> <td colspan="2" data-bbox="427 501 1417 546"><u>Audit Committee</u></td> </tr> <tr> <td data-bbox="427 546 863 636">Chairman</td> <td data-bbox="863 546 1417 636">22,500.00</td> </tr> <tr> <td data-bbox="427 636 863 748">Member</td> <td data-bbox="863 636 1417 748">15,000.00</td> </tr> <tr> <td colspan="2" data-bbox="427 748 1417 792"><u>Nominating Committee</u></td> </tr> <tr> <td data-bbox="427 792 863 882">Chairman</td> <td data-bbox="863 792 1417 882">15,000.00</td> </tr> <tr> <td data-bbox="427 882 863 1025">Member</td> <td data-bbox="863 882 1417 1025">10,000.00</td> </tr> <tr> <td colspan="2" data-bbox="427 1025 1417 1070"><u>Remuneration Committee</u></td> </tr> <tr> <td data-bbox="427 1070 863 1160">Chairman</td> <td data-bbox="863 1070 1417 1160">15,000.00</td> </tr> <tr> <td data-bbox="427 1160 863 1301">Member</td> <td data-bbox="863 1160 1417 1301">10,000.00</td> </tr> <tr> <td colspan="2" data-bbox="427 1301 1417 1346"><u>Board Risk Management Committee</u></td> </tr> <tr> <td data-bbox="427 1346 863 1435">Chairman</td> <td data-bbox="863 1346 1417 1435">15,000.00</td> </tr> <tr> <td data-bbox="427 1435 863 1579">Member</td> <td data-bbox="863 1435 1417 1579">10,000.00</td> </tr> </tbody> </table>		Board	Fee Structure for FY2020 (RM)	Chairman	105,000.00	Other Directors Additional duties	70,000.00 20,000.00	Board Committee		<u>Audit Committee</u>		Chairman	22,500.00	Member	15,000.00	<u>Nominating Committee</u>		Chairman	15,000.00	Member	10,000.00	<u>Remuneration Committee</u>		Chairman	15,000.00	Member	10,000.00	<u>Board Risk Management Committee</u>		Chairman	15,000.00	Member	10,000.00
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Explanation for departure	In addition to the above, the Directors have the benefit of a Directors and Officers Liability Insurance (D&O Insurance) in respect of liabilities arising from civil claims against the Directors for alleged wrongful acts committed in their capacity as Directors of the Company during the period from 3 January 2020 to 2 January 2021. The D&O Insurance, however, does not indemnify a Director if it is established, in the final adjudication, that the Director had committed a criminal act or had obtained any profit or personal gain from the transaction or event.																																	
	<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																																	
Measure	Not applicable																																	
Timeframe	Not applicable																																	

Intended Outcome

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

Practice 7.2

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

Application	:	Applied				
Explanation on application of the practice	:	Remuneration of the top five KSM				
		The salaries, bonuses and benefits in-kind of the Group's top five KSM are disclosed herein on an aggregate basis rather than on a named basis due to the commercial sensitivity of such information for some KSM positions:				
		Key senior management	Salary RM	Bonus RM	Directors' and Board Committee Fees RM	Benefits in kind RM
		GROUP				
		In aggregate (including the three EDs whose detailed disclosure is provided in Practice 7.1 of this report)	5,183,400.00	5,728,000.00	255,000	329,700.00
Explanation for departure	:	The disclosure is on an aggregate basis rather than on a named basis due to the commercial sensitivity of such information for some KSM positions.				
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>						
Measure	:	Not applicable				
Timeframe	:	Not applicable				

Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	Remuneration of the top five KSM The disclosure is on an aggregate basis rather than on a named basis due to the commercial sensitivity of such information for some KSM positions.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	Independence of the AC The AC comprises entirely INEDs, and is led by Mr Quah Poh Keat who is not a Chairman of the Board or any other Board Committee. This composition reinforces the independence of the AC.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	Independence of the AC Paramount has never appointed any former audit partner of its external auditors as a Director of the Company. The TOR of the AC also require a former key audit partner of the Company's external auditors to observe a cooling-off period of at least two years before being appointed to the AC, should there be any such appointment.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

Application	:	Applied
Explanation on application of the practice	:	Evaluation of external auditors by the AC The AC conducts a yearly assessment of the suitability, objectivity and independence of the external auditors, prior to the submission of any recommendation to the Board on the re-appointment of the auditors for the ensuing year. The suitability of the external auditors is conducted through a questionnaire with feedback from the Group CFO and the finance teams within the Group on the professional conduct, performance, skills, knowledge, experience, manpower strength, quality control in audit reviews and timeliness of the auditors in conducting the audit of the Group. In assessing the independence of the external auditors, a written confirmation is required from the external auditors on their independence and their assurance that no incidence of conflict of interest will arise from their provision of any non-audit services to the Group. The AC also considers whether the fees payable to the external auditors commensurate with the extent of the audit and non-audit services rendered to the Group. The AC also discusses with the external auditors before the commencement of each audit, the scope of the audit, the areas of audit emphasis with reference to compliance with the applicable accounting standards in Malaysia, the resource capacity of the auditors, the terms of engagement of the auditors, and the proposed audit fees for the year. Upon conclusion of the audit, the AC meets with the external auditors together with management to review the Company's financial statements and to discuss the key audit matters highlighted by the auditors. Another two meetings are held in a year without the presence of executive Board members and management to discuss concerns that the external auditors may have arising from the audit. Significant concerns are communicated to management for remedial actions and highlighted to the Board for its attention.
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Applied
Explanation on adoption of the practice	:	Independence of the AC The AC of Paramount comprises entirely INEDs, and is led by Mr Quah Poh Keat who is not a Chairman of the Board or any other Board Committees. This composition reinforces the independence of the AC.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Composition & Effectiveness of the AC</p> <p>A majority of the members of the AC, namely Mr Quah Poh Keat and Ms Foong Pik Yee, are members of professional accounting bodies and Mr Quah is a member of the Malaysian Institute of Accountants. Their qualifications and extensive experience in the area of financial reporting and the management of internal controls provide assurance to the Board that the committee is well equipped with the necessary expertise and skills to oversee the financial reporting processes of the Company and the internal control governance of the Group. In addition, the appointment of Puan Faizah Khairuddin, who has 37 years of management track record in several industry sectors, such as manufacturing, banking and aviation, provides diversity of views to strengthen the quality of deliberations at the AC meetings.</p> <p>In FY2020, all members of the AC attended a wide range of training programmes (as indicated with an asterisk* in Practice 2.1 of this report) to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as well as in other relevant areas.</p> <p>AC's Review of Financial Reporting by Management</p> <p>The Group's quarterly reports to Bursa Securities and the Company's financial statements for each financial year are reviewed by the AC before submission to the Board for approval. The AC requires management to disclose all relevant financial and operational information that is needed by the committee to facilitate this review. The AC also assists the Board in monitoring management's performance through a set of financial key performance indicators that are tabled for review and deliberation at the quarterly AC meetings held in a year. The external auditors are invited to attend all such meetings to ensure that the auditors are kept informed of the committee's views and concerns, if any, with regard to the Group's financial matters.</p>
Explanation for departure	:	Not applicable

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

Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

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

Practice 9.1

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

Application	: Applied
Explanation on application of the practice	<p>Risk Management and Internal Control Framework</p> <p>In 2015, the Group upgraded its risk management framework by adopting the ISO 31000:2009 Enterprise Risk Management (ERM) methodology. The initial stage of the upgrade involved the formulation of a set of Risk Parameters and a Risk Appetite Statement that define Paramount's approach in mitigating the various risks that are inherent to the Group's businesses. Subsequently in 2017, Key Risk Indicators were introduced for better tracking of the effectiveness of the control measures and risk management plans that were identified and implemented by management.</p> <p>During the year under review, the Board, through the BRMC, continued to monitor the Group's risk exposure, and was regularly updated on the implementation progress of the risk management plans to mitigate those risks based on the ISO 31000:2009 ERM methodology. The reporting process involves the monthly monitoring of the risk status by the risk owners in the SBUs, who submit their findings to the ERM for review on a quarterly basis. The ERM, in turn, submits its report to the BRMC on a half-yearly basis.</p> <p>The identified key risks were grouped into five categories, namely strategic, operational, finance-related, compliance, reputational, cyber security, pandemic-related, bribery and corruption. The last two categories were added in FY2020. A detailed account of such risks is provided in the Statement on Risk Management and Internal Control in the Company's Annual Report 2020.</p> <p>To further enhance the Group's system of internal controls, the Board had, on the recommendation of the AC, upgraded the Group's internal control framework by adopting the methodologies prescribed in the COSO Internal Control Integrated Framework. The reporting process involves annual monitoring of the implementation progress of the framework by the ERM which, in turn, submits its report to the BRMC.</p> <p>IT Governance</p> <p>Although the Group does not have a high degree of dependence on IT for its day-to-day business activities, the Board recognises the need to put in place an IT governance structure to address risks that are IT-related. Hence, the IT steering team, set up at the management level since 2019, continues to monitor the Group's IT infrastructure and cyber security measures. This team reports its findings and recommendations</p>

	to the Group CEO on a quarterly basis, and to the Board on an annual basis.	
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	Risk Management and Internal Control Framework The features of the Group's risk management and internal control framework, and the adequacy and effectiveness of the framework are disclosed in the Statement on Risk Management and Internal Control in the Company's Annual Report 2020.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application	:	Applied
Explanation on adoption of the practice	:	Composition and functions of the BRMC The Board has established the BRMC, which comprises a majority of INEDs, to oversee the Company's risk management framework and policies. The functions of the BRMC are set out in its TOR and summarised in Practice 2.1 of this report. The TOR of the BRMC is attached to the Board Charter that is available in the Board Policies section of the Company's website at www.pcb.my .

Intended Outcome

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	Oversight of the internal audit function by the AC The AC has direct and full access to the Internal Audit Department (IAD) to ensure effective oversight of the Company's internal audit function, which plays an important role in testing the adequacy and integrity of the Group's internal control system. The Head of IAD reports functionally to the AC, and administratively to the Group CEO. His/her appointment to or removal from the said position is subject to the approval of the AC. The performance of IAD is also evaluated by the AC annually. The AC also reviews the internal audit plans and approves the budget for the internal audit function to ensure that IAD has adequate and quality resources to execute its plans effectively. Internal audit reports are submitted by IAD to the AC for review on a quarterly basis, and management is required to ensure that corrective measures are taken to address the internal audit issues within the agreed timeline.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>Independence and strength of IAD</p> <p>Paramount's IAD is independent of operations and reports functionally to the AC and administratively to the Group CEO. It is led by Mr Wong Ket Keong who is a Certified Internal Auditor of the Institute of Internal Auditors (USA), a member of the Malaysia Institute of Accountants, and a fellow of the Association of Chartered Certified Accountants (UK).</p> <p>The primary responsibility of IAD is to provide reasonable assurance to the AC on the effectiveness of the governance, risk management and internal control processes within the Group.</p> <p>All internal audit activities of the Group are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors, the Internal Audit Charter as well as policies and procedures of the Group. An annual risk-based internal audit plan is presented by IAD to the AC for approval after having reviewed the adequacy of the scope, functions and resources of IAD as well as the competency of the internal auditors. IAD adopts a risk-based approach and prepares its plan based on the risk profiles of the auditable units in alignment with the strategic objectives of the Group.</p>
Explanation for departure	:	Not applicable
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	Communication with stakeholders The Company is committed to maintaining on-going communication across its entire shareholder base, whether institutional investors, private or employee shareholders. This is achieved principally through annual and quarterly reports to Bursa Securities, the Company's AGM and timely dissemination of information on significant company developments and price sensitive information in accordance with the MMLR. Additionally, the Company holds scheduled Investor Relations and Media Briefings for investment analysts and fund managers, coinciding with the release of the half-year and full-year results of the Group to Bursa Securities. The quarterly reports released by the Company to Bursa Securities are also accompanied by a set of presentation slides to give investors a snap-shot view of the Group's quarterly and year-to-date performance. In addition, media briefings are held upon the conclusion of the Company's AGMs for the benefit of potential investors as well as shareholders who are unable to attend the meetings. The Company also obliges the requests of analysts, fund managers and the media for company visits, briefings and interviews outside the scheduled Investor Relations and Media Briefings. All general announcements released to Bursa Securities are available in the Investor Relations section, and all media releases made by the Company are available in the Newsroom section of the Company's website at www.pcb.my . The Company's website is constantly updated with information pertaining to the Group's business activities and corporate affairs for dissemination to all stakeholders in a timely manner.
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure	
Explanation on application of the practice	:	Not applicable	
Explanation for departure	:	Integrated Reporting Paramount Corporation Berhad is not a "Large Company", as defined in the MCGG.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	To be determined by the Board	
Timeframe	:	Others	To be decided later by the Board

Intended Outcome

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	Notice of general meetings Paramount's 50 th AGM was convened on 25 June 2020 with notice of 28 clear days given to the Company's shareholders on 28 May 2020.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 12.2

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

Application	:	Applied
Explanation on application of the practice	:	General meetings Paramount's 50 th AGM was held on 25 June 2020, and all Directors of the Company attended this AGM which was held on a full virtual basis with live streaming of the meeting proceedings from the Broadcast Venue and online remote voting. An overview of the Group's performance for FY2019 was presented to the shareholders at the 50 th AGM. Shareholders were invited to raise queries, and in this respect, the Board is pleased to report that all questions raised by shareholders at the 50 th AGM were adequately attended to by the Board, and that all resolutions proposed were duly approved by the shareholders present at the meetings. The minutes of the abovementioned meeting is available in the General Meeting (Minutes) section of the Company's website at www.pcb.my .
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 12.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	Remote shareholders' participation at general meetings Paramount's 50 th AGM was held on a full virtual basis with live streaming of the meeting proceedings from the Broadcast Venue and online remote voting. Shareholders who attended the AGM were able to use the Remote Participation and Voting Facilities provided by Tricor Investor & Issuing House Services Sdn Bhd, the Share Registrar of the Company to participate in the meeting.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

**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.

Not applicable
