

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1724
COMPANY NAME : Paramount Corporation Berhad
FINANCIAL YEAR : December 31, 2017

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

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

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is collectively responsible for the overall corporate governance of the Company and the strategic direction of the Group. In 2017, the Board conducted a review of the Company's objectives, goals and values to ensure that the Group is well positioned for its next phase of growth, that caters to a new generation of stakeholders in a digitally enhanced economy. Thus, the Company's vision, mission and core values have been redefined to reflect this progression.</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 the year under review:</p> <ul style="list-style-type: none">• Provided strategic guidance to management• Monitored the implementation of strategic initiatives set out in the Group's 5-year Strategic Plan, 2015-2019 (5-Year Plan)• Monitored management's performance in meeting the growth targets set out in the 5-Year Plan• Approved the Group's 2017 Budget and Business Plan, and monitored operational performance against the budget• Reviewed and approved corporate and business proposals submitted by management, which included the proposed acquisition of a 66% equity interest in R.E.A.L. Education Group Sdn Bhd and the proposed sale and leaseback of the Sri KDU school campus in Kota Damansara, Selangor to a real estate investment trust as well as land banking transactions• Approved the award of new Paramount shares to employees pursuant the Company's Long Term Incentive Plan (LTIP) <p>In addition, the Board had, in the first quarter of 2018, undertaken the following activities to strengthen the Group's governance structure:</p> <ul style="list-style-type: none">• Adopted strategies on economic, environmental and social governance that underpin sustainability• Upgraded the Group's an internal control framework by adopting the principles of internal controls prescribed by the Committee of the Sponsoring Organisation of the Treadway Commission, USA (COSO)

		<ul style="list-style-type: none"> Updated the Board Charter, including the Terms of Reference of the Board Committees, and several Board Policies with reference to the Malaysian Code on Corporate Governance 2017 (MCCG 2017) Firmed up steps and milestones for board succession and gender diversity planning 		
Explanation for departure	:			
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Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

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	:	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 works with the Group CEO 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.	
Explanation for departure	:		
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Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The position of Chairman is held by Dato' Teo Chiang Quan whilst the position of CEO is held by Mr Jeffrey Chew Sun Teong.	
Explanation for departure	:		
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Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	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 supports the Board in the discharge of its duties by monitoring the status of adherence to corporate governance best practices, and ensuring that all information and materials that are required for the Board's consideration 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's) 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 continuous professional development (CPD) programmes for the Directors.
Explanation for departure	:	
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Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board's activities were mostly conducted at the Board and Board Committee meetings held during the year. The meetings were scheduled in advance at the beginning of the 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 three to five business days prior to the meetings. The Chairman chaired all Board meetings held in the year, and the meetings 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. 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>The Secretary supports the Board in the discharge of its duties by monitoring the status of adherence to corporate governance best practices, and ensuring that all information and materials that are required for the Board's consideration 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.</p>
Explanation for departure	:	
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Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>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, the Chairman, and the Group CEO.</p> <p>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 key senior 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• Fund raising activities• Corporate governance policies• Announcements to Bursa Malaysia Securities Berhad• Dividend payments• Changes in the Board composition and principal officers• Board and senior management remuneration• Board and senior management succession planning <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 Terms of Reference 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 the Board meetings.</p> <p>The Board Charter, Directors' Code of Ethics, Code of Business Conduct & Ethics, Whistleblowing Policy, Boardroom Diversity Policy and excerpts of the following policies are also available on the Company's website at www.pcb.my to provide further information to all stakeholders on the corporate governance structure of Paramount:</p> <ul style="list-style-type: none">• Directors Assessment Policy

	<ul style="list-style-type: none"> • Succession Planning Policy • Insider Dealing Policy • Board Remuneration Policy • Investor Relations Policy • Related Party Transaction Policy 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board 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. These codes are reviewed by the Board once in every three years. 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 transactions in which they have an interest. There was no reported conflict of interest during the year under review or during the period from 1 January 2018 to the date of publication of this statement.</p> <p>In efforts to prevent insider trading in the Company's shares 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' during the year under review or during the period from 1 January 2018 to the date of publication of this statement.</p> <p>The Board Charter, Directors' Code of Ethics, Code of Business Conduct & Ethics, Whistleblowing Policy, Boardroom Diversity Policy and excerpts of the following policies are also available on the Company's website at www.pcb.my to provide further information to all stakeholders on the corporate governance structure of Paramount:</p> <ul style="list-style-type: none">• Directors Assessment Policy• Succession Planning Policy• Insider Dealing Policy• Board Remuneration Policy• Investor Relations Policy• Related Party Transaction Policy
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Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>The following can be considered as 'reportable activities' under the Whistleblowing Policy:</p> <ul style="list-style-type: none">• Suspected or actual incidents of fraud or corruption• Suspected or actual breach of the Company's policies, practices, procedures or other rules of conduct• Suspected or actual misleading or deceptive conduct of any kind, including conduct or representations which amount to improper or misleading accounting or financial reporting practices• Situations within the Company's control which pose danger to the health or safety of any person or significant danger to the environment• Auditing matters, including non-disclosure or any subversion of the internal or external audit process• Breach of confidential obligations <p>The policy also sets out the mechanism by which employees and any member of the public can confidently and anonymously voice concerns to the Chairman of the Audit Committee or the Head of the Internal Audit Department (IAD) at whistleblower@pcb.my.</p> <p>Upon the receipt of complaints, the Head of IAD will investigate and keep a record of all evidence gathered from the investigation, and recommend to the Audit Committee the course of action in a fair manner. The Audit Committee will then recommend the appropriate disciplinary action to the Board for decision. If the Board is satisfied that there are substantive evidence to confirm that the disclosed conduct has occurred, it will instruct the Human Resource Department to proceed with the procedures for disciplinary action whilst ensuring that the principles of natural justice is followed. All details pertaining to the whistle-blower will be kept strictly confidential throughout the investigative proceedings. There were no concerns reported in the financial year ended 31 December 2017 (FY2017) or during the period from 1 January 2018 to the date of publication of this statement.</p>

	<p>The Board Charter, Directors' Code of Ethics, Code of Business Conduct & Ethics, Whistleblowing Policy, Boardroom Diversity Policy and excerpts of the following policies are also available on the Company's website at www.pcb.my to provide further information to all stakeholders on the corporate governance structure of Paramount:</p> <ul style="list-style-type: none"> • Directors Assessment Policy • Succession Planning Policy • Insider Dealing Policy • Board Remuneration Policy • Investor Relations Policy • Related Party Transaction Policy 	
Explanation for departure	:	
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Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Applied	
Explanation on application of the practice	:	The current Board composition of Paramount reflects diversity in expertise and provides objectivity in the Board’s decision-making process. The wealth of experience of the Board members in finance, banking, property development, legal, marketing and management allows for effective oversight of the Group’s businesses based on diverse perspectives and insights, and the composition of 75% Independent Non-Executive Directors (INED)’s provides independent judgement to the Board’s decisions. The profiles of the current Board members are set out on pages 68 to 75 of the Company’s 2017 annual report.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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	:	Two directors, namely Mr Quah Chek Tin and Dato' Rohana Tan Sri Mahmood, have served as INED's for more than nine years, and the Board shall be seeking shareholders' approval at the 48 th AGM for these Directors to remain in office as INED's for another year. The Nominating Committee has assessed the independence of Mr CT Quah and Dato' Rohana based on the Declaration of Independence made by them as at the end of 2017 and the rating of more than 4.4 points (from a scale of 1 to 5) received by these two Directors for 'taking strong constructive stands at Board or Board Committee meetings' in the 2017 Directors' Self and Peer Assessment exercise. The Nominating Committee, being satisfied with the outcome of this assessment, concluded that the independence of Mr CT Quah and Dato' Rohana has not been impaired, and it has recommended that these two Directors be allowed to continue in office as INED's up to the 49 th AGM of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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. Currently, Paramount has one woman Director on its Board. The Board has, on the recommendation of the Nominating Committee, set a target of achieving 30% women representation on the Board by 2020, and it has tasked the Nominating Committee to propose a list of suitable women candidates for consideration by the Board. Out of the Group's current total workforce of 2,669 employees, women constitute approximately 69.9%, and 52.9% of the Group's senior management team comprises women employees, holding positions as Head of Division/Department in the strategic business units (SBU) and corporate functions.</p> <p>The Nominating Committee is entrusted with the role of identifying, assessing and nominating candidates to fill Board vacancies as and when they arise and for succession planning.</p> <p>The Nominating Committee's recommendations are 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 commitment of each Board member whilst supporting healthy Board rejuvenation.</p> <p>In assessing and selecting new directors, attributes such as character, integrity, competence, experience and a commitment to serve the Company with diligence are highly regarded by the Board and the Nominating Committee. For the position of Executive Director, further consideration will be given to the candidate's skills, knowledge and expertise while an INED will be evaluated based on the 'independent' test as stipulated in the Main Market Listing Requirements (MMLR) of Bursa Malaysia and the candidate's ability to discharge such responsibilities as are expected of an independent director. In making its recommendations to the Board, the Nominating Committee will also assess the Board structure, as a whole, to ensure that the necessary skill sets are relevant to the Group's strategic direction. The Board is of the opinion that its current composition is able to serve the Company and the Group well. As such, there were no appointment of new directors in FY2017.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5

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	:	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. Currently, Paramount has one woman Director on its Board. The Board has, on the recommendation of the Nominating Committee, set a target of achieving 30% women representation on the Board by 2020, and it has tasked the Nominating Committee to propose a list of suitable women candidates for consideration by the Board. Out of the Group's current total workforce of 2,669 employees, women constitute approximately 69.9%, and 52.9% of the Group's senior management team comprises women employees, holding positions as Head of Division/Department in the SBU and corporate functions.	
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Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.6

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

Application	:	Applied	
Explanation on application of the practice	:	The Nominating Committee leverages on the Directors' wide network of professional and business contacts as the primary source for Board candidacies, and would refer to external consultants if this source has been exhausted. The Board feels that the existing Directors who are industry leaders in their respective fields are able to identify suitably qualified candidates for the Board.	
Explanation for departure	:		
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Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	Currently, the Nominating Committee comprises exclusively INED's, namely Datuk Seri Yam Kong Choy who is the Senior INED (as Chairman), Mr Ong Keng Siew and Tan Sri Foong Cheng Yuen.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Directors undertook their annual Directors' Self and Peer Assessment exercise in November 2017, and the results were reviewed by the Nominating Committee in January 2018. 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. The criteria used in the assessment of the Board included the adequacy of the Board structure, the efficiency and integrity of the Board's operations and the effectiveness of the Board in the discharge of its duties and responsibilities. These criteria were similarly applied to the assessment of the 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 INED's 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 of between 4.0 and 4.5 points (based on a scale of 1 to 5) in the 2017 Directors' Self and Peer Assessment exercise.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 6.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has, since 2014, adopted a Board Remuneration Policy that sets out the manner in which the remuneration of Directors are determined, which policy is reviewed by the Remuneration Committee and the Board once in every three years. The total remuneration, comprising salaries, bonuses and benefits of Executive Directors and senior management are reviewed annually by the Remuneration Committee based on the guidelines set out in the Board Remuneration Policy. Salaries are benchmarked against equivalent market salaries for companies with similar turnover and market capitalisation. Salary increments to the two Executive Directors and senior management personnel for FY2017 were determined by the Remuneration Committee after taking into consideration of the Group's performance for FY2016, prevailing market conditions, the employee's performance, level of responsibility and contributions to the Group's performance, and taking into account the need to align the remuneration structure of all key employees to the long-term objectives of the Group.</p> <p>The Group's annual bonus scheme is designed to encourage and reward Executive Directors and 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. Bonuses are not contractual and are paid on the basis of the Group's performance and the employee's contribution to that performance. In addition, senior management personnel and 'line of sight' employees are eligible to participate in the Company's LTIP based on a set of eligibility criteria determined by the Remuneration Committee.</p> <p>All Directors are entitled to Directors' fees, which are benchmarked against fees paid by comparable public listed companies in Malaysia.</p> <p>The Board Charter, Directors' Code of Ethics, Code of Business Conduct & Ethics, Whistleblowing Policy, Boardroom Diversity Policy and excerpts of the following policies are also available on the Company's website at www.pcb.my to provide further information to all stakeholders on the corporate governance structure of Paramount:</p> <ul style="list-style-type: none">• Directors Assessment Policy• Succession Planning Policy• Insider Dealing Policy

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Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The primary function of the Remuneration Committee is to assess and recommend to the Board the remuneration packages of Executive Directors, including the Group CEO, and senior management personnel to ensure that their remuneration commensurate with their responsibilities and contribution to the Group's performance, and are adequate to retain these key personnel for the future growth of the Group. The Remuneration Committee 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 undertaken by the Nominating Committee in FY2017:</p> <ul style="list-style-type: none">• Reviewed bonus payments and salary increments to the Executive Directors, including the Group CEO• Reviewed bonus payments and salary increments to senior management personnel• Reviewed Directors' fees and Board Committee fees• Reviewed the award of Paramount shares under the 2017 LTIP Grant and the vesting of Paramount shares pursuant to the 2014 and 2015 LTIP Grants• Reviewed the Board Remuneration Policy <p>The Terms of Reference of the Remuneration Committee is attached to the Board Charter that is published on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 7.1

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

Application	:	Applied				
Explanation on application of the practice	:	The remuneration of the Company's Directors with breakdown according to fees, salary, bonus, benefits in-kind and other emoluments are disclosed on a named basis in the Company's annual report as follows:				
			Salary RM	Bonus RM	Directors and Board Committee Fees RM	Benefits in kind RM
		COMPANY AND GROUP				
		Executive Directors				
		Dato' Teo Chiang Quan	1,500,000.00	1,875,000.00	115,000.00	74,780.82
		Chew Sun Teong	1,434,300.00	860,580.00	70,000.00	123,600.00
		Non-Executive Directors				
		Dato' Rohana Tan Sri Mahmood	-	-	100,000.00	-
		Tan Sri Foong Cheng Yuen	-	-	100,616.44	-
		COMPANY ONLY				
		Non-Executive Directors				
		Dato' Md Taib Bin Abdul Hamid ⁽¹⁾	-	-	49,369.85	-
		Datuk Seri Yam Kong Choy	-	-	98,527.40	-
		Ong Keng Siew	-	-	101,993.16	-
		Quah Chek Tin	-	-	121,719.17	-
		Quah Poh Keat	-	-	93,801.37	-
		(1) Retired from the Board on 18 May 2017				
Explanation for departure	:					

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

Measure :		
Timeframe :		

Intended Outcome

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	:	The salaries, bonuses and benefits in-kind of the Group's key senior management team are disclosed in the Company's 2017 annual report on an aggregate basis rather than named basis due to the commercial sensitivity of such information, as follows:				
			Salary RM	Bonus RM	Directors and Board Committee Fees RM	Benefits in kind RM
		GROUP				
		Key Senior Management (in aggregate)	2,206,720.00	1,105,700.82	-	134,400.00
Explanation for departure	:					
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>						
Measure	:					
Timeframe	:					

Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee of Paramount comprises entirely INED's, 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 Audit Committee.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	To further strengthen the independence of the Audit Committee, the Board has adopted MCCG 2017's recommendation of requiring 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 Audit Committee, and hence, the Terms of Reference of the Audit Committee was updated in the first quarter of 2018 to formalise this decision.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee has adopted the following practices in the discharge of its duties:</p> <ul style="list-style-type: none">• The Audit Committee 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 Audit Committee 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.• The Audit Committee conducts a yearly assessment of the suitability 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 Chief Financial Officer 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 Audit Committee also considers whether the fees payable to the external auditors are commensurable with the extent of the audit and the non-audit services rendered to the Group.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee of Paramount comprises entirely INED's, 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 Audit Committee.

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>A majority of the members of the Audit Committee, namely Mr Quah Poh Keat, Mr Quah Chek Tin and Mr Ong Keng Siew, are members of professional accounting bodies such as the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants, and the Association of Chartered Certified 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 Tan Sri Foong Cheng Yuen who has served in the Malaysian Judiciary for 22 years provides diversity of views to strengthen the quality of deliberations at the Audit Committee meetings.</p> <p>The qualification and experience of the individual Audit Committee members are disclosed in the Board of Directors' Profile on pages 72 to 75 of the 2017 Annual Report.</p> <p>During the year under review, the members of the Audit Committee had attended the following CPD programmes to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules:</p> <p><u>Corporate Governance</u></p> <ul style="list-style-type: none">• Breakfast Talk with ACGA (Asian Corporate Governance Association): "Corporate Governance Watch 2016-Ecosystems Matter" by The Iclif Leadership and Governance Centre• Corporate Governance Breakfast Series with Directors: "Integrating an Innovation Mindset with Effective Governance" by Bursa Malaysia• Corporate Governance Breakfast Series with Directors: "Thought Leadership Session for Directors – Leading Charge @ The Brain" by Bursa Malaysia• Briefing on the MCCG 2017 by PricewaterhouseCoopers• Advocacy session on corporate disclosure for directors and principal officer of listed issuer by Bursa Malaysia

	<ul style="list-style-type: none"> • Focus Group Session on the proposed revision of the Corporate Governance Guide by Bursa Malaysia • Corporate Governance Breakfast Series for Director: “Leading a volatile, uncertain, complex and ambiguous world” by Bursa Malaysia • “The Essence of Independence” by Bursa Malaysia <p><u>Legal & Regulatory Updates</u></p> <ul style="list-style-type: none"> • The Anatomy of a Case: “A Study of a Clinical Negligence Action” by the Kuala Lumpur Regional Centre For Arbitration • The One Road One Belt: “Legal Aspect of Doing Business in China” by Legal Plus Sdn Bhd • The Holiday Law Conference by Legal Plus Sdn Bhd • 2nd Maritime Law Conference by the International Malaysia Society of Maritime Law <p><u>Finance & Risk Management</u></p> <ul style="list-style-type: none"> • “A New Era of Auditor Reporting - Insights for Investors” by the Malaysian Institute of Accountants in collaboration with the Minority Shareholders Watchdog Group and supported by Bursa Malaysia • Audit Committee Institute Breakfast Roundtable 2017 by KPMG • The 2018 Budget talk by Deloitte Tax Services Sdn Bhd • 9th International Conference on Financial Crime & Terrorism Financing 2017 by the Asian Institute of Finance • “Director guide to crisis management and leadership during crisis” by the Institute of Enterprise Risk Practitioners Training Centre • “Fintech: Opportunities for the Financial Services Industry in Malaysia” by FIDE FORUM • Tax Seminar 2017 by BDO Chartered Accountants • Breakfast Roundtable 2017 by the Audit Committee Institute Malaysia <p><u>Leadership & Strategy Management</u></p> <ul style="list-style-type: none"> • Sustainability Forum for Directors/CEO: “The Velocity of Global Change & Sustainability, the New Business Model” by Bursa Malaysia • 30% Club Business Leaders Roundtable Meeting by the Securities Commission • Sustainability Engagement Series for Director/CEO 2017 by Bursa Malaysia • “Efficient Inefficiency: Making Boards Effective in a Changing World” by Professor Sample by FIDE FORUM <p><u>Economic, Industry and Market Trends</u></p> <ul style="list-style-type: none"> • Implications of Trump on the Asian Supply Chain and Investment Environment by Tan Sri Panglima Andrew Sheng • Boards in the Digital Economy by the Securities Industries Development Corporation (SIDC) • “Global Business Insight: Embracing Paradoxes” by Professor Salvatore Cantale from SIDC
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Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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>In 2015, the Group upgraded its risk management framework by adopting the ISO 31000:2009 Enterprise Risk Management 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 in 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 action plans that were identified and implemented by management.</p> <p>During the year under review, the Board, through the Board Risk Management Committee (BRMC), continued to monitor the Group's risk exposure, and was regularly updated on the implementation progress of the risk management action plans to mitigate those risks. The reporting process involves the monthly monitoring of the risk status by the risk owners in the SBU's, who submit their findings to the Executive Risk Management Committee (ERMC) for its review on a quarterly basis, which in turn, submits its report to the BRMC on a half-yearly basis.</p> <p>To further enhance the Group's system of internal controls, the Board has, upon the recommendation of the Audit Committee, upgraded the Group's internal control framework by adopting the methodologies prescribed in the COSO Internal Control Integrated Framework. A steering committee, comprising members of the management team, led by the Group CEO and facilitated by the Head of IAD, would be established to evaluate the adequacy of the Group's existing internal control policies and procedures, and to identify areas that need improvement, if any, under the new framework.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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	:	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, on pages 99 to 102 of the 2017 Annual Report.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The board has established a BRMC, which comprises a majority of independent directors, to oversee the Company's risk management framework and policies.</p> <p>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 undertaken by the BRMC in FY2017:</p> <ul style="list-style-type: none">• Reviewed the Top Corporate Risks and monitored the effectiveness of the risk management action plans identified by the ERM• Monitored the implementation status of the Business Continuity Management Plan drawn up by the ERM <p>Currently, the BRMC comprises exclusively INED's, namely Dato' Rohana Tan Sri Mahmood (as Chairman), Mr Quah Chek Tin, Mr Ong Keng Siew and Mr Quah Poh Keat.</p>

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	:	The Audit Committee 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 integrity of the Group's internal control system. The Head of IAD is required to report directly to the Audit Committee, and the performance of IAD is evaluated by the committee annually. The Audit Committee also reviews the internal audit plans and determines the budget for the internal audit function to ensure that IAD has adequate and quality resources to execute its plans effectively.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 10.2

The board should disclose—

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The internal audit personnel are free from any relationships or conflicts of interest, and there were seven (7) internal auditors in the IAD with relevant qualifications and experience in the IAD.</p> <p>Mr Wong Ket Keong, a Fellow of the Association of Chartered Certified Accountants, United Kingdom (FCCA), Certified Internal Auditor, USA (CIA) and Chartered Accountant Malaysia CA(M) is the person responsible for internal audit.</p> <p>The internal audit function is carried out in accordance with the Committee of Sponsoring Organization of the Treadway Commission (COSO) Framework.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to 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 Malaysia, the Company's AGM and timely dissemination of information on significant company developments and price sensitive information in accordance with the MMLR.</p> <p>Twice a year, the Company holds scheduled company briefings, coinciding with the half-year and full-year quarterly release to Bursa Malaysia, to analysts and fund managers. Together with the quarterly reporting to Bursa Malaysia, the Company also attaches a slide presentation on the quarterly and year-to-date performance for posting on Bursa Malaysia's website. In addition, a media briefing is held upon conclusion of the Company's AGM for the benefit of potential investors as well as shareholders who are unable to attend the meeting. The Company also obliges the requests of analysts, fund managers and the media for company visits, briefings and interviews outside the scheduled briefing and interview dates.</p> <p>The presentation slides and press releases provided to analysts and the media at these briefings are available on the Company's website. 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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable.	
		Paramount Corporation Berhad is not a “Large Company” as defined in the MCCG 2017.	
<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	:	Based on the following, a notice of 29 clear days have been given to the Company's shareholders for the forthcoming 48 th Annual General Meeting (AGM) of the Company: <ul style="list-style-type: none">• Date of the Notice of the 48th AGM: 30 April 2018• Date of the 48th AGM: 30 May 2018	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	All nine directors of the Company attended the 47 th AGM of the Company held on 18 May 2017.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Not applicable. Paramount Corporation Berhad is not a "Large Company" as defined in the MCCG 2017, and it has a low number of shareholders of below 5,000 as at the date of submission or publication of this report to Bursa Malaysia Securities Berhad. All of its annual general meetings since listing in 1971 have been held in non-remote areas.
<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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

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