CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	0007
COMPANY NAME	**:**	PUC BERHAD
FINANCIAL YEAR	**:**	December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board of Directors of PUC Berhad ("**PUC**" or the "**Company**") is striving to achieve high standard in corporate governance through strengthening self and market discipline, promoting good compliance with laws and ethical values, and maintaining the standard of corporate governance culture to ensure appropriate management of risks and level of internal controls within PUC and its subsidiaries (the "**Group**"). The Board of Directors is the ultimate decision-making body of the Group and is responsible for the overall direction and vision of the Group's businesses and affairs on behalf of the shareholders with the exception to matters which require the approval of shareholders. The Board delegates authority for the actual conduct of the business to the Group Managing Director & Group Chief Executive Officer ("**GMD**") who together with the Management team are accountable to the Board. The Board is responsible for the performance and affairs of the Group. It also provides leadership and guidance for setting the strategic direction and the control systems of the Group. It then delegates the implementation and monitoring of these set directions and control systems to the management. The Board has assigned the day-to-day affairs of the Group's businesses within the various divisions to local management, comprising GMD and the Key Senior Management and head of department of the main operating companies, who are accountable for the conduct and performance of their businesses within the agreed business strategies. Please refer to the Board Charter for detailed responsibilities of the Board on the Company's website at www.puc.com.
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.2

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 Chairman, Datuk Oh Chong Peng's robust leadership background and vast experience in various senior positions has led to his election from among the Board of Directors and redesignated as an Independent Non-Executive Chairman of the Board on 1 June 2020. The responsibilities of the Chairman include, but are not limited to the following: • carry out a visionary leadership role in facilitating the effective conduct of the Board; • create a culture of openness characterised by debate and appropriate challenge amongst Board members; • promote and ensure the highest integrity standards for corporate governance processes and issues; • undertake primary responsibility for the Board to receive accurate, timely, clear information and is consulted on all relevant matters. Please refer to the profile of the Chairman in the Annual Report 2022 of PUC on page 52 respectively, as well as the Company's website at www.puc.com.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The positions of Chairman and GMD of PUC are held by different individuals. The Board is led by the Independent Non-Executive Chairman, Datuk Oh Chong Peng and is supported by the GMD, Mr. Cheong Chia Chou and other Board members with experience in a wide range of expertise and they collectively play an important role in the stewardship of the direction and operations of the Group. The respective roles and responsibilities of the Chairman and the GMD are segregated and set out in the Board Charter which provides clear, distinct responsibilities for each role to enhance the appropriate existing balance of role, responsibility, power, authority and accountability. The Board Charter is available on the Company's website at www.puc.com.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	To be in line with the MCCG, the Board amended the Board Charter in November 2021, the Chairman of the Board shall not be a member of the Audit and Risk Management Committee ("**ARMC**"), Nomination Committee ("NC") or Remuneration Committee ("**RC**") of PUC (collectively the "**Board Committees**"). Hence, the Chairman, Datuk Oh Chong Peng resigned as the Chairman of RC in November 2021. The Chairman is not a member of the Board Committees. The Chairman is being invited to the Board Committees meetings due to his vast knowledge and experience. The Board Committees welcome his presence and input, as and when needed.
		The Chairman of the Board is only an invitee to the Board Committees meetings. The Board Committees are functioning independently with the members expressing their views objectively without prejudice. The Chairman of the Board ensures that adequate time is given for thorough deliberations on the Board Committee's recommendation or observation at the Board level and decisions are made on a sound and well-informed basis. The final decision/approval still lies with the Board which comprise of a majority of independent directors. Therefore, we are of the opinion that there is no impairment of objectivity.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is supported by the Company Secretaries, who are members of the professional body namely, The Malaysian Institute of Chartered Secretaries and Administrators and they are also qualified to act as Company Secretaries under the Companies Act 2016 ("**CA 2016**"). The Company Secretaries play an important role in facilitating the overall compliance with the CA 2016, ACE Market Listing Requirements ("**AMLR**"), MCCG and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively in accordance with the respective Terms of Reference ("**ToR**") and best practices as well as ensuring adherence to the existing Board policies and procedures. The roles and responsibilities of the Company Secretaries have been formalised in the Board Charter which provides reference for Company Secretaries in the discharge of their roles and responsibilities.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	PUC in ensuring that all Directors are able to provide the required time commitment for the meetings practices early planning of meetings schedule so that the Directors are able to plan ahead and to ensure efficient planning by Management and sufficient time spent for the Directors to deliberate and discuss the various matters. As such, the Board and Board Committee meetings schedule were prearranged in the final quarter of each financial year where the tentative dates were tabled to the Board of Directors of PUC. Additional Board Meetings may be held as and when require the Board's urgent decision. All Directors have direct access to the Management and have unrestricted access to all information and documents relevant to the business and affairs of the Group. The Board may invite any employees to be in attendance of Board and Board Committee Meetings to assist in its deliberation. In the effort to reduce the carbon footprint, Board papers including but not limited to the minutes of Board meetings were made accessible via electronic means for instantaneous delivery and within reach by the Board members and are circulated at least five (5) days prior to the date of the Board meetings to enable ample review time for the Board of Directors. A chat group had also been set up specifically for the Board, GMD, Finance Controller and the Management to facilitate communication and sharing of information. The Company has also implemented conference call and video conferencing facilities to enable Directors who are unable to attend meeting in person, to also participate in Board and Board Committee Meetings. In order to ensure the efficient flow of information between the Board and Management, the decisions made at the Board Meetings are circulated to the Directors and GMD within 48 working hours after the Board Meetings. This also applies to the ARMC Meetings.

	The proceedings of the Board and Board Committee Meetings are minuted to reflect the deliberations and decisions of the meetings and the minutes will be circulated in a timely manner.	
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

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	:	The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the roles and responsibilities of the Board, Board Committees, individual Directors and Management. The Board periodically reviews the Board Charter to ensure it remains consistent with the Board's roles and responsibilities and in line with the prevailing legislations and practices. The Board Charter is available on the Company's website at www.puc.com. <u>Roles and Responsibilities of the Board and Management</u> The Board of Directors is the ultimate decision-making body of the Group and is responsible for the overall direction and vision of the Group's business and affairs on behalf of the shareholders with the exception to matters which require the approval of shareholders. The Board delegates authority for the actual conduct of the business to the GMD, who together with the Management team is accountable to the Board. The Board has in place the Limit of Authority ("**LoA**") detailing matters specifically reserved for the Board's decision and those delegated to Management and the parameters in relation thereto. The operational authority limits delegated to Management incorporate segregation of duties and checks and balances in delegation of authority. The LoA sets out the responsibilities and the approval limits for each party concerned and is made available to all Directors. When necessary, the LoA is reviewed and updated to accommodate changes in the scope and activities of the Company's business and operations. The Board approves the LoA and any changes thereto. The Board uses its best effort to ensure that the Company is properly managed and constantly improved so as to protect and enhance

	shareholders value and meet the Company's obligations to all parties with which the Company interacts. <u>Key matters reserved for the Board</u> Key matters reserved for the Board's approval include, among others, the quarterly financial results, audited financial statements, annual business plan, strategies and budget, significant transactions or expenditures, related party transactions, restructuring, appointment of Director and Chairman/Member of Board Committees, appointment of GMD, remuneration for Directors and GMD.	
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

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	:	The Board established the Code of Conduct and Ethics ("**COCE**") for the Group, 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 COCE is to record the ethical and professional standards of corporate and individual behaviour expected of the Board, Management and employees of the Group. The COCE is available on the Company's website at www.puc.com.	
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

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	:	The Group has in place a Whistleblowing Policies and Procedures which serves as an internal disclosure channel in relation to whistleblowing at the workplace which enables employees to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct at the workplace on a confidential basis and pursuant to the Malaysian Whistleblower Protection Act 2010 or other similar laws prevailing in other countries where the subsidiary companies are located, without fear of any form of victimisation, harassment, retribution or retaliation. The Whistleblowing Policies and Procedures is available on the Company's website at www.puc.com. All matters reported will be reviewed within a reasonable timeframe, and after due consideration and inquiry, a decision will be taken on whether to proceed with a detailed investigation. Guidance or direction may be sought from the GMD and other appropriate parties. While all complaints received will be reported to the GMD, whistleblowing complaints alleging fraud and breaches of corporate governance will be escalated to the ARMC and the Chairman of the Board.
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
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

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

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

Application	:	Applied
Explanation on application of the practice	:	Sustainability is governed at the highest level by the Board of Directors. PUC has established Sustainability Committee comprising key members from various departments and backgrounds. Sustainability Committee members are tasked with overseeing all matters relating to sustainability domestically and regionally. The Sustainability Committee is chaired by Mr Cheong Chia Chou, GMD of PUC. The roles of the Sustainability Committee include: 1) To identify material sustainability indicators for the Group; 2) To engage and obtain sustainability concerns and feedback from the Board; 3) To engage with stakeholders in maintaining sustainability performance across the Group; and 4) Report on sustainability progress in terms of targets and achievements to the Board. The Board always concern on sustainability considerations when exercising their duties such as the development and implementation of the Company's strategies, business plans, major plans of action and risk management. The strategic management of material sustainability matters is driven by the Management.
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

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	PUC ensures that its communication with the shareholders and various stakeholders regularly and safely during the pandemic. PUC has regular team meetings through online video calls and conferences. PUC also conducted employee engagements from time to time to communicated the updates on the Group's business direction and operation. PUC also successfully conducted the Annual General Meeting virtually. Shareholders were given the opportunity to ask questions. All questions were answered by the Board and management personnel. PUC's stakeholder engagement table remains largely unchanged due to the permanent nature of the stakeholder priorities. Please refer to the Sustainability Statement in the Annual Report 2022 of PUC, as well as the Company's website at www.puc.com.	
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

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Risk Management Policy and Framework provides an on-going process for identifying, evaluating and managing the significant risks faced by PUC that may affect the achievement of the Group's corporate objectives. The Board regularly reviews performance against the risk tolerance limits. The Board has quarterly reviewed the risk assessment and received assurance from the GMD and the Financial Controller, including those threaten its business. The Management has also put in place actions to mitigate risks and control the risk exposures within acceptable levels defined by the risk tolerance limit approved by the Board. The Group will continuously embed long-term sustainability by practicing transparency, accountability and reliability when it comes to engaging with the stakeholders for feedback and insights on addressing and prioritising material economic, environmental and social matters.	
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

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	A detailed study is required for developing the criteria for the performance evaluations of the Board and the Management to address the material sustainability risks and opportunities.	
		The Company does not have any alternative practice currently.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Adopted
Explanation on adoption of the practice	:	PUC has appointed the GMD, Mr Cheong Chia Chou to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.

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

Practice 5.1
The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied	
Explanation on application of the practice	:	The NC annually conducts yearly assessment on the appropriateness and effectiveness of the Board and Board Committee composition, mix of skills, time commitment and experience of each director. The NC has reviewed and conducted the assessment of the directors for appointment and re-election, and the tenure of independent non-executive directors on merit based.	
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 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	Currently, the Board of PUC comprises nine (9) members, including six (6) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors and one (1) Executive Director, who also serves as the GMD. The present composition of the Board is in compliance with Chapter 15.02 of the AMLR which requires at least one third (1/3) of the Board members of a listed issuer to be Independent Directors. The Independent Non-Executive Directors provide unbiased and independent views in ensuring that the strategies proposed by the Management are fully deliberated and examined for all stakeholders of the Group.	
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 5.3
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

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

Application	:	Applied
Explanation on application of the practice	:	PUC has revised its Board Charter to be in line with MCCG and included the Practice 5.3 of MCCG:- - The tenure of Independent Directors is capped to a cumulative period of nine (9) years. - Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. - If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process. Presently, Mr Liew Peng Chuen @ Liew Ah Choy, the Independent Non-Executive Director of the Company whose tenure has exceeded a cumulative term of nine (9) years. Mr Liew Peng Chuen @ Liew Ah Choy, who has served on the Board for 9 years as Independent Non-Executive Director of the Company was deliberated at the Nomination Committee ("NC") Meeting held on 22 February 2023. The NC members were satisfied and recommended that Mr Liew to continue as Independent Non-Executive Director despite of his long service in the Company. His re-election to the Board will be subject to shareholders' approval at the forthcoming 25th AGM.
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 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
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 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and recognises the benefits of this diversity. The Board also recognises that having a range of different skills, backgrounds, experiences and diversity is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance. The Board is of the view that whilst promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. The Board from time to time undertakes a review of its composition to determine areas to strengthen and improve opportunities. Furthermore, the Company takes diversity not only in the Boardroom but also in the workplace as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Company. The profiles of the Directors are set out in the Annual Report 2022.
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 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application	:	Applied
Explanation on application of the practice	:	The NC on behalf of the Board acts as a key gatekeeper in ensuring the Board and Board Committees have the right balance of skills, experience, independence and knowledge to effectively discharge their duties and responsibilities. The Board is mindful of the appropriateness and balance boardroom diversity. The NC would evaluate and assess the qualifications, credentials, core competencies vis-à-vis the compositions of the required mix of skills to demonstrate knowledge, expertise and experience, character, gender, age, ethnicity, professionalism, integrity, competencies, time commitment and other qualities of the new candidates. Thereafter, the NC would recommend the new candidate to the Board for approval. Searches for potential candidates generally take into account recommendations from the Directors or Management or nominated by the major shareholder and substantial shareholder. The ToR of the NC does not preclude the usage for services of professional recruitment firms to source for the right candidate for directorship or seek independent professional advice whenever necessary. The profile of shortlisted candidates shall be circulated to the NC members for consideration and thereafter recommend to the Board for approval.
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 5.7
The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	The Company shall release immediate announcement on the appointment of Directors, which are available at the Bursa Malaysia Securities Berhad ("**Bursa Securities**") website. The profiles of all the Directors are set out in the Annual Report 2022, which include their age, gender, date of appointment, directorships in other public companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any. The Board has provided a statement on their recommendation for those Directors subject to retire and re-election at the forthcoming annual general meeting, which is in the Annual Report 2022.	
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 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">In line with Rule 15.08A of the AMLR with regard the governance of the NC, PUC's NC membership comprises of all Independent Non-Executive Directors. Thus, the NC is chaired by an Independent Director.

Seated on the NC are:
<table>
<tr><th>Name</th><th>Designation and Directorship</th></tr>
<tr><td>Liew Peng Chuen @ Liew Ah Choy</td><td>Chairman, Independent Non-Executive Director</td></tr>
<tr><td>Raja Zafura Binti Raja Zain</td><td>Member, Independent Non-Executive Director</td></tr>
<tr><td>Hafez Mohd Hashim Bin Razam Md Hashim
(appointed on 18 February 2022)</td><td>Member, Independent Non-Executive Director</td></tr>
</table></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

Practice 5.9
The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company currently has one (1) female Directors and eight (8) male Directors. The Board acknowledges the best practice of MCCG 2021 for PUC's Board to comprise at least 30% women on board. Although the Company has not reached the 30% women directors target at Board level, the Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. The Board is of the view that it is important to retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board. Currently, the Board has one (1) female Director namely, Raja Zafura Binti Raja Zain. She is part of the Board's gender diversity that serves to bring value to the Board discussions from different perspectives and approaches of the female Director.	
		The Company is in compliance with AMLR and Bursa Malaysia Berhad's directive letter dated 19 January 2022, at least 1 woman director in the Board.	
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 5.10
The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	PUC does not adopt any formal gender diversity policy in the selection of new Board Members and does not have specific policies on setting target for female candidates in the workplace. However, the Board has one (1) female Director namely, Raja Zafura Binti Raja Zain. The gender diversity of the Board and the Key Senior Management are disclosed in the Sustainability Statement. The Board is cognisant of boardroom gender diversity as propounded by MCCG and fully supports the inclusion of female candidates in the appointment of new director and senior management. Nevertheless, the Board is guided by the principle that appointment of new Board member and senior management shall not be based solely on gender but rather on the candidate's expertise, competencies, experience and knowledge etc.
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 form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

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

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.		
Application	:	Applied
Explanation on application of the practice	:	The NC annually reviews the effectiveness and composition of the Board and Board Committees as well as the performance of individual directors. The evaluation involves individual Directors and Board Committee members by completing separate evaluation questionnaires in order to enhance their effectiveness and areas to be improved. The criteria for the evaluation are guided by the Corporate Governance Guide issued by Bursa Securities , MCCG and AMLR. The evaluation questionnaires covered the following:- • Board of Directors Assessment • Board Skills Matrix • Directors' Self and Peer Assessment • Independence Assessment of Independent Directors • Board Committee Assessment Average • Individual Board Committee Assessment The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and their fellow Directors. The summary of assessments and comments would be summarised and discussed at the NC meeting. The NC would report to the Board at the Board Meeting. All assessments and evaluations carried out by the NC in the discharge of its duties are properly documented.
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

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

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

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The policies and procedures in determining the remuneration of Directors and Key Senior Management would be the prerogative of the Board through the RC and the Human Resource department. By practice, in recommending the Directors and Key Senior Management's remuneration to the Board for approval as a whole with the Director concerned abstaining from the decision-making process and in encouraging long-term decision making removing undue volatility from remuneration outcomes, the RC takes into account of the responsibilities of the Directors including the GMD, the pay and employment conditions of all our employees, the corporate and individual performance, the current views of stakeholders, the general market conditions including accomplishment of strategic goals as well as regional and global corporate performance and benchmarking against the remuneration arrangements of other companies of a similar positions, size and complexity for guidance.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The Board has established a RC, which is governed by the ToR that establishes the functions, powers, duties and responsibilities.

The ToR is available on the Company's website at www.puc.com.

PUC RC membership comprises of all Independent Non-Executive Directors. The RC composition as follows:-

<table><tr><th>Name</th><th>Designation and Directorship</th></tr><tr><td>Liew Peng Chuen @ Liew Ah Choy</td><td>Chairman, Independent Non-Executive Director</td></tr><tr><td>Raja Zafura Binti Raja Zain</td><td>Member, Independent Non-Executive Director</td></tr></table>
In recommending the Directors and Key Senior Management's remuneration to the Board for approval as a whole with the Director concerned abstaining from the decision-making process and in encouraging long-term decision making removing undue volatility from remuneration outcomes, the RC takes into account of the responsibilities of the Directors including the GMD, the pay and employment conditions of all our employees, the corporate and individual performance, the current views of stakeholders, the general market conditions including accomplishment of strategic goals as well as regional and global corporate performance and benchmarking against the remuneration arrangements of other companies of a similar positions, size and complexity for guidance.</td></tr>
<tr><td>Explanation for departure :</td><td></td></tr>
</table>

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 8.1

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 Board believes in a competitive and transparent remuneration framework that is in line with Rule 9.25 Appendix 9C(12) of the AMLR where the essence on Directors' Remuneration received and receivable from the Company and its subsidiaries for the financial year ended 31 December 2022 ("**FY2022**") are being spelt out in the table below and reported in the Annual Report 2022:

No	Name	Directorate	Company ('000)							Subsidiaries ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Oh Chong Peng	Independent Director	54.0	-	-	-	-	7.0	61.0	15.0	-	-	-	-	-	15.0
2	Liew Peng Chuen @ Liew Ah Choy	Independent Director	36.0	-	-	-	-	19.0	55.0	-	-	-	-	-	-	-
3	Raja Zafura Binti Raja Zain	Independent Director	36.0	-	-	-	-	7.0	43.0	-	-	-	-	-	-	-
4	Hafez Mohd Hashim Bin Razman Md Hashim	Independent Director	36.0	-	-	-	-	6.0	42.0	-	-	-	-	-	-	-
5	Fong Yew Meng *(appointed on 28 February 2022)*	Independent Director	30.1	-	-	-	-	15.1	45.2	-	-	-	-	-	-	-
6	Ng Say Beng *(appointed on 1 August 2022)*	Non-Executive Non-Independent Director	15.0	-	-	-	-	2.0	17.0	-	-	-	-	-	-	-
7	Dato Sri' Adnan Bin Wan Mamat *(appointed on 14 November 2022)*	Non-Executive Non-Independent Director	4.7	-	-	-	-	1.0	5.7	-	-	-	-	-	-	-
8	Lee Bao En *(resigned on 19 January 2023)*	Independent Director	36.0	-	-	-	-	6.0	42.0	-	-	-	-	-	-	-
9	Wan Hazreek Putra Hussain Yusuf *(retired on 28 June 2022)*	Non-Executive Non-Independent Director	18.0	-	-	-	-	3.0	21.0	-	-	-	-	-	-	-
10	Nathaniel Grant David Sherick *(demised on 21 January 2022)*	Independent Director	2.0	-	-	-	-	0.0	2.0	-	-	-	-	-	-	-

8	Cheong Chia Chou	Executive Director	-	-	396.0	-	-	0.6	396.6	-	-	-	-	-	-	-

Intended Outcome

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

Practice 8.2

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

<table>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td>Explanation for departure :</td><td colspan="2">The Board was in the opinion that it is inappropriate to make such disclosure on the remuneration of Key Senior Management on a named basis to the public due to sensitivity of the remuneration package, privacy, security and issue of staff poaching and such disclosure are subject to Personal Data Protection Act 2010.

The Group's Key Senior Management and their total remuneration from the Group are categorised into the various bands as follows:-

<table><tr><th>Amount</th><th>Number of Key Senior Management</th></tr><tr><td>RM200,000-RM250,000</td><td>1</td></tr><tr><td>RM350,000-RM400,000</td><td>1</td></tr></table></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of ARMC is not the Chairman of the Board.	
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
There is an effective and independent Audit Committee.

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

Practice 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	The Board has not appointed any former key audit partner as members of ARMC. The ARMC's ToR has been revised to reflect the cooling-off period for the appointment of a former audit partner as a ARMC member from two years to three years. The ToR of ARMC is available on Company's website at www.puc.com.	
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
There is an effective and independent Audit Committee.

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

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	The ARMC assessed the independence of the External Auditors against the independence criteria as set out by the International Federation of Accountants and the Malaysian Institute of Accountants and received written assurance and confirmation from the External Auditors, Messrs. UHY on their independence throughout the conduct of the audit engagement for the FY2022. Accordingly to the ARMC's ToR, ARMC should review the external auditors' suitability, objectivity and independence, in order to safeguard the quality and reliability of the Company's audited financial statements.
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
There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	Currently, the ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors.

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

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

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The Board is assisted by the ARMC to oversee the Group's and Company's financial reporting process and the quality of financial reporting and ensuring that the financial statements comply with the provisions of the Companies Act 2016 and the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia.

The Chairman and members of ARMC are financially literate.

The Chairman of ARMC, Mr Fong Yew Meng is a fellow of the Institute of Chartered Accountants in England and Wales. He is a business manager with over 30 years' experience in financial derivatives in Singapore, Tokyo, London and New York.

The ARMC has undertaken to continuous professional development to keep themselves abreast with accounting standards.

Training attended by the ARMC member during 2022 is as follows:-

<table>
<tr><th>Members</th><th>Trainings Attended</th></tr>
<tr><td>Liew Peng Chuen @ Liew Ah Choy</td><td>Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees – Securities Commission Malaysia held on 7 September 2022</td></tr>
</table>

The performance of the ARMC is reviewed annually by the NC. The evaluation covered aspects such as the members' financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of the ARMC meetings. Based on the</td></tr>
</table>

	evaluation, the NC concluded that the ARMC has been rated “strong” in its performance and has carried out its duties in accordance with its ToR during the FY2022.	
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 10.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity. Accordingly, the Directors are required to ensure that an effective system of internal control, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines are in place within the Group. The Group has outsourced the internal audit function to a professional firm to review and report to the ARMC on the risk management and internal control framework. A Statement on Risk Management and Internal Control of the Group which provides an overview of the state of internal controls within the Group is set out on pages 87 to 90 of the Annual Report 2022.
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 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	A centralised risk management function integrated with a compliance function was formalised for the Group to provide a holistic and wide view of the risk and compliance management within the Group. The Group's risk management framework encompasses the following key elements: i. Identification of potential risk inherent in the media and advertising business; media and advertising is a major revenue making arm of the Group; ii. Implementation of proper internal control and procedures to manage identified risks; iii. Provision of a sound risk management and internal control system as required by the Malaysian Code on Corporate Governance; iv. Instil confidence in the standards of the Group's management policies and procedures amongst its stakeholders; v. Empowering and equipping the Group with effective policies and procedures for maintaining a competitive edge in the market; and vi. Ensure business continuity of the Group in the event of unexpected circumstances. The risk management framework being responsive to changes in the business environment is clearly communicated to all levels.
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 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors.

Intended Outcome

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

Practice 11.1

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

Application :	Applied	
Explanation on application of the practice :	The internal audit function is independent of the activities and operations of other operating units. Its principal role is to undertake independent, regular and systematic reviews of the systems of risk management and internal controls to provide reasonable assurance that the systems continue to operate efficiently and effectively to ensure an acceptable level of risk exposure. In line with best practices, the internal audit function adopts a risk-based methodology that in establishing its strategic and annual Internal Audit Planning Memorandum deploys audit resources to focus on significant risk areas which priorities the audits to areas that have been assessed as having potentially higher risks for effective governance, risk management and internal control. Where applicable, examinations were conducted on policies, manuals and standards governing the activities, processes, systems and on analysis of the data contained in the accounting and management information systems while Key Senior Management were interviewed. Further details of the internal audit activities are set out in the Statement on Risk management and Internal Control on page 89 to 90 of the Annual Report 2022.	
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 have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	The internal audit function is independent of the activities and operations of other operating units. Its principal role is to undertake independent, regular and systematic reviews of the systems of risk management and internal controls to provide reasonable assurance that the systems continue to operate efficiently and effectively to ensure an acceptable level of risk exposure. The internal audit function was outsourced to a professional firm, GovernanceAdvisory.com Sdn Bhd, which adopts a risk-based methodology. The outsourced internal auditor consists of ten (10) personnel based in their office, that consists of one (1) executive director, one (1) assistant manager and eight (8) senior consultants/ consultants. The Head of Internal Audit, Mr Wong Tchen Cheg, is a Member of Malaysia Institute of Accountant (MIA) and CPA Australia. The internal audit is carried out in accordance with the International Professional Practices Framework established by the Institute of Internal Auditors Global. A strategic and annual Internal Audit Planning Memorandum deploys audit resources to focus on significant risk areas which priorities the audits to areas that have been assessed as having potentially higher risks for effective governance, risk management and internal control. Where applicable, examinations were conducted on policies, manuals and standards governing the activities, processes, systems and on analysis of the data contained in the accounting and management information systems while Key Senior Management were interviewed. The internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence.
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

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	PUC continues to engage and maintain the stakeholders' needs and expectations, taking into consideration their viewpoints and provide new perspective in generating positive impact to the organization. The Company key stakeholder group were identified by their significance, impact and potential impact to our business. PUC strives to maintain an open of transparent channel of communication with its stakeholders with the objective of providing updated and accurate information of the Group. The regular stakeholders' engagement may be via: (i) Periodically release of financial results via Bursa announcement; (ii) notice of Annual General Meeting ("**AGM**")/Extraordinary General Meeting("**EGM**") via Bursa Securities' /Company's website or press media; (iii) Annual Reports; (iv) Social Media Platforms; and (v) Press releases.
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
There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

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

Practice 12.2
Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not a large company as defined by the MCCG.	
		The Company will consider adopting integrated reporting if the Directors, upon deliberation, opined that the benefits of the adoption outweigh the cost.	
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 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Notice of AGM together with Form of Proxy are given to shareholders at least twenty-eight (28) days before the AGM. Each item of the special business included in the Notice of AGM is accompanied by an explanatory statement on the proposed resolution to facilitate a better understanding and evaluation of issues involved.	
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 13.2

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

Application	:	Applied
Explanation on application of the practice	:	All Board of Directors, Board Committees, Management, Company Secretaries and External Auditors have always committed to attend and be available to participate at all General Meetings unless otherwise due to unforeseen circumstances inevitably rendering them unable to attend. The Chairman, in recognition that the General Meetings are important forum for the Board to meet shareholders and has been treated as an opportunity to enhance instantaneous two-way communication with shareholders. Underlying all these is the principle to encourage effective participation by shareholders giving sufficient time to the floor during the question and answer session. The Board and Board Committees will work together with the Management to address the date of General Meetings to which should be available for all parties to attend. All the Board of Directors attended the 24th AGM on a fully virtual basis in 2022.
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 13.3
Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied	
Explanation on application of the practice	:	There is no qualification to appointment of proxies. Notice was served with ample time for shareholders to articulate the rationale and justification on those proposals in each and every proposed resolution. General Meetings were conducted on virtual basis, which enable greater flexibility to shareholders to participate remotely. In the event the shareholders are unable to attend the general meeting, the entitled shareholders are allowed to appoint proxy/proxies to attend and vote in his/her stead. The Company and virtual meeting service provider always take the necessary steps to ensure the virtual meetings run smoothly with good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.	
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 13.4

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.		
Application :	Applied	
Explanation on application of the practice :	The 24th AGM was a fully virtual meeting. The Company had issued the Annual Report 2021 together with administrative notes which encompassed the guidance on the conduct of the fully virtual meeting on 28 April 2021. The shareholders were allowed to submit their questions via email before the 24th AGM or during the meeting via the Webinar platform in real time basis. The meeting would allocate sufficient time for shareholders to pose their questions and the Key Senior Management to respond accordingly. Questions posted by shareholders were addressed by the Key Senior Management. The responses to the questions were then published on the Company's website.	
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 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.		
Application	:	Applied
Explanation on application of the practice	:	In view of the COVID-19 pandemic, the general meetings of the Company were conducted on fully virtual basis. The shareholders were allowed to submit their questions via email before the general meetings or during the meeting via the Webinar platform in real time basis. The questions posed by shareholders were visible at the chat box during the virtual meetings, all were addressed during the meeting. The general meetings would allocate sufficient time for shareholders to pose their questions and the Chairman, GMD or Key Senior Management to respond accordingly. The Company and the Board would always ensure the conduct of a virtual general meetings support meaningful engagement between the Board, Key Senior Management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meetings and interactive participation by shareholders. The responses to the questions were then published on the Company's website.
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 13.6

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

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is in compliance with the AMLR 9.21(2), a summary of the key matters discussed at the AGM to be published on the Company's website as soon as practicable. The minutes of the general meetings were uploaded on PUC's website at www.puc.com.	
		The Board and the Key Senior Management will look into the process of reviewing and confirmation of minutes of general meeting to ensure the upload of future minutes of general meeting on PUC's website within 30 business days after the general meeting.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Click or tap here to enter text.