

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5148
COMPANY NAME : UEM Sunrise Berhad
FINANCIAL YEAR : December 31, 2018

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 of Directors ("Board") of UEM Sunrise Berhad ("UEM Sunrise" or the "Company") recognises that maintaining good corporate governance practices is key to business integrity and delivering long term sustainable value for all of the Company and of its subsidiaries' (the "Group") stakeholders. The Board evaluates and continues to strengthen the existing corporate governance practices by embracing the latest corporate governance regime and regulatory framework in order to remain relevant with developments in market practice and regulations.</p> <p>(1) The Board, together with the Management, remains fully committed to uphold the highest standards of corporate governance while pursuing the Company's vision of <i>building communities of the future with you and for you</i>.</p> <p>The Board leads and provides stewardship to the Group strategic direction and operations to maximise shareholders' value. In discharging its fiduciary duties and responsibilities, the Board is guided by its Charter and the Company's Discretionary Authority Limits ("DAL") which outline high level duties and responsibilities of the Board, matters that are specifically reserved for the Board, as well as those which the Board may delegate to the Board Committees, the Managing Director/Chief Executive Officer ("MD/CEO") and Management. In cultivating good governance practices, the Board also extends the adoption of the DAL to its subsidiaries whereby authority limits are delegated by the Board to the Senior Management for daily operations. The DAL will be reviewed from time to time to ensure that it remains relevant to the Company's objectives.</p> <p>With the aim of making the day-to-day operations more efficient and for the Board to be more focused on business and strategic matters, the Board has requested Management to undertake an</p>

end-to-end review of the DAL to empower the Board Committees and Management by providing more clarity in terms of accountability, and in particular, to enhance the speed of decision-making and execution. The exercise is currently on-going.

Key matters reserved for the Board's review and approval are:

- the annual operating plan for the Group, which includes the overall corporate strategy, business development and plans
- dividend policy
- major capital commitments
- disposal and acquisition of significant assets and investments

In discharging its fiduciary duties, the Board has delegated specific tasks to the following Board Committees, all of which operate within defined terms of reference:

- Audit Committee
- Nominations & Remuneration Committee
- Board Governance & Risk Committee
- Board Development Committee
- Board Tender Committee
- ESOS Committee
- Whistle Blower Committee (*newly established on 22 March 2018 as a sub-committee of Board Governance & Risk Committee*)

These Committees have the authority to examine particular issues and report to the Board on their proceedings and deliberations together with their recommendations. However, the Board has the ultimate responsibility for final decisions on all matters.

(2) The Board reviewed the quarterly performance management report on financial results; tracking of key performance indicators ("KPIs"); cash flow; project launches and progress; investment updates; borrowings and funding updates; and inventory status at its meetings held throughout 2018 and provided feedback and guidance to the Management, where required.

(3) The Board participates actively in the development of the Company's strategy which encompasses the formulation and implementation of a strategic plan with full appreciation of the competitive operating environment and prospects for economic growth and development. The Board also reviews and approves the Annual Operating Plan for the ensuing year and sets the KPIs and targets for the Company, leveraging on internal capabilities. In line with the Malaysian Code on Corporate Governance ("MCCG"), the Board sets the Company's strategic aims, ensuring that the necessary resources are in place for the Company to meet its objectives and review management performance. A periodic monitoring and reporting system is in place which highlights

significant variances of KPIs against plans and budget to monitor performance.

The Company also has in place a robust performance management system based on a “Balanced Scorecard” approach with identified KPIs and targets being set at the beginning of each year in line with the Company’s business strategy and objectives as agreed in the Annual Operating Plan. The KPIs in the overall Corporate Scorecard (which measures overall Company performance) are aligned and cascaded down to the MD/CEO, Senior Management team and all employees. Employees who meet their KPIs and achieve a high-performance rating are appropriately rewarded whilst non-performers are given the opportunity to improve their performance through specific Performance Improvement Plans.

- (4) A Board Offsite Strategy Dialogue and a Board Retreat session with Senior Management was held on 16 and 25 October 2018, respectively. At the Offsite Strategy Dialogue, the Board engaged with the Senior Management to ensure alignment on the strategy and future direction of the Company. The dialogue was also aimed at stimulating discussion of strategic issues, discuss potential solutions with an emphasis on effective and efficient implementation of the strategies, which include game plan, growth pursuits as well as strategic initiatives that encompassed transformation of the delivery engine.

At the Board Retreat, Senior Management assessed what has been achieved in the past year, what worked and needs to continue and identified new opportunities in the current landscape. These together with the Board’s feedback received at the Offsite Strategy Dialogue framed the Management’s presentation to the Board on the Company’s Annual Operating Plan and the game plan covering key levers identified for defending the Company’s topline and transforming the delivery engine, amongst others. This Retreat was also a platform for the Board to review these plans and provide feedback.

With the insight and advice provided by the Board at both the Strategy Dialogue and Retreat sessions, the Strategic and Annual Operating Plan 2019 was presented to the Board and approved on 28 November 2018.

- (5) The Board also recognises the importance of building a sustainable business and has established a Sustainability Policy which outlines key focus areas based on environmental, social and governance attributes. UEM Sunrise will continue its efforts to ensure that sustainability considerations are integrated as part of its corporate decision-making process in particular into the products it builds, the methods it employs, who it hires and how it works with the communities where it operates. In January 2017, the Company has adopted an updated Corporate Responsibility Policy and

Sustainability Policy to reflect current times and its commitment towards operating in a responsible and sustainable manner. These policies outlined common goals focusing on:

- Education and Human Capital
- Community Development
- Green Environment and Technology
- Value Creation

The Corporate Responsibility Policy and Sustainability Policy were reviewed in 2018 and Management was of the view that these policies and its goals remain valid. The Corporate Responsibility Policy and Sustainability Policy are published on the Company's website at www.uemsunrise.com/corporate/investor-relations/corporate-governance and the Group's Corporate Responsibility activities for the year under review are disclosed in the Company's Annual Report 2018 and Sustainability Report, which are available on the Company's website at www.uemsunrise.com/corporate/about/information-downloads.

- (6) The Board is ultimately responsible for the adequacy and integrity of the Company's internal control system. Details of the Company's internal control system and the review of its effectiveness are set out in the Statement on Internal Control and Risk Management and Risk Management Report of the Company's Annual Report 2018 respectively.

The Audit Committee assists the Board in assessing the effectiveness of the Group's internal control systems and overseeing the financial and non-financial reporting process, policies and practices of the Group. It also reviews the adequacy and integrity of the Group's internal control systems and management information systems, as well as any related party transactions and conflict of interest situations that may arise within the Group.

The Board Risk Committee, which was established on 1 August 2017 to take over the risk oversight role previously undertaken by the Audit Committee, was renamed as "Board Risk & Governance Committee" on 1 June 2018 following the delegation of governance and compliance purview by the Board. Subsequently on 28 November 2018, the said Committee was renamed as "Board Governance & Risk Committee" in view of its expanded role on governance review matters. The Board Governance & Risk Committee assists the Board in overseeing governance and compliance matters and makes the recommendations regarding risk, governance, compliance and sustainability matters in alignment with the Group's long-term strategy. The Committee reviews and deliberates reports from the Risk Management Committee, endorses the Group Risk Profile and recommends for Board's acknowledgement. The Committee also assists the Board

in evaluating the adequacy and effectiveness of the risk management framework adopted by the Group.

- (7) For an effective and orderly succession planning in UEM Sunrise Group, the Nominations & Remuneration Committee is entrusted by the Board with the responsibility to review candidates for Executive Directors and key management positions and to recommend their compensation packages. It also reviews the compensation framework for Senior Management staff, human resources roadmap and receives reports on manpower analysis and staffing requirements.

In addition, to ensure that the Group has a robust leadership pool to meet current and future challenges as well as for succession planning, it has established a talent brand and attraction strategy aligned with the Company's desired organisational culture. External talent acquisition must support the Group's talent framework in order to complement and supplement UEM Sunrise's organisational culture and operating eco-system. The Group aims to build a leadership brand that is both purpose-driven and people-driven. During the year, a Talent Council and an Advisory Council were set up which will contribute towards shaping UEM Sunrise's talent management policies and procedures to support its organisational goals, building sustainable talent pipeline through a series of interventions that enable our people to fully develop their potential. High performers are enrolled in Senior Leadership Development programmes and the Company also assists senior managers advance in their careers through business management programme.

- (8) The Board on 20 February 2013 established a Shareholder Communication Policy to keep the market informed of all information which may or could have a material effect on the value of its securities.

The Shareholder Communication Policy was reviewed, amended and renamed as Investor Relations and Communication Policy and approved by the Board on 5 December 2017 to align with the practices recommended in the MCCG and enhancement of the process for effective, transparent and regular communication with the Company's stakeholders.

A copy of this policy is available for reference on the Company's website www.uemsunrise.com/corporate/investor-relations/corporate-governance.

- (9) The Board on 25 February 2014 ratified the adoption of the Company's Privacy Policy prepared in accordance with the seven data protection principles which form the basis of protection under the Personal Data Protection Act 2010. A copy of this policy is

	<p>available for reference on the Company's website www.uemsunrise.com.</p> <p>(10)The Board has since 12 June 2012 adopted a dividend policy of paying out between 20% to 40% of the Group's consolidated profit after tax and minority interests subject to among others, availability of distributable reserves and adequate free cash flow from operations, to allow shareholders to participate in the Company's profits, at the same time retaining adequate reserves for future growth. Whilst the dividend policy reflects the Board's current views of the Group's financial and cash flow position, the dividend policy will be reviewed from time to time. A copy of the dividend policy can be obtained from the Company's website at www.uemsunrise.com/corporate/investor-relations/corporate-governance.</p> <p>(11)The Board is also pleased to inform that UEM Sunrise has been selected as one of the companies qualified under the Green Lane Policy ("Qualified Companies") of Bursa Malaysia Securities Berhad ("Bursa Securities") which accords benefits such as issuance of circulars to shareholders without pre-vetting and clearance by Bursa Securities, except those involving more complex proposals e.g. major disposals, privatisation and related party transactions, as well as fast-track processing of complex proposal circulars/other applications. This is premised on the Company's standard of corporate governance conduct and disclosure practices. The policy is an incentive granted to Qualified Companies which have been assessed to have good corporate governance and disclosure practices thus accorded certain privileges which among others facilitated faster issuance of circulars to shareholders and hence, expedites completion of corporate proposals.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	: Applied
Explanation on application of the practice	<p>The Chairman leads the Board and sets its agenda to ensure effective performance of the Board. The Chairman also promotes a culture of openness and debate within the Board or General meetings and is responsible for facilitating effective communication with the shareholders.</p> <p>Tan Sri Dato' Sri Zamzamzairani Mohd Isa was appointed on the Board of the Company as Non-Independent Non-Executive Chairman on 18 May 2017. On 1 October 2018, the Board (save for Tan Sri Dato' Sri Zamzamzairani Mohd Isa) approved the re-designation of Tan Sri Dato' Sri Zamzamzairani Mohd Isa from Non-Independent Non-Executive Chairman to Independent Non-Executive Chairman after having satisfied itself via the assessment of the Nominations & Remuneration Committee that he fulfils the requirement and criteria as an Independent Director following his cessation as a nominee from the holding company, UEM Group Berhad ("UEM Group"). Although the Chairman is a Non-Independent Non-Executive Board member prior to 1 October 2018, his influence on the Board is balanced by the presence of Independent Non-Executive Directors on the Board who number in the majority as well as the Senior Independent Director who acts as a point of contact for any concerns deemed more suited to be communicated beyond the normal channels.</p> <p>The Chairman:</p> <ul style="list-style-type: none">• Provides strong leadership for the Board to discharge its responsibilities effectively;• Chairs the Board meetings and ensures the efficient organisation and conduct of meetings;• Sets the Board agenda in consultation with the MD/CEO and the Company Secretary and ensuring that Board members receive complete and accurate information in a timely manner;• Leads Board meetings and discussions;• Provides guidance and mentoring to the MD/CEO;• Manages the interface between Board and Management; and• Leads the Board in establishing and monitoring good corporate governance practices in the Company. <p>Details of the responsibilities of the Chairman are set out in the Board Charter of the Company.</p>

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The functions of the Board and Management are clearly demarcated to ensure the effectiveness of the Company's business and operations as outlined in the Board Charter which is available on the Company's website at www.uemsunrise.com/corporate/investor-relations/corporate-governance. The roles and responsibilities of the Chairman and the MD/CEO are clearly separated and distinct to ensure that there is a balance of power and authority.</p> <p>The position of Chairman and MD/CEO are held by two different individuals. The Board is chaired by the Non-Executive Chairman, Tan Sri Dato' Sri Zamzamairani, who leads the Board and encourages contribution from all members whereas the MD/CEO, Encik Anwar Syahrin Abdul Ajib is responsible for the day-to-day management of the business with power, discretions and delegations authorised in the DAL.</p> <p>The Board takes collective responsibility and accountability for the smooth functioning of core processes involving Board governance, business value and ethical oversight while it is constantly mindful of safeguarding the interests of all stakeholders.</p> <p>Taking into cognisance of the importance of the interests of shareholders and stakeholders, the Board had identified an Independent Director, Mr Subimal Sen Gupta to succeed the former Senior Independent Director, Dato' Srikandan Kanagaintiram, who retired at the Annual General Meeting ("AGM") held on 31 May 2018. With effect from 1 June 2018, Mr Gupta is the designated Senior Independent Director to whom concerns relating to the Company may be conveyed by shareholders and stakeholders.</p> <p>The MD/CEO is accountable for leading the Management, building a dynamic corporate culture and ensuring that the Company's human capital has the requisite skills and competency to achieve the Company's vision and goals. The MD/CEO is responsible for developing and recommending to the Board annual operating plans and budgets, formulating major corporate policies, implementing the policies and decisions of the Board, overseeing the operations and managing the development and implementation of the Company's business and corporate strategies.</p> <p>Details of the responsibilities of the MD/CEO are set out in the Board Charter of the Company.</p>

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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	:	<p>Both Company Secretaries of UEM Sunrise, who are Fellow/Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), are qualified to act as company secretary under Section 235(2) of the Companies Act 2016. The profile of the Company Secretaries is set out in the Company's Annual Report 2018.</p> <p>(1) All Directors have full access to the advice and services of the Company Secretaries who ensure that Board procedures are adhered to at all times. The Company Secretaries, whose appointment and removal are matters reserved for the Board, advised the Board on matters including corporate governance issues and Directors' responsibilities in complying with relevant legislation and regulations. The Company Secretaries provided updates on regulatory changes such as amendments to the Listing Requirements and informed on the enforcement of the new corporate liability offence for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The Company Secretaries also provided support to the Board on adherence to Board policies and procedures.</p> <p>(2) The Company Secretaries organise and manage the logistics of all Board and Board Committees meetings. The Company Secretaries prepare meeting agenda in consultation with the Chairman and the MD/CEO, compile and circulate meeting folders via electronic means. The Company Secretaries attend all meetings and ensure that the minutes of meeting accurately reflect the discussions, deliberations and decisions, including whether any member has abstained from voting or recused himself/herself from deliberation. The Company Secretaries also facilitate proper communications and ensure the effective flow of information between the Board, Board Committees and the Senior Management by ensuring that action items identified and highlighted during meetings are acted upon by the Senior Management. The Company Secretaries further ensure that outstanding action items are brought to the attention to the Senior Management and upon addressed, are accordingly reported to the Board.</p> <p>(3) The Company Secretaries act as the custodians of the Company's statutory records, attend to all statutory and other filings,</p>

communicate with the regulatory bodies and Bursa Securities and ensure compliance with the statutory requirements of the Companies Act 2016, the Listing Requirements and other regulatory bodies.

- (4) In order to play an effective advisory role to the Board, the Company Secretaries remain informed of the latest regulatory changes, evolving industry developments and best practices in corporate governance through continuous training and regular interactions with regulators and industry peers.

The Company Secretaries have attended the relevant continuous professional development (“CPD”) programmes conducted by the Companies Commission of Malaysia, MAICSA, Bursa Securities, Malaysian Institute of Corporate Governance, Securities Industry Development Corporation, Ernst & Young, amongst others and both have accumulated the required minimum CPD points stipulated by MAICSA.

- (5) All new Directors appointed to the Board will receive a formal induction programme to be provided by the MD/CEO and Senior Management which is arranged through the Company Secretaries. To supplement the programme, an information kit will be furnished by the Company Secretaries immediately upon a Director’s appointment containing information such as disclosure obligations of a director, schedule of meetings, directors’ remuneration framework and DAL whilst other pertinent documents such as Board Charter, Code of Ethics, Constitution, Terms of Reference are available on the paperless meeting digital application (“app”) on ipad device. The Company Secretaries provide one-to-one session to introduce the paperless meeting digital app for instantaneous delivery of board and meeting packs which can be accessed online and offline from any location.

During the financial year, on-boarding sessions of the induction programme for the four (4) new Directors and an alternate Director appointed in December 2017 and in 2018 were provided by the MD/CEO and Chief Financial Officer covering both operational and financial overview, future projects and strategies. The new Directors also attended the one-to-one session with the Company Secretaries on the digital app for board and meeting packs and received the information kit which also includes comprehensive manual on the paperless meeting solution.

- (6) For the meetings of shareholders of the Company particularly the AGMs, the Company Secretaries play an important role in ensuring that the processes and proceedings are properly managed. During the meeting, the Company Secretaries will assist the Chairman and the Board on the conduct of the meeting and ensure the minutes are properly recorded, inclusive of the salient questions raised by the shareholders and the response from the Board and MD/CEO.

	<p>The minutes of the AGM, upon receiving confirmation from the Board at the Board meeting following the AGM, will be uploaded onto the Company's website for shareholders' information and reference.</p> <p>(7) The Company Secretaries also monitor developments in Corporate Governance and assist the Board in applying best practices to meet the Board's needs and stakeholders' expectations.</p> <p>(8) The Company Secretaries source and arrange for the Directors' attendance at the training programmes, which are conducted either in-house or by external parties and keeps a record of the training received by the Directors.</p> <p>(9) The Company Secretaries send notices on the closed period for trading in the Company's listed securities to Directors and principal officers on a quarterly basis specifying the timeframe during which the Directors and principal officers are prohibited from dealing in the Company's securities and to comply with relevant requirements governing their trading in securities during closed period. The Board and principal officers are also reminded not to deal in the Company's securities when price sensitive information is shared with them on any proposed transactions presented to them.</p> <p>(10)The Company Secretaries also facilitate the Board in conducting the annual Board Effectiveness Assessment and prepare the evaluation forms on the assessment of the effectiveness of Board and Board Committees as well as the independence of the Independent Directors. The forms are refreshed annually to continuously engage the Directors' perspective on relevant areas. The collation of the results and compilation of feedback are then facilitated by the Company Secretaries and tabled during the Nominations & Remuneration Committee and Board Meetings.</p> <p>(11)The Company Secretaries facilitated a Boardroom Governance Training in 2018 conducted by an external speaker for the management personnel nominated to act as UEM Sunrise Group's nominee directors in subsidiaries, joint venture companies and associates.</p> <p>(12)In 2018, the Company Secretaries had assisted the Board in the review of the Company's Constitution to ensure its compliance with the Companies Act 2016 as well as other relevant laws and regulations. The new Constitution was approved by the shareholders by way of Special Resolution at the 10th AGM of the Company in accordance with Section 36(1) of the Companies Act 2016.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Intended Outcome

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

Practice 1.5

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 Directors have full and unrestricted access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. The Directors may, if necessary, obtain independent professional advice from external consultants, at the Company's expense with consent from the Chairman or Committee Chairman, as the case may be.</p> <p>The Board is furnished with an agenda and a set of Board papers in advance of each Board meeting for the Directors to study and evaluate the matters to be discussed. In 2018, Board papers are generally circulated five (5) business days prior to the meeting.</p> <p>The Board papers contain both quantitative and qualitative information and are presented in a manner which is concise and include comprehensive management reports, minutes of meetings, proposal papers and supporting documents. This will enable Directors to review, consider and, if necessary, obtain further information or research on the matters to be deliberated in order to be properly prepared at the meetings, thereby enabling informed decisions to be made.</p> <p>The deliberations and decisions at Board and Board Committees meetings are properly recorded in the minutes, including matters where Directors abstained from deliberation and/or voting or have dissenting views or significant concerns. The action items identified and highlighted during meetings are conveyed to the Senior Management for their attention and action.</p> <p>In support of green initiatives and to improve meeting efficiency, the Company has since January 2017 implemented a Paperless Meeting Solution, a secured online portal through the use of an application on the tablet devices. This accorded enhanced mobility, document e-storage, cost and time savings and improved convenience in accessing board papers anytime and anywhere. Aside from reducing carbon footprint, the information to the Board is stored in a secure manner whereby the files can be electronically accessed and are archived in a secured digital storage to promote document security.</p> <p>For quicker decision making, circular resolutions for urgent decisions required from the Board and Board Committees are also circulated</p>

	through the Paperless Meeting Solution application where the Directors can indicate their votes and comments, if any, on the device, which is in line with the new Constitution of the Company approved at the 10 th AGM that allows use of technology to facilitate the approval process.	
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 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>The Board had on 20 February 2013 adopted a Board Charter, which sets out the role, composition and responsibilities of the Board and serves as a source of reference for new Board members. The Board Charter, which was last reviewed in December 2017 to align with the practices recommended in the MCCG, is subject to review from time to time and updated in accordance with the requirements of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.</p> <p>The Board Charter comprises, amongst others, the following areas:</p> <ul style="list-style-type: none">• Role, duties and responsibilities of the Board and Board Committees• Roles of the Chairman, MD/CEO and the Company Secretary• Composition and structure of the Board which include appointments and re-election, tenure of independent directors and appointment of senior independent director• Risk and compliance management and internal controls as well as sustainability emphasis• Code of Ethics and Conduct• Non-Executive Directors' remuneration• Assessment and evaluation of Board performance• Succession planning of the MD/CEO, Board members and Senior Management• Independent external advice• Directors' training and continuous education <p>The Company acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skills and knowledge in discharging its responsibilities.</p> <p>In view of the challenges and recognising the demand of increased board leadership, members of the Board are expected to continuously enhance their knowledge and skills pursuant to Paragraph 15.08 of the Listing Requirements. The Board will have access to relevant training programmes and seminars to</p>

enhance their knowledge and skills in discharging their duties, at the Company's expense.

All Directors appointed to the Board, apart from attending the Mandatory Accreditation Programme accredited by Bursa Securities, have also attended training programmes and seminars organised by the regulatory authorities, professional bodies and other relevant organisations, to gain insights into the latest regulatory and industry developments in relation to the Group's businesses and further enhance their business acumen and professionalism in discharging their duties to the Group. In addition, some members of the Board have also been invited to participate in forums and/or seminars as speakers, moderators or panelists in areas of their expertise. The training/conferences/seminars and/or workshops in which members of the Board had participated during the financial year ended 31 December 2018 are as set out below:

No	Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/Provider
1	Tan Sri Dato' Sri Zamzamairani Mohd Isa	4 January 2018	Crisis Communications	Malaysia Airlines Berhad
		19 January 2018	An Overview of the Impact of MFRS 15 & MFRS 9 Training	Ernst & Young
		23 January 2018	Money Services Business Act & Anti Money Laundering, Anti-Terrorism Financing & Proceeds of Unlawful Activities Act	Iclif Leadership And Governance Centre ("ICLIF")
		21 March 2018	CRO Forum 2018 – Navigating the Challenging Risk Landscape	Malaysian Association of Risk and Insurance Management
		19 & 20 September 2018	Global Payment Summit 2018	Malaysian Association of Money Services Business and Payments Network Malaysia Sdn Bhd
		27 September 2018	Forum on Adequate Procedures for Corporate Liabilities of MACC Amendment Act 2018	UEM Group
		8 & 9 October 2018	Khazanah Megatrends Forum 2018	Khazanah Nasional Berhad ("Khazanah")
2	Anwar Syahrin Abdul Ajib	19 January 2018	An Overview of the Impact of MFRS 15 & MFRS 9 Training	Ernst & Young
		26 to 30 March 2018	Leadership at the Peak - Center of Creative Training (Switzerland)	Center of Creative Training
		23 April 2018	Boardroom Governance Training for UEM Nominee Directors	UEM Group
		27 September 2018	Forum on Adequate Procedures for Corporate Liabilities of MACC Amendment Act 2018	UEM Group
		8 & 9 October 2018	Khazanah Megatrends Forum 2018	Khazanah
		8 November 2018	Leap Summit 2018	TM One

No	Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/Provider
2	Anwar Syahrin Abdul Ajib (cont'd)	14 to 16 November 2018	8th Annual City Development Conference: Cities & Digital Transformation	Marcus Evans
3	Subimal Sen Gupta	19 January 2018	An Overview of the Impact of MFRS 15 & MFRS 9 Training	Ernst & Young
		25 January 2018	Corporate Governance Guide 3rd Edition: Moving from Aspiration to Actualisation.	Malaysian Institute of Corporate Governance ("MICG")
		27 June 2018	Preparation for Corporate Liability on Corruption: 'How ready is your company to safeguard your directors, top management and personnel against a corruption prosecution?'	MICG
		9 August 2018	Advocacy Programme On Corporate Governance ("CG") Assessment using the revised Asean CG Scorecard Methodology	Minority Shareholders Watch Group and Bursa Malaysia Berhad
		8 & 9 October 2018	Khazanah Megatrends Forum 2018	Khazanah
		23 October 2018	Business Transformation Challenges-Shaping High Performance Organisations	MICG
		29 October 2018	Asian Confederation of Institute of Internal Auditors ("ACIIA") Conference 2018: What makes an Audit Committee Tick	The Institute of Internal Auditors Malaysia ("IIAM")
		14 November 2018	How to Develop Business Models for Integrated Reporting	MICG
		5 December 2018	Breakfast Series : Non-Financials-Does it Matters?	ICLIF
		4	Dato' Noorazman Abd Aziz (appointed on 1 October 2018)	23 to 26 January 2018
19 & 20 March 2018	Infrastructure Investor Global Summit 2018 (Berlin)			PEI Media Group Ltd ("PEI Media")
19 & 20 April 2018	Infrastructure Investor Tokyo Summit 2018			PEI Media
8 & 9 October 2018	Khazanah Megatrends Forum 2018			Khazanah
14 to 16 November 2018	Infrastructure Investor Hong Kong Summit 2018			PEI Media
5	Zaida Khalida Shaari	19 January 2018	An Overview of the Impact of MFRS 15 & MFRS 9 Training	Ernst & Young
		12 April 2018	MCCG Compliance Expectations	Suruhanjaya Syarikat Malaysia ("SSM")
		14 May 2018	Companies Act 2016	SSM
		17 May 2018	Managing Crucial Conversation Part 1	ICLIF
		25 June 2018	Board Evaluation & Board Effectiveness Assessment	The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")

No	Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/Provider
5	Zaida Khalida Shaari (<i>cont'd</i>)	9 July 2018	AGM, Accounts, Annual Returns under Companies Act 2016	SSM
		10 & 11 July 2018	MAICSA Conference 2018	MAICSA
		17 July 2018	Share Registration Practical Issues	SSM
		14 & 15 August 2018	SSM National Conference 2018	SSM
		27 September 2018	Forum on Adequate Procedures for Corporate Liabilities of MACC Amendment Act 2018	UEM Group
6	Lim Tian Huat	19 January 2018	An Overview of the Impact of MFRS 15 & MFRS 9 Training	Ernst & Young
		2 August 2018	Anti-Money Laundering and Counter Financing of Terrorism	Malaysia Building Society Berhad
		5 September 2018	MACC Amendment Act 2018 - Corporate Liabilities	UEM Sunrise Berhad
		19 & 20 September 2018	Islamic Finance for Board of Directors, Bank Negara Malaysia	ISRA Consultancy Sdn Bhd
		3 October 2018	Biological Assets: Points of Interest (MFRS 141 & MPERS S34)	Malaysian Institute of Accountants ("MIA")
		8 & 9 October 2018	Khazanah Megatrends Forum 2018	Khazanah
		9 & 10 October 2018	MIA International Accountants Conference	MIA
		14 to 16 November 2018	8th Annual City Development Conference: Cities & Digital Transformation	Marcus Evans
		7 December 2018	Ethics: Exercising Judgement in Financial Reporting	MIA
7	Ungku Suseelawati Ungku Omar	19 January 2018	An Overview of the Impact of MFRS 15 & MFRS 9 Training	Ernst & Young
		5 March 2018	Women Participation Board & Invitation to the 30% Club Business Leaders Roundtable Meeting	Securities Commission Malaysia
		8 March 2018	Women of UEM Launch - Take Charge	UEM Group
		8 & 9-October 2018	Khazanah Megatrends Forum 2018	Khazanah
		22 to 25 October 2018	ICSC Recon Asia-Pacific Conference and session moderator/ICSC Conference Program Committee	International Council of Shopping Centers ("ICSC")
		14 to 16 November 2018	8th Annual City Development Conference: Cities & Digital Transformation	Marcus Evans
8	Tan Sri Dr Azmil Khalili Bin Dato' Khalid	19 January 2018	An Overview of the Impact of MFRS 15 & MFRS 9 Training	Ernst & Young
		27 September 2018	Forum on Adequate Procedures for Corporate Liabilities of MACC Amendment Act 2018	UEM Group

No	Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/Provider
9	Datin Teh Ija Mohd Jalil (appointed on 1 March 2018)	5 & 6 July 2018	Mandatory Accreditation Programme	ICLIF
		8 & 9 October 2018	Khazanah Megatrends Forum 2018	Khazanah
		29 October 2018	ACIIA Conference 2018: What makes an Audit Committee Tick	IIAM
		14 to 16 November 2018	8th Annual City Development Conference: Cities & Digital Transformation	Marcus Evans
10	Christina Foo (appointed on 23 November 2018)	25 January 2018	Corporate Governance Guide 3rd Edition: Moving from Aspiration to Actualisation	MICG
		8 March 2018	7 th Annual National Conference 2018 - 'What's New in Procurement Governance?'	MICG
		9 & 10 April 2018	Malaysian Technology Development Corporation's In-house training programme on Corporate Governance	MICG
		27 June 2018	Preparation for Corporate Liability on Corruption: 'How ready is your company to safeguard your directors, top management and personnel against a corruption prosecution?'	MICG
		18 July 2018	Ethics Seminar on Code of Ethics - A Key to Public Trust	MIA
		9 & 10 October 2018	MIA International Accountants Conference	MIA
		5 to 8 November 2018	World Congress of Accountants 2018 (Sydney)	MCI Australia Pty Ltd
11	Dato' Srikandan Kanagainthiram (retired at Tenth AGM on 31 May 2018)	19 January 2018	An Overview of the Impact of MFRS 15 & MFRS 9 Training	Ernst & Young
		8 February 2018	How to Develop Business Models for Integrated Reporting	MICG
12	Dato' Izzaddin Idris (resigned on 1 October 2018)	19 January 2018	An Overview of the Impact of MFRS 15 & MFRS 9 Training	Ernst & Young
		6 February 2018	World Capital Markets Symposium - Renaissance of Capitalism: Markets for Growth	Securities Commission Malaysia
		15 March 2018	Digital Revolution Talk Series - Roundtable Discussion Making Corporate Transformation Happen by Microsoft	UEM Group
		3 May 2018	UEM Group Induction Program (Speaker)	UEM Group
		7 May 2018	Risk Management Champion Bootcamp	UEM Group
		18 July 2018	Group Induction Programme (Speaker)	UEM Group

No	Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/Provider
12	Dato' Izzaddin Idris (resigned on 1 October 2018) (<i>cont'd</i>)	11 August 2018	UKEC Malaysian Student Leaders Summit 2018 (Speaker)	UEM Group
		27 September 2018	Forum on Adequate Procedures for Corporate Liabilities of MACC Amendment Act 2018	UEM Group
13	Wong Shu Hsien (appointed as alternate to Dato' Noorazman Abd Aziz on 1 October 2018; resigned on 1 March 2019)	8 & 9 October 2018	Khazanah Megatrends Forum 2018	Khazanah
		26 November 2018	Innovation Garage Showcase	Khazanah

In discharging its fiduciary duties, the Board has delegated specific tasks to the following Board Committees, all of which operate within defined terms of reference:

(1) Audit Committee

The Audit Committee was established on 15 September 2008 to assist the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial and non-financial reporting practices of the Group. It also reviews the adequacy and integrity of the Group's internal control systems and management information systems, as well as any related party transactions and conflict of interest situations that may arise within the Group.

(2) Nominations & Remuneration Committee

The Nominations & Remuneration Committee was established on 26 September 2008 to assist the Board in the nomination of new Directors and evaluating remuneration package of Executive Directors and Senior Management.

(3) Board Tender Committee

The Board Tender Committee was established on 1 March 2009. The functions and responsibilities of the Board Tender Committee pertaining to the project tender related matters are in line with the Group's DAL requirements.

(4) Board Development Committee

The Board Development Committee was established on 9 August 2017. The Board Development Committee's primary function is to oversee the development planning for all projects and provide strategic direction and guidance concerning development matters.

(5) Board Governance & Risk Committee

The Board Risk Committee, which was established on 1 August 2017 to take over the risk oversight role previously undertaken by the Audit Committee, was renamed as "Board Risk & Governance Committee" on 1 June 2018

	<p>following the delegation of governance and compliance purview by the Board. Subsequently, on 28 November 2018, the said Committee was renamed as “Board Governance & Risk Committee” in view of its expanded role on governance review matters. The Committee assists the Board in overseeing governance and compliance matters and makes the necessary recommendations regarding risk, governance, compliance and sustainability matters in alignment with the Group’s long-term strategy. The Committee also assists the Board in evaluating the adequacy and effectiveness of the risk management framework adopted by the Group.</p> <p>(6) <u>ESOS Committee</u> The ESOS Committee was established on 28 February 2012. The functions of the ESOS Committee are to administer the implementation of the Employee Share Option Scheme (“ESOS”) in accordance with the objectives and regulations set out in the By-Laws.</p> <p>(7) <u>Whistle Blower Committee</u> The Whistle Blower Committee was established on 22 March 2018 as a sub-committee of the Board Governance & Risk Committee to provide avenues for legitimate concerns to be objectively investigated and addressed. Individuals will be able to raise concern about suspected illegal, unethical or questionable practices in confidence and without the risk of reprisal.</p> <p>These Committees have the authority to examine particular issues and report to the Board on their proceedings and deliberations together with their recommendations. However, the ultimate responsibility for the final decision on all matters rests with the Board.</p> <p>The Terms of Reference of the Audit Committee were reviewed and amended on 1 June 2018 to remove the duty to review whistle blowing reports, which will be undertaken by the Whistle Blower Committee.</p> <p>The Terms of Reference of the Board Tender Committee were revised on 26 October 2018 to allow an alternate director to be appointed as a member.</p> <p>The Terms of Reference of the Board Governance & Risk Committee were reviewed and amended on 1 June 2018 to reflect its role in governance and compliance oversight. It was further revised on 28 November 2018 to reflect its expanded role on governance review matters.</p> <p>The Board Charter as well as the Terms of Reference for Board Committees are available for reference at the Company’s website at www.uemsunrise.com/corporate/investor-relations/corporate-governance.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure :		
Timeframe :		

Intended Outcome

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>(1) The Board on 27 March 2013 adopted and implemented a Code of Ethics for Directors (the "Code") which sets out the code of conduct to enhance the standards of corporate governance to achieve a standard of ethical behaviour for Directors based on trustworthiness and values of social responsibility and accountability. The Code was revised and incorporated into the Board Charter which was reviewed and approved by the Board on 5 December 2017.</p> <p>The conduct of employees is governed by the Code of Ethics for employees which provides clear direction on conduct of business, general workplace behaviour and dealings with stakeholders. It includes guidance on disclosure of conflict of interests, maintaining confidentiality, no gifts policy, practices regarding entertainment, personal solicitation and graft. Signage of "No Festive Gift Policy" is also placed at the reception area for the information of all visitors to the Company's offices. The employees' Code of Ethics is placed in the Employee Handbook as well as in the Company's Intranet web portal called "Titans" for reference by the employees and also the Company's website www.uemsunrise.com/corporate/investor-relations/corporate-governance.</p> <p>The Directors and employees are expected to behave ethically and professionally at all times and protect and promote the reputation and performance of the Company. The Group communicates its code of conduct to all Directors and employees upon their appointment or employment. These expectations are further reinforced during the regular townhalls which are helmed by the MD/CEO.</p> <p>(2) Directors and employees of the Group who have access to price-sensitive information relating to the Company's listed securities or of other listed issuers which are not available to the public must not</p>

	<p>deal in such listed securities in line with the Capital Markets and Services Act 2007 which prohibits insider trading.</p> <p>Directors and employees of the Group who do not have access to price-sensitive information mentioned above can deal in the securities of the Company provided that the procedures set out in the Listing Requirements are strictly adhered to.</p> <p>Notices on the closed period for trading in the Company’s listed securities are sent to Directors and principal officers on a quarterly basis specifying the timeframe during which the Directors and principal officers are prohibited from dealing in the Company’s securities and to comply with relevant requirements governing their trading in securities during closed period.</p> <p>The Board and principal officers are also reminded not to deal in the Company’s securities when price sensitive information is shared with them on any proposed transactions presented to them.</p> <p>(3) Directors are required to declare their respective interest in the securities of the Company and its related companies and their interests in contracts or proposed contracts with the Company or any of its related companies. The Directors concerned shall abstain from deliberating and voting in relation to these transactions.</p> <p>(4) An internal compliance framework exists to ensure that the Group meets its obligations under the Listing Requirements including obligations relating to related party transactions. The Board, through the Audit Committee, reviews all related party transactions involved. A Director who has an interest in a transaction must abstain from deliberating and voting on the relevant resolution in respect of such transaction at the Board and at any general meeting convened to consider the matter.</p> <p>The Recurrent Related Party Transactions entered into by the Group with its related parties in 2018 are set out in the Company’s Annual Report 2018.</p> <p>(5) In an effort to ensure that integrity lives and breathes through every action of UEM Sunrise’s employees, UEM Sunrise supports and participated in the UEM Group Integrity Day 2018 themed “Compliance Begins with Me” on 7 December 2018 which was held in conjunction with the International Anti-Corruption Day observed on 9 December.</p>
<p>Explanation for departure</p>	<p>:</p>

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	:	<p>The Company is committed to the highest standards of professionalism, honesty, integrity and ethical behaviours in the conduct of its business and operations.</p> <p>The Company has in place a Whistle Blower Policy which provides a secure mechanism for employees of the Company and members of the public to report instances of unethical behaviour, actual or suspected fraud, abuse, dishonesty or violation of the Company's Code of Conduct or Ethics Policy. The Whistle Blowing Framework was enhanced in April 2016 with the establishment of a Whistle Blower Committee and the various reporting channels made available to the employees and members of the public, which included electronic platforms i.e. online whistle blowing reporting system known as Secured Postbox hosted at Whistle Blower Portal and a dedicated whistleblowing email address whistleblower@uemnet.com.</p> <p>On 22 March 2018, the Whistle Blower Committee comprising solely Board members, was formed as a sub-committee of the Board Governance & Risk Committee, and took over the whistle blowing process previously undertaken by the Audit Committee.</p> <p>All communications made in good faith that disclose or demonstrate information that may evidence malpractice or unethical activity should be addressed to the Chairman of the Board or the Chairman of the Whistle Blower Committee, if the concerns cannot be resolved through the normal reporting channels. Reports made anonymously will not be entertained as it would not be possible to interview the person or employee who made the report. The identity of the whistle blowers will be kept confidential unless otherwise required by law or for purposes of any proceedings by or against the Group. The Board is committed that the person or employee who raised genuine concerns in accordance with the Whistle Blower Policy will not suffer any form of retribution, victimisation or detriment.</p>

	<p>The Company's Whistle Blower Policy which contains, among others, the procedures, investigation, protection, investigators, decisions and other matters related to whistle blowing, is available on the Company's website at www.uemsunrise.com/corporate/investor-relations/corporate-governance.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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	:	<p>The Board is chaired by an Independent Non-Executive Chairman. Its composition comprises a majority of Independent Non-Executive Directors, who account for more than half of the members to ensure a balance of power and authority within the Board.</p> <p>The Board consisted of ten (10) members comprising the Independent Non-Executive Chairman, the MD/CEO, two (2) Non-Independent Non-Executive Directors, a Senior Independent Non-Executive Director and five (5) Independent Non-Executive Directors, as follows:</p> <table border="1"> <thead> <tr> <th>Directors</th> <th>Directorate</th> </tr> </thead> <tbody> <tr> <td>Tan Sri Dato' Sri Zamzamzairani Mohd Isa <i>(Re-designated from Non-Independent Chairman on 1 October 2018)</i></td> <td>Independent Non-Executive Chairman</td> </tr> <tr> <td>Anwar Syahrin Abdul Ajib</td> <td>MD/CEO</td> </tr> <tr> <td>Subimal Sen Gupta <i>(Re-designated as Senior Independent Director on 1 June 2018)</i></td> <td>Senior Independent Non-Executive Director</td> </tr> <tr> <td>Dato' Noorazman Abd Aziz <i>(Appointed on 1 October 2018)</i></td> <td>Non-Independent Non-Executive Director</td> </tr> <tr> <td>Zaida Khalida Shaari</td> <td>Non-Independent Non-Executive Director</td> </tr> <tr> <td>Lim Tian Huat</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Ungku Suseelawati Ungku Omar</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Tan Sri Dr Azmil Khalili Dato' Khalid</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Datin Teh Ija Mohd Jalil <i>(Appointed on 1 March 2018)</i></td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Christina Foo <i>(Appointed on 23 November 2018)</i></td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The composition of the Board complied with the Listing Requirements where at least two (2) Directors or one-third of the Board, whichever is the higher, must comprise Independent Directors. As at the end of the financial year, the Board comprised 70% of independent directors which is a majority of the Board.</p>	Directors	Directorate	Tan Sri Dato' Sri Zamzamzairani Mohd Isa <i>(Re-designated from Non-Independent Chairman on 1 October 2018)</i>	Independent Non-Executive Chairman	Anwar Syahrin Abdul Ajib	MD/CEO	Subimal Sen Gupta <i>(Re-designated as Senior Independent Director on 1 June 2018)</i>	Senior Independent Non-Executive Director	Dato' Noorazman Abd Aziz <i>(Appointed on 1 October 2018)</i>	Non-Independent Non-Executive Director	Zaida Khalida Shaari	Non-Independent Non-Executive Director	Lim Tian Huat	Independent Non-Executive Director	Ungku Suseelawati Ungku Omar	Independent Non-Executive Director	Tan Sri Dr Azmil Khalili Dato' Khalid	Independent Non-Executive Director	Datin Teh Ija Mohd Jalil <i>(Appointed on 1 March 2018)</i>	Independent Non-Executive Director	Christina Foo <i>(Appointed on 23 November 2018)</i>	Independent Non-Executive Director
Directors	Directorate																							
Tan Sri Dato' Sri Zamzamzairani Mohd Isa <i>(Re-designated from Non-Independent Chairman on 1 October 2018)</i>	Independent Non-Executive Chairman																							
Anwar Syahrin Abdul Ajib	MD/CEO																							
Subimal Sen Gupta <i>(Re-designated as Senior Independent Director on 1 June 2018)</i>	Senior Independent Non-Executive Director																							
Dato' Noorazman Abd Aziz <i>(Appointed on 1 October 2018)</i>	Non-Independent Non-Executive Director																							
Zaida Khalida Shaari	Non-Independent Non-Executive Director																							
Lim Tian Huat	Independent Non-Executive Director																							
Ungku Suseelawati Ungku Omar	Independent Non-Executive Director																							
Tan Sri Dr Azmil Khalili Dato' Khalid	Independent Non-Executive Director																							
Datin Teh Ija Mohd Jalil <i>(Appointed on 1 March 2018)</i>	Independent Non-Executive Director																							
Christina Foo <i>(Appointed on 23 November 2018)</i>	Independent Non-Executive Director																							

	<p>In accordance with the Company's Constitution and unless determined by the Company in a general meeting, the number of Directors shall not be less than two (2) or more than fifteen (15).</p> <p>All the Independent Non-Executive Directors met the criteria of independence as prescribed by the Listing Requirements and other independence criteria applied by the Company and the Board confirmed that there had been no transactions, relationship or arrangements that would have impaired the independence or any judgement made by the Board.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

Practice 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	:	Not applicable - Step Up 4.3 adopted	
Explanation on application of the practice	:		
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	: Adopted																											
Explanation on adoption of the practice	<p>The Board has a policy for Independent Non-Executive Directors to serve a cumulative term of up to nine (9) years only. Thereafter, such Director may continue to serve on the Board provided he is re-designated as a Non-Independent Director.</p> <p>The Company shall therefore not retain an independent director for a period of more than nine (9) years.</p> <p>The tenure of the Independent Non-Executive Directors during the financial year ended 31 December 2018, is as follows:</p> <table border="1"><thead><tr><th>Independent Non-Executive Directors</th><th>Appointment Date</th><th>Tenure *</th></tr></thead><tbody><tr><td>Tan Sri Dato' Sri Zamzamzairani Mohd Isa <i>(Appointed as Non-Independent Non-Executive Chairman on 18 May 2017. Re-designated as Independent Non-Executive Chairman on 1 October 2018)</i></td><td><i>1 October 2018 (date of re-designation)</i></td><td>< 1 year</td></tr><tr><td>Subimal Sen Gupta</td><td>31 March 2016</td><td>< 3 years</td></tr><tr><td>Lim Tian Huat</td><td>28 November 2012</td><td>< 7 years</td></tr><tr><td>Ungku Suseelawati Ungku Omar</td><td>19 March 2013</td><td>< 7 years</td></tr><tr><td>Tan Sri Azmil Khalili Dato' Khalid</td><td>13 December 2017</td><td>< 2 years</td></tr><tr><td>Datin Teh Ija Mohd Jalil</td><td>1 March 2018</td><td>< 2 years</td></tr><tr><td>Christina Foo</td><td>23 November 2018</td><td>< 1 year</td></tr><tr><td>Dato' Srikandan Kanagaintiram <i>(Retired on 31 May 2018 upon the conclusion of the Tenth AGM)</i></td><td>19 March 2013</td><td>< 6 years</td></tr></tbody></table> <p><i>* As at the date of this report (except for resigned Director, as at date of resignation).</i></p>	Independent Non-Executive Directors	Appointment Date	Tenure *	Tan Sri Dato' Sri Zamzamzairani Mohd Isa <i>(Appointed as Non-Independent Non-Executive Chairman on 18 May 2017. Re-designated as Independent Non-Executive Chairman on 1 October 2018)</i>	<i>1 October 2018 (date of re-designation)</i>	< 1 year	Subimal Sen Gupta	31 March 2016	< 3 years	Lim Tian Huat	28 November 2012	< 7 years	Ungku Suseelawati Ungku Omar	19 March 2013	< 7 years	Tan Sri Azmil Khalili Dato' Khalid	13 December 2017	< 2 years	Datin Teh Ija Mohd Jalil	1 March 2018	< 2 years	Christina Foo	23 November 2018	< 1 year	Dato' Srikandan Kanagaintiram <i>(Retired on 31 May 2018 upon the conclusion of the Tenth AGM)</i>	19 March 2013	< 6 years
Independent Non-Executive Directors	Appointment Date	Tenure *																										
Tan Sri Dato' Sri Zamzamzairani Mohd Isa <i>(Appointed as Non-Independent Non-Executive Chairman on 18 May 2017. Re-designated as Independent Non-Executive Chairman on 1 October 2018)</i>	<i>1 October 2018 (date of re-designation)</i>	< 1 year																										
Subimal Sen Gupta	31 March 2016	< 3 years																										
Lim Tian Huat	28 November 2012	< 7 years																										
Ungku Suseelawati Ungku Omar	19 March 2013	< 7 years																										
Tan Sri Azmil Khalili Dato' Khalid	13 December 2017	< 2 years																										
Datin Teh Ija Mohd Jalil	1 March 2018	< 2 years																										
Christina Foo	23 November 2018	< 1 year																										
Dato' Srikandan Kanagaintiram <i>(Retired on 31 May 2018 upon the conclusion of the Tenth AGM)</i>	19 March 2013	< 6 years																										

	None of the Independent Directors of the Company has served for a cumulative period of more than nine (9) years during the financial year.
--	--

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 Nominations & Remuneration Committee is responsible for making recommendations to the Board on the appropriate size and composition of the Board. In discharging its responsibilities, the Nominations & Remuneration Committee has developed certain criteria used in the recruitment process and annual assessment of Directors, including Independent Directors as well as Senior Management.</p> <p>In selecting the possible candidates for Directors, the Board and the Nominations & Remuneration Committee take into account the skills, knowledge, expertise, experience, professionalism, character and integrity, gender, age and ethnicity amongst others. The detailed criteria in selecting the possible candidates for Directors are set out in the Term of Reference of Nominations & Remuneration Committee which is available at the Company's website.</p> <p>In selecting candidates for Senior Management roles, the Board and the Nominations & Remuneration Committee consider candidates who demonstrate, among others, the key competencies and behaviours required at top management level. In addition to the leadership competencies, candidates should also have the technical capabilities, experience and professional qualifications outlined in the job description of the respective portfolio.</p> <p>The Board is committed to providing fair and equal opportunities and nurturing diversity within the Group. The Nominations & Remuneration Committee takes steps to ensure women candidates are sought and considered as part of the recruitment exercise.</p> <p>In 2018, the Board has increased its composition to ten (10) members with a majority of Independent Directors. Ten is considered to be the optimal size that enable effective oversight, delegation of responsibilities and productive discussions amongst members of the Board.</p> <p>During the year 2018, the Nominations & Remuneration Committee was engaged in numerous searches for suitable candidates for the nomination as the Board members with members personally meeting up with the potential candidates.</p>

	<p>The Nominations & Remuneration Committee has undertaken an assessment of the existing Board Skills Matrix and the following skills/areas were identified to be sought in new Board candidates:</p> <ol style="list-style-type: none"> (1) Industry knowledge and experience (2) Quantity Surveyor/ procurement (3) Lifestyle (4) Town/Master planner (5) Design thinking <p>The process of appointing three (3) new Directors in 2018 was subjected to the procedures guided by the Nominations & Remuneration Committee.</p> <p>The Board is convinced that the addition of three (3) new Board members will constitute a good balance of Independent and Non-Independent Directors, comprising a mix of suitably qualified and experienced professionals in various fields. This combination of different professions and skills working together would enable the Board to effectively lead and successfully supervise the Company's business activities, both of which are vital to the success of the Group.</p> <p>The process of appointment of new Directors and summary of the age and ethnicity of the Board of the Company as at 31 December 2018 are set out in the Corporate Governance Overview Statement in the Company's Annual Report 2018.</p> <p>Key Senior Management's appointment was also made with due regard to diversity in skills, experience, age, cultural background and gender. The key Senior Management (inclusive of MD/CEO) of the Company as at 25 March 2019 comprises all Malaysians, with diversity set out in the following table:</p> <table border="1" data-bbox="560 1368 1010 1626"> <tr> <td>Race/Ethnicity</td> <td>Malay: 4 Chinese: 1</td> </tr> <tr> <td>Age Group</td> <td>46-50: 3 51-55: 1 56-60: 1</td> </tr> <tr> <td>Gender</td> <td>Male: 4 Female: 1</td> </tr> </table>	Race/Ethnicity	Malay: 4 Chinese: 1	Age Group	46-50: 3 51-55: 1 56-60: 1	Gender	Male: 4 Female: 1
Race/Ethnicity	Malay: 4 Chinese: 1						
Age Group	46-50: 3 51-55: 1 56-60: 1						
Gender	Male: 4 Female: 1						
<p>Explanation for departure :</p>							
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>							

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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	:	<p>In 2018, the Nominations & Remuneration Committee was actively engaged in the search for suitable directors including women directors as additional members to the Board of the Company.</p> <p>As at the end of the financial year, the Board has achieved 40% women representation on the Board, three (3) of whom are Independent Non-Executive Directors and another, a Non-Independent Non-Executive Director. Datin Teh Ija Mohd Jalil and Ms Christina Foo were appointed on 1 March 2018 and 23 November 2018, respectively, as Independent Directors.</p> <p>Based on the assessment from the Board Matrix Skills and the selection criteria, the Nominations & Remuneration Committee reported to the Board on the list of candidates and sought feedback from the Board prior to the final selection and recommendations made to the Board.</p> <p>In line with the Malaysian Government's aspirations to champion Board diversity where more women will be appointed to serve at the board level, the Board had on 31 May 2016 adopted the Top Management External Directorships Policy to allow suitably qualified top management personnel to serve on the boards of companies which are not related, directly or indirectly, to UEM Group and its group of companies, subject to the Board's approval. This will also help the top management of the Company to broaden their exposure and personal development.</p> <p>Besides Board diversity, the Board encourages and promotes gender diversity at the Senior Management level as well.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 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	:	<p>The Nominations & Remuneration Committee has a robust process to identify Board candidates through various sources and approach to achieve an objective and successful search.</p> <p>In 2018, the Nominations & Remuneration Committee was actively engaged in the search for suitable independent directors and women directors as Board members of the Company. The sources of the search considered by the Nominations & Remuneration Committee include:</p> <ol style="list-style-type: none"> (1) Recommendations from the Board members, MD/CEO and major shareholder; (2) External registries of corporate directors from LEAD Women, Woman Directors Onboarding Training Programme and MINDA in collaboration with NAM Institute for the Empowerment of Women; and (3) Internal database of potential candidates from among members of the public who are currently in active top management positions and other established personalities. <p>After the NRC provided feedback on their profiles based on the selection criteria and shortlisted the candidates for background checks, the NRC members held engagement sessions with the selected candidates which would enable the NRC to make an appropriate assessment of their background, experience, personality, culture fit and time commitment. The NRC then recommended the selected candidates to the Board who then approved the candidates to be invited to join the Board. In 2018, two (2) candidates accepted the Board's invitation to join as Independent Directors on the Board. The third appointment was a nominee representing the major shareholder on the Board of the Company.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Nominations & Remuneration Committee is made up exclusively of Non-Executive Directors with a majority of them being Independent Directors. The Committee is chaired by an Independent Director, Ungku Suseelawati Ungku Omar.	
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	:	<p>The Board conducts an annual evaluation of its activities and performance as prescribed in MCCG, the Green Book on Enhancing Board Effectiveness and Listing Requirements. Through its Board Effectiveness Assessment which is designed to identify the strengths and weaknesses of Board operations and establish a common understanding of the Board's roles and responsibilities with a view to maximising Board performance, the Board via the Nominations & Remuneration Committee evaluates the overall Board's performance against criteria that the Board determines are important to its success. The effectiveness is assessed in terms of the Board's structure, operations and interaction, communication, effectiveness and roles and responsibilities as well as effectiveness of the Chairman.</p> <p>Questionnaires are sent to Directors to obtain their feedback, views and suggestions to improve the performance of the Board and Board Committees. The set of questions are annually reviewed to continuously engage the Directors' perspectives on fresh and relevant areas. Each of the Directors was rated by their peers and via self-assessment based on the following performance criteria, amongst others, including their training attendance and needs:</p> <ul style="list-style-type: none">• Shares personal knowledge and experience.• Character and integrity.• Competency and capability.• Confidence to stand up for a point of view through constructive deliberations.• Commitment to serve the Company and participates actively in Board activities. <p>In the Nominations & Remuneration Committee's assessment of the overall effectiveness of the Board, its Committees and the contribution and performance of each Director in respect of the financial year 2018, various factors for assessment were considered including its size, structure, composition, mix of skill and experience, time commitment of the Directors, integrity and other qualities including core competencies which Directors should bring to the Board in order to</p>

effectively discharge their roles and responsibilities. Besides assessment of the Directors, the Nominations & Remuneration Committee also assessed the Chief Financial Officer in terms of character, experience, integrity, competence and time to effectively discharge his role.

All assessments and evaluations carried out by the Nominations & Remuneration Committee are documented. The preparation of the assessment and the collation of the results were facilitated by the Company Secretary and tabled during the Nominations & Remuneration Committee and Board Meetings.

The outcome of the Board Effectiveness Assessment in respect of the financial year 2018 are as follows:

- 1) The Directors have contributed positively to the Board as a whole by providing quality input and adding value to Board meetings. Members of the Board demonstrated strong commitment and objective judgement in discharging their duties and responsibilities.
- 2) Board encouraged direct engagement by Management with Directors to tap their experience and expertise.
- 3) Board to provide high level guidance with more focus on business and strategic matters. Frequency of Board meetings to be reduced. This will be substantially addressed by the end-to-end review of the DAL currently being undertaken in line with the Board's request. The aim is to make the day-to-day operations more efficient through greater empowerment to the Board Committees and Management by providing more clarity in terms of accountability as well as to enhance the speed of decision-making and execution.
- 4) The assessment indicated that the Directors and Chief Financial Officer have the character, experience, integrity, competence and time to effectively discharge their roles and responsibilities.
- 5) All members of the Board agreed that the Chairman of the Board demonstrates effective leadership and they have sufficient access to the Chairman.
- 6) The Board has the relevant mix of skills and experience to function effectively.
- 7) The Independent Directors are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement and objective or the ability to act in the best interests of the Company.

The Board is also satisfied that all Board Committees have discharged their functions in accordance with their respective terms of reference.

The Board through the Nominations & Remuneration Committee reviewed annually the time commitment of the Directors and ensures that they are able to carry out their responsibilities and contributions to the Board. It is the Board's policy for Directors to notify the Chairman before accepting any new directorship. Such notification is expected to include an indication of time that will be spent on the new appointment.

Based on the assessment in respect of the financial year 2018, the main focus areas for the Board are identified as follows:

Board Structure and Meetings
Human Capital Management

The Board agreed to consider having an optimum number of Board meetings and to continue to increase succession planning efforts of the Company.

The Nominations & Remuneration Committee will consider the engagement of an external consultant to conduct Board Effectiveness Assessment within the next financial year and a budget would be set aside by the Board for that purpose. This is to ensure that the evaluation by the independent experts would provide a more in-depth feedback with all directors serving a minimum tenure of 6 months.

Further, the Board acknowledges the importance of Independent Directors who are tasked with ensuring proper check and balance on the Board as they are able to provide unbiased and independent views in Board deliberations and decision-making taking into account the interests of the Group and the minority shareholders. The Independent Directors and especially the Chairman of the Audit Committee are also proactively engaged with both the Internal and External Auditors.

In its annual assessment, the Nominations & Remuneration Committee reviewed the independence of Independent Directors as per the criteria defined under the Listing Requirements and other independence criteria applied by the Company which took into account that the individual Director is independent of management and free from any business or other relationship which could interfere with the exercise of independent and objective judgement, and his or her ability to advise the Board on matters relating to existing transactions where conflict of interest may exist.

Based on the Nominations & Remuneration Committee's assessment in respect of the financial year 2018, the Board was of the opinion that the Independent Directors consistently provided independent and objective judgement in all Board and Board Committee deliberations and was satisfied with the level of independence demonstrated by the Independent Directors.

Under the provisions of the Company's Constitution, all Directors, including the MD/CEO, shall retire from office at least once every three

	<p>(3) years but shall be eligible for re-election. At the first AGM and in every year thereafter one-third of the Directors for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third, shall retire from office at each AGM. All retiring Directors can offer themselves for re-election.</p> <p>The Company's Constitution also provides for Directors who are appointed by the Board during the period before an AGM to retire and to offer themselves for re-election at the next AGM to be held following their appointments.</p> <p>To assist the shareholders in their decision, sufficient information such as personal profile and attendance of meetings for the Directors standing for re-election as well as the details of their interest in the securities of the Company are disclosed in the Directors' Profile and Analysis of Shareholdings of the Company's Annual Report 2018 respectively.</p> <p>Pursuant to Paragraph 15.08 of the Listing Requirements and the MCGG, the Board through the Nominations & Remuneration Committee also conducted an assessment of each Director's training needs via its Board Evaluation Assessment. All the Directors agreed that they and their peers have attended training that are relevant in their discharge of duties as Directors and at the same time, suggested some relevant training topics or presentation by experts which are beneficial to the Board.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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 Company's policy on Directors' remuneration is to attract and retain Directors of a high calibre needed to lead the Group successfully. UEM Sunrise recognises that the remuneration packages for the Executive Director should involve balance between fixed and performance linked-elements which are reflected on his responsibilities, expertise and complexity of the Company's activities. The MD/CEO was paid in line with the Company's general remuneration policy for its Senior Management. His remuneration was structured so as to link rewards to corporate and individual performance. He was not paid any Directors' fees and meeting allowances for the Board and Board Committee meetings that he attends.</p> <p>In evaluating the MD/CEO's remuneration, the Nominations & Remuneration Committee takes into account corporate financial performance, as well as performance on a range of non-financial factors including accomplishment of strategic objectives. The Nominations & Remuneration Committee recommends to the Board the remuneration package of an Executive Director and it is the responsibility of the Board to approve the remuneration package of an Executive Director, with the Executive Director concerned abstaining from deliberation and voting on the same.</p> <p>Meanwhile, the Non-Executive Directors' remuneration framework encompasses a fixed fee as well as benefits for Chairman and members of the Board and Board Committees which are tabled to the shareholders for annual approval at the AGM. Further details of the remuneration framework are set out in the Corporate Governance Overview Statement in the Annual Report 2018.</p> <p>The remuneration policy for the Senior Management is in line with the business strategy, objectives, values and long-term goals and interests of the Company. To enable the Company to attract, develop and retain high-performing and motivated staff, competitive remuneration package is offered to encourage the staff to continue to perform and</p>

	create sustainable results in alignment to stakeholders' interest. Remuneration and rewards are granted to employees based on achievement of their KPIs and subject to the Company's overall annual financial performance, besides being guided by the Company's affordability, approved remuneration and reward matrix and comparison against the current market practice in the same industry.	
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 6.2

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

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

Application	:	Applied															
Explanation on application of the practice	:	<p>The Board delegated to Nominations & Remuneration Committee the responsibility to review and recommend matters relating to the remuneration of Board and Senior Management.</p> <p>As at 31 December 2018, the Nominations & Remuneration Committee consisted of four (4) Non-Executive Directors, a majority whom are Independent Directors:</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>1.</td><td>Ungku Suseelawati Ungku Omar</td><td>Independent Non-Executive Director (Chairperson)</td></tr><tr><td>2.</td><td>Lim Tian Huat</td><td>Independent Non-Executive Director (Member)</td></tr><tr><td>3.</td><td>Zaida Khalida Shaari</td><td>Non-Independent Non-Executive Director (Member)</td></tr><tr><td>4.</td><td>Datin Teh Ija Mohd Jalil (Appointed on 1 June 2018)</td><td>Independent Non-Executive Director (Member)</td></tr></tbody></table> <p>The Board is satisfied that the Nominations & Remuneration Committee has effectively discharged its functions in accordance with its terms of reference in respect of nomination and remuneration matters. Thus, there is no necessity to segregate the functions into two separate committees.</p> <p>Besides conducting the annual Board Effectiveness Assessment which is described in Practice 5.1 above, the Nominations & Remuneration Committee has also undertaken the following key activities in the discharge of its duties for the financial year:</p>	No.	Name	Designation	1.	Ungku Suseelawati Ungku Omar	Independent Non-Executive Director (Chairperson)	2.	Lim Tian Huat	Independent Non-Executive Director (Member)	3.	Zaida Khalida Shaari	Non-Independent Non-Executive Director (Member)	4.	Datin Teh Ija Mohd Jalil (Appointed on 1 June 2018)	Independent Non-Executive Director (Member)
No.	Name	Designation															
1.	Ungku Suseelawati Ungku Omar	Independent Non-Executive Director (Chairperson)															
2.	Lim Tian Huat	Independent Non-Executive Director (Member)															
3.	Zaida Khalida Shaari	Non-Independent Non-Executive Director (Member)															
4.	Datin Teh Ija Mohd Jalil (Appointed on 1 June 2018)	Independent Non-Executive Director (Member)															

	<ul style="list-style-type: none"> • Reviewed and recommended to the Board the proposed Corporate and MD/CEO's Scorecard for 2018; and endorsed the proposed metrics and measurement for 2018 Corporate and MD/CEO's Scorecards. • Reviewed and evaluated the results of Corporate and MD/CEO's Scorecard for 2017. • Undertaken the mid-year review of 2018 Corporate Scorecard. • Reviewed and provided input for the proposed Corporate and MD/CEO's Scorecard for 2019. • Reviewed proposals for bonus, salary increment, market adjustment and promotion for the Company's staff; and reviewed bonus for MD/CEO and Senior Management personnel. • Reviewed and recommended to the Board the offer of fixed-term employment contract for three (3) Senior Management personnel of the Company. • Reviewed the criteria and assessed suitable candidates for Independent Director positions. • Identified, assessed and recommended the appointments of Independent Directors and Senior Independent Director to the Board for approval. • Reviewed the nomination of a UEM Group Nominee Director for appointment on the Board of the Company. • Evaluated the independence status of Chairman of the Board for continuation in office as an Independent Non-Executive Director following his cessation as a nominee director of UEM Group. Upon detailed assessment that Tan Sri Dato' Sri Zamzamairani Mohd Isa meets each of the criteria of independence as defined under the Listing Requirements and 2 additional independence criteria adopted by the Company, the Nominations & Remuneration Committee having been satisfied that he demonstrates independence of mind and objectivity, recommended his re-designation from Non-Independent Chairman to Independent Chairman for the Board's approval. • Reviewed and recommended the changes to the composition of Board Committees for the Board's approval. • Reviewed and recommended a new organisational structure of the Company to the Board for approval. • Reviewed and recommended Special Recognition Award for the MD/CEO and Senior Management personnel. • Reviewed and recommended enhancement of employee benefits and introduction of new employee benefits for the Board's approval. • Reviewed and recommended amendment to the policy on annual training budget for Non-Executive Directors to include subsistence allowance as well as introduction of subsistence allowance for Non-Executive Directors on business travel for the Board's approval. • Apprised on UEM Sunrise Talent Management and Succession Planning Framework, including people dashboard and manpower analytics for UEM Sunrise.
--	--

	<ul style="list-style-type: none"> • Reviewed and endorsed the updated framework for nominee directors in subsidiaries, joint venture companies and associates of the Group. • Apprised on the audit findings related to human resources matter. • Proposed the re-election of Directors and Non-Executive Directors' fees and benefits to the Board for recommendation to the shareholders at AGM for approval. • Reviewed the performance of the Board Committees and its members. • Conducted annual assessment of independence status of the Independent Non-Executive Directors. • Conducted assessment of Directors' continuing education needs and status of continuing education programme. • Evaluated and was satisfied that the minimum 50% attendance requirement at Board meetings imposed by the Listing Requirements was met by all Directors.
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company pays its Non-Executive Directors a fixed fee, not by a commission or on percentage of profits or turnover as consideration for their Board duties. Non-Executive Directors' remuneration is a matter to be decided by the Board collectively with the Directors concerned abstaining from deliberations or voting on the decision in respect of their individual remuneration. The directors' fees and benefits are subject to the approval of the shareholders at the AGM.</p> <p>The key details of the Directors' Remuneration Framework setting out the fees and benefits payable and accorded to the Non-Executive Directors as well as the detailed disclosure of the Directors' remuneration on a named basis for the financial year ended 31 December 2018 are set out in the Corporate Governance Overview Statement and the Audited Financial Statements for the financial year ended 31 December 2018, respectively, in the Annual Report 2018.</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 7.2

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board recognises the importance of compensating the Senior Management with a competitive and attractive remuneration package at a market level based on their responsibilities and performance carried throughout each financial year. The Board ensures that its proposed remuneration is in the best interests of the Company and its shareholders from a growth perspective, since it helps motivate and retain talented and committed Senior Management personnel. There is a robust internal process to ensure that the remuneration of Senior Management is fair and competitive when benchmarked internally for parity and externally with the market.</p> <p>The Board is of the opinion that disclosure on named basis of the top five (5) Senior Management personnel in bands of RM50,000 would be disadvantageous to the Group's business interests, given the highly competitive property development industry where poaching of talented executives is not uncommon, especially during current times of market overhang and challenging property landscape.</p> <p>As a reference, the total remuneration/compensation of key management personnel is disclosed under Note 38(b) of the Audited Financial Statements for the financial year 2018.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board will review and consider such disclosure in the future.
Timeframe	:	Others

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	:	<p>The Audit Committee comprises three (3) members who are Independent Non-Executive Directors.</p> <p>The Audit Committee is chaired by Mr Subimal Sen Gupta, who is a Fellow of the Institute of Chartered Accountants in England and Wales and a past President of the Malaysian Institute of Certified Public Accountants. He is not the Chairman of the Board.</p> <p>Mr Subimal Sen Gupta was appointed to the Board of UEM Sunrise on 31 March 2016 and was designated as the Senior Independent Non-Executive Director of the Company on 1 June 2018.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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	:	<p>The requirement that a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee is reflected in the Audit Committee’s Term of Reference.</p> <p>As at the year under review, none of the Audit Committee members are former key former audit partners in an audit firm.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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 Company maintains a transparent relationship with its auditors and seeks their professional advice to ensure that accounting standards are complied with. The Audit Committee discusses with the External Auditors the nature and scope of the audit and reporting obligations before the audit commences. The Audit Committee ensures that the management provides timely responses on all material queries raised by the External Auditors.</p> <p>The Audit Committee in reviewing the appointment of External Auditors tabled at the Tenth AGM on 31 May 2018 had considered their independence, objectivity and cost effectiveness primarily guided by the criteria set out in the Corporate Governance Guide Third Edition issued by Bursa Malaysia Berhad in December 2017. The assessment covered the External Auditors' independence, objectivity and cost effectiveness of the audit which encompassed quality of services provided and performance, sufficiency of experience and resources, calibre of external audit firm, independence and objectivity, audit scope and planning, audit fees, communication and interaction.</p> <p>The Audit Committee also took into consideration the feedback from the Chief Financial Officer on a range of factors considered relevant including audit quality and comprehensiveness, timeliness and audit staff competency.</p> <p>The Company has established policies governing the provision of non-audit services that can be provided by the External Auditors if the services rendered are deemed as a value add to the Company, as set out in the Terms of Reference of the Audit Committee.</p> <p>The Board received a written assurance by the External Auditors, confirming their independence in providing both audit and non-audit services for the year under review.</p> <p>The Audit Committee, having taken all appropriate factors into consideration and being satisfied with Messrs Ernst & Young's suitability, performance, technical competency and audit independence, recommended the appointment of Messrs Ernst & Young as External Auditors for the ensuing financial year. The Board</p>

	approved the Audit Committee’s recommendation and proposed for the appointment of Messrs Ernst & Young as the External Auditors of the Company. The External Auditors’ tenure is up to the conclusion of the next forthcoming AGM.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>As at 31 December 2018, the Audit Committee comprised three (3) members of the Board, all of whom are Independent Non-Executive Directors:</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>1.</td><td>Subimal Sen Gupta</td><td>Senior Independent Non-Executive Director (Chairman)</td></tr><tr><td>2.</td><td>Lim Tian Huat</td><td>Independent Non-Executive Director (Member)</td></tr><tr><td>3.</td><td>Datin Teh Ija Mohd Jalil <i>(Appointed on 1 June 2018)</i></td><td>Independent Non-Executive Director (Member)</td></tr></tbody></table>	No.	Name	Designation	1.	Subimal Sen Gupta	Senior Independent Non-Executive Director (Chairman)	2.	Lim Tian Huat	Independent Non-Executive Director (Member)	3.	Datin Teh Ija Mohd Jalil <i>(Appointed on 1 June 2018)</i>	Independent Non-Executive Director (Member)
No.	Name	Designation												
1.	Subimal Sen Gupta	Senior Independent Non-Executive Director (Chairman)												
2.	Lim Tian Huat	Independent Non-Executive Director (Member)												
3.	Datin Teh Ija Mohd Jalil <i>(Appointed on 1 June 2018)</i>	Independent Non-Executive Director (Member)												

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>The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to shareholders as well as the Chairman's Statement and Management Discussion & Analysis in the Company's Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial and non-financial reporting processes and the quality of its financial reporting.</p> <p>The Audit Committee reviews the financial results of the Group and the Company on a quarterly basis, particularly on significant changes in accounting policies, practices and its implementation if any, significant adjustments arising from the audit, the going concern assumption, compliance with accounting and financial reporting standards and other legal requirements. The review typically involves the Management and the Internal and External Auditors to ensure that the financial statements are well deliberated in line with the standards set out by the Malaysian Financial Reporting Standards to provide a true and fair view of the Company's financial position.</p> <p>The Board, through Nominations & Remuneration Committee, reviews the term of office and assesses the performance of the Audit Committee and its members through an annual Board Committee Effectiveness Assessment.</p> <p>The Chairman and members of Audit Committee are financially literate, and have carried out their duties in accordance with the Terms of Reference of the Audit Committee.</p> <p>The Audit Committee members attended various training programmes to keep themselves abreast of relevant developments in accounting and</p>

	<p>auditing standards, practices and rules as well as other development programmes.</p> <p>The training programmes attended by the Audit Committee members during the year under review are set out in pages 19 to 23 of this Corporate Governance Report.</p> <p>A summary of activities of the Audit Committee for the year under review can be found in the Audit Committee Report as set out in the Company's Annual Report 2018.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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>The ultimate responsibility for ensuring a sound and effective system of internal controls and risk management as well as reviewing its adequacy and effectiveness lies with the Board. The internal control and risk management system covers financial, operational, organisational, risk management strategy, governance and compliance with applicable laws, regulations, rules, directives and guidelines.</p> <p>Acknowledging the practices and guidance in the MCCG, the Board sets policies and procedures for internal control and risk management and oversees that the implementation of internal controls and risk management system is properly carried out by the executive management.</p> <p>The Board acknowledges that while the internal control and risk management system is devised to cater for the particular needs of the Group, such controls by their nature can only provide reasonable but not absolute assurance, against material misstatements, loss or fraud.</p> <p>The Group has established a Risk Management Framework that is guided and principally aligned to ISO31000:2009 and UEM Group Risk Management Framework, as a tool to anticipate and manage both existing and potential risks, taking into consideration the changing risk profiles as influenced by changes in business and market environment.</p> <p>The process of identifying risks, evaluation, mitigation, review and its assessments by the Risk Management Committee are detailed in the Risk Management Report which is set out in the Company's Annual Report 2018.</p> <p>A statement on the state on internal control and risk management in the Group is set out in the Company's Annual Report 2018.</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

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	:	<p>The Board, assisted by the Board Governance & Risk Committee, is ultimately responsible for the Group's risk management activities and sets the strategic directions, risk appetite and relevant framework for the Group.</p> <p>The Risk Management Committee, which is a management committee comprising members appointed from the Senior Management team and chaired by the MD/CEO, deliberates on the identification, assessment and treatment of the Group's risks related to the achievement of the Group's strategic objectives. It is also a platform to communicate, monitor and review the risks.</p> <p>The risk assessment approach, which is done on a continuous basis, entails reviewing and assessing all key factors within the Group's business context covering key areas including industry and market, financials, operations, compliance and people. The risk analysis and mitigation plans are consolidated to provide an enterprise-wide risk management overview and updated to the Management as well as the Board on a quarterly basis.</p> <p>The Board guided by the Corporate Governance Guide Third Edition, inquired of the Senior Management on areas relating to financial reporting, internal control and regulations issues for the Board to assess:</p> <ul style="list-style-type: none">• the reasonableness and appropriateness of the financial statements in accordance with applicable approved accounting standards;• risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company; and• regulatory and legislative requirements are met and complied with by the Company. <p>After having reviewed the representation by Senior Management through the Audit Committee and the Board Governance & Risk Committee, the Board concluded that the risk management and</p>

	<p>internal control system of the Company are generally adequate and effective for the financial year under review.</p> <p>Details on the Company's internal control and risk management framework are set out in the Statement on Internal Control and Risk Management as well as the Risk Management Report of the Company's Annual Report 2018.</p> <p>The Statement on Internal Control and Risk Management has been reviewed by the External Auditors pursuant to paragraph 15.23 of the Listing Requirements.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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 Company had on 1 August 2017 established a Board Risk Committee to assist the Board in overseeing risk management framework and policies of the Group.</p> <p>On 1 June 2018, the Board Risk Committee was renamed as "Board Risk & Governance Committee" following the delegation of governance and compliance purview by the Board. Subsequently, on 28 November 2018, the Committee was renamed as "Board Governance & Risk Committee" in view of its expanded role on governance review matters.</p> <p>As at 31 December 2018, the Board Governance & Risk Committee comprised four (4) members of the Board, a majority of whom are Independent Non-Executive Directors:</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>1.</td><td>Datin Teh Ija Mohd Jalil ^(a)</td><td>Independent Non-Executive Director (Chairperson)</td></tr><tr><td>2.</td><td>Anwar Syahrin Abdul Ajib ^(b)</td><td>Managing Director/Chief Executive Officer (Member)</td></tr><tr><td>3.</td><td>Subimal Sen Gupta</td><td>Senior Independent Non-Executive Director (Member)</td></tr><tr><td>4.</td><td>Christina Foo ^(c)</td><td>Independent Non-Executive Director (Member)</td></tr></tbody></table> <p><u>Notes:</u> (a) Appointed to the Board Governance & Risk Committee as Chairperson on 26 October 2018. (b) Appointed as a member on 1 June 2018. (c) Appointed as a member on 23 November 2018.</p>	No.	Name	Designation	1.	Datin Teh Ija Mohd Jalil ^(a)	Independent Non-Executive Director (Chairperson)	2.	Anwar Syahrin Abdul Ajib ^(b)	Managing Director/Chief Executive Officer (Member)	3.	Subimal Sen Gupta	Senior Independent Non-Executive Director (Member)	4.	Christina Foo ^(c)	Independent Non-Executive Director (Member)
No.	Name	Designation															
1.	Datin Teh Ija Mohd Jalil ^(a)	Independent Non-Executive Director (Chairperson)															
2.	Anwar Syahrin Abdul Ajib ^(b)	Managing Director/Chief Executive Officer (Member)															
3.	Subimal Sen Gupta	Senior Independent Non-Executive Director (Member)															
4.	Christina Foo ^(c)	Independent Non-Executive Director (Member)															

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	:	<p>The size and complexity of the Company's operations is indeed a challenging endeavour. Therefore, the Board has to ensure that operational risk, financial risk and general risk are all managed effectively through effective internal controls. Acknowledging the importance of internal controls, the setting up of an internal audit function for the Group was approved by the Audit Committee in the financial year 2013.</p> <p>The Internal Audit function for the Company is undertaken by its own Internal Audit Department. The head of the Internal Audit Department reports directly to the Audit Committee and administratively to the MD/CEO. Empowered by its Internal Audit Charter, Internal Audit undertakes its activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of risk management, internal control and governance systems.</p> <p>The Audit Committee continued to provide support and guidance to the internal audit function and the head of the Internal Audit Department has oversight of the internal audit activities of the Group. The Internal Audit's role is to provide independent, objective assurance and consulting services designed to add value to the Company's operation and promote a strong and transparent control and governance culture in the Company. Internal Audit conducts follow-up audits to ensure corrective actions were tracked and implemented appropriately. In this respect, Internal Audit strives to achieve sustainable control processes within the Group and to improve on areas which have weak controls.</p> <p>All internal auditing activities are guided by the Internal Audit Charter which was approved by the Audit Committee on 26 September 2014 for adoption by the Internal Audit function of the Company and International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors, Inc. The Internal Audit Charter should be re-assessed at least once every five years or more frequently if necessary.</p> <p>The 2019 budget for Internal Audit department was included in the Annual Operating Plan 2019 and approved by the Board in November 2018.</p>

	<p>To ensure that the responsibilities of Internal Audit are fully discharged, the Audit Committee reviews:</p> <ol style="list-style-type: none"> 1. The Annual Internal Audit Plan and ensuring adequate risk, internal control and governance coverage; 2. The results of the internal audit process and where necessary ensuring that appropriate actions are taken on the recommendations of the internal auditors including any advisory support on strategy provided by the internal auditors; 3. The overall performance and budget of the Internal Audit function; and 4. The appointment, removal or termination of the Head of Internal Audit. <p>The Audit Committee provides its feedback on the internal audit function via Internal Audit Satisfactory Survey annually.</p> <p>In order that Internal Audit keeps abreast with developments in the profession, relevant industry and regulations, the Audit Committee reviews the annual training needs of Internal Audit department.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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>1. As provided by the Internal Audit Charter, Internal Audit undertakes its activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of risk management, internal control and governance systems.</p> <p>Internal Audit is a separate function from the activities or operations of other operating units in the Group. The Internal Audit function is guided by its Internal Audit Charter which defines the role, scope of work, independence and objectivity, proficiency and due professional care of the Internal Audit function of the Group.</p> <p>2. The Internal Audit Department manpower as at 31 December 2018 comprises 9 personnel with experience and qualifications as follows:</p> <table border="1"><thead><tr><th>Discipline</th><th>No of Personnel</th><th>%</th></tr></thead><tbody><tr><td>Accounting & Finance</td><td>6</td><td>67</td></tr><tr><td>Quantity Surveyor</td><td>1</td><td>11</td></tr><tr><td>Business Management</td><td>1</td><td>11</td></tr><tr><td>Civil Engineering</td><td>1</td><td>11</td></tr><tr><td>Total</td><td>9</td><td>100</td></tr></tbody></table> <p>3. Mazmeen Mohamed Razali was appointed as the Head of Internal Audit department of UEM Sunrise on 2 April 2018 to replace the former Head of Internal Audit who was assigned to a business unit. Mazmeen holds a Bachelor of Accounting and Finance from the University of Lancaster, UK. He is a fellow of the Association of Chartered Certified Accountants and is also a member of the Malaysian Institute of Accountants.</p> <p>4. The Internal Audit function is guided by the International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors, Inc.</p>	Discipline	No of Personnel	%	Accounting & Finance	6	67	Quantity Surveyor	1	11	Business Management	1	11	Civil Engineering	1	11	Total	9	100
Discipline	No of Personnel	%																	
Accounting & Finance	6	67																	
Quantity Surveyor	1	11																	
Business Management	1	11																	
Civil Engineering	1	11																	
Total	9	100																	

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 recognises the importance of understanding the expectations of its stakeholders and to effectively communicate the Company's strategies, plans and actions. To that end, the Company has engaged with its respective stakeholders on various platforms, details as per the Company's Stakeholder Engagement Framework shown below:</p> <table border="1"> <thead> <tr> <th>Stakeholder Groups</th> <th>Areas of Interest</th> <th>Methods of Communication</th> </tr> </thead> <tbody> <tr> <td> Customers</td> <td> <ul style="list-style-type: none"> Community activities and programmes Company and development updates Project launches Customer engagements </td> <td> <ul style="list-style-type: none"> U Living magazine Company website Events and engagement sessions Social media Call centre Customer satisfaction survey Emails </td> </tr> <tr> <td> Shareholders & Investors</td> <td> <ul style="list-style-type: none"> Return on Investment Financial performance Branding Company strategy and updates </td> <td> <ul style="list-style-type: none"> Investor Relations and conferences Annual Reports and Sustainability Reports Shareholder updates Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM") One-to-one or group meetings Site visits </td> </tr> <tr> <td> Analysts/Media</td> <td> <ul style="list-style-type: none"> Ongoing and future projects </td> <td> <ul style="list-style-type: none"> Media releases Media conferences Media interviews Social media Analysts briefings </td> </tr> <tr> <td> Industry Peers</td> <td> <ul style="list-style-type: none"> Ongoing and future projects UEM Sunrise's involvement in society </td> <td> <ul style="list-style-type: none"> Corporate website Events, seminars and engagement sessions U Living </td> </tr> <tr> <td> Value Chain Partners</td> <td> <ul style="list-style-type: none"> Fair procurement Sustainable partnerships with UEM Sunrise </td> <td> <ul style="list-style-type: none"> Training and briefing Events and engagement sessions </td> </tr> <tr> <td> Community and the Public</td> <td> <ul style="list-style-type: none"> Societal contributions Socio-environmental impact from operations </td> <td> <ul style="list-style-type: none"> U Living Community programmes Social media Website Call centre </td> </tr> <tr> <td> Employees</td> <td> <ul style="list-style-type: none"> Career development opportunities Benefits and remuneration </td> <td> <ul style="list-style-type: none"> Employee satisfaction survey Employee engagement activities Regular meetings Internal newsletter Titans portal </td> </tr> <tr> <td> Government/Regulatory Authorities</td> <td> <ul style="list-style-type: none"> Compliance Supporting government Initiatives </td> <td> <ul style="list-style-type: none"> Formal meetings Performance reports </td> </tr> </tbody> </table>	Stakeholder Groups	Areas of Interest	Methods of Communication	 Customers	<ul style="list-style-type: none"> Community activities and programmes Company and development updates Project launches Customer engagements 	<ul style="list-style-type: none"> U Living magazine Company website Events and engagement sessions Social media Call centre Customer satisfaction survey Emails 	 Shareholders & Investors	<ul style="list-style-type: none"> Return on Investment Financial performance Branding Company strategy and updates 	<ul style="list-style-type: none"> Investor Relations and conferences Annual Reports and Sustainability Reports Shareholder updates Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM") One-to-one or group meetings Site visits 	 Analysts/Media	<ul style="list-style-type: none"> Ongoing and future projects 	<ul style="list-style-type: none"> Media releases Media conferences Media interviews Social media Analysts briefings 	 Industry Peers	<ul style="list-style-type: none"> Ongoing and future projects UEM Sunrise's involvement in society 	<ul style="list-style-type: none"> Corporate website Events, seminars and engagement sessions U Living 	 Value Chain Partners	<ul style="list-style-type: none"> Fair procurement Sustainable partnerships with UEM Sunrise 	<ul style="list-style-type: none"> Training and briefing Events and engagement sessions 	 Community and the Public	<ul style="list-style-type: none"> Societal contributions Socio-environmental impact from operations 	<ul style="list-style-type: none"> U Living Community programmes Social media Website Call centre 	 Employees	<ul style="list-style-type: none"> Career development opportunities Benefits and remuneration 	<ul style="list-style-type: none"> Employee satisfaction survey Employee engagement activities Regular meetings Internal newsletter Titans portal 	 Government/Regulatory Authorities	<ul style="list-style-type: none"> Compliance Supporting government Initiatives 	<ul style="list-style-type: none"> Formal meetings Performance reports
Stakeholder Groups	Areas of Interest	Methods of Communication																											
 Customers	<ul style="list-style-type: none"> Community activities and programmes Company and development updates Project launches Customer engagements 	<ul style="list-style-type: none"> U Living magazine Company website Events and engagement sessions Social media Call centre Customer satisfaction survey Emails 																											
 Shareholders & Investors	<ul style="list-style-type: none"> Return on Investment Financial performance Branding Company strategy and updates 	<ul style="list-style-type: none"> Investor Relations and conferences Annual Reports and Sustainability Reports Shareholder updates Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM") One-to-one or group meetings Site visits 																											
 Analysts/Media	<ul style="list-style-type: none"> Ongoing and future projects 	<ul style="list-style-type: none"> Media releases Media conferences Media interviews Social media Analysts briefings 																											
 Industry Peers	<ul style="list-style-type: none"> Ongoing and future projects UEM Sunrise's involvement in society 	<ul style="list-style-type: none"> Corporate website Events, seminars and engagement sessions U Living 																											
 Value Chain Partners	<ul style="list-style-type: none"> Fair procurement Sustainable partnerships with UEM Sunrise 	<ul style="list-style-type: none"> Training and briefing Events and engagement sessions 																											
 Community and the Public	<ul style="list-style-type: none"> Societal contributions Socio-environmental impact from operations 	<ul style="list-style-type: none"> U Living Community programmes Social media Website Call centre 																											
 Employees	<ul style="list-style-type: none"> Career development opportunities Benefits and remuneration 	<ul style="list-style-type: none"> Employee satisfaction survey Employee engagement activities Regular meetings Internal newsletter Titans portal 																											
 Government/Regulatory Authorities	<ul style="list-style-type: none"> Compliance Supporting government Initiatives 	<ul style="list-style-type: none"> Formal meetings Performance reports 																											

The Company has a dedicated Investor Relations person functioning as an intermediary between Management and external stakeholders.

Under the revised Investor Relations and Communication Policy approved by the Board on 5 December 2017, the Company aims to create a climate of clear and open communication with the stakeholders and to nurture the loyalty and confidence of its shareholders through frequent, full and forthright communication.

The Company has been transparent and accountable to its shareholders and investors and recognises the importance of timely dissemination of information to shareholders and other stakeholders. The Board is also committed to ensure that the shareholders and other stakeholders are well informed of major developments of the Group and the information is communicated to them through the following channels:

- Annual Report;
- Various disclosures and announcements to Bursa Securities including quarterly results;
- Press releases and announcements to Bursa Securities and to the media;
- Dialogues and presentations at one-on-one and small group meetings, general meetings, conferences and events to provide updates on the Company's operations, strategy, visions and missions for stakeholders; and
- Online investor relations on the Company's website at www.uemsunrise.com/corporate/investor-relations/investors-home.

The Annual Report, as well as those for past years, is available through the Company's website. All announcements and press releases made by the Company to Bursa Securities are posted on the Company's website.

The Company's website has a dedicated section that provides investors with detailed information on the Group's business, governance commitments, policies, share price and volume information as well as updates on the Group's developments and projects.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

The Board also encourages engagements with the shareholders by disseminating crucial information such as strategic matters, future plans and key issues in regard to the Company. For the financial year 2018, the investor relations team conducted a total of 44 engagements with analysts and fund managers including visits to Iskandar Puteri (formerly known as Nusajaya), developments in the Central region, one-

	<p>on-one meetings and tele-conferences. The Company also participated in Invest ASEAN Conference 2018 in Singapore, a conference organised jointly by Bursa Malaysia Berhad and Maybank Investment Berhad in March 2018 as well as the Malaysia C-Suite Investor Corporate Day 2018 by Citibank Singapore in July 2018. The Company also participated in the Asia Rising Dragons Conference 2018 in Kuala Lumpur hosted by JP Morgan in September 2018. In the same month, the Company hosted a Non-Deal Roadshow for its bondholders held at UEM Sunrise Showcase Gallery in Mont'Kiara. Both buy side and sell side (fund managers) analysts were also briefed on the Company's quarterly results via tele-conferencing after the quarterly results announcements were released to Bursa Securities.</p> <p>Shareholders may forward any concern/queries to Investor Relations at ir@uemsunrise.uemnet.com and all relevant and appropriate issues raised will be addressed accordingly.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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	:	UEM Sunrise aims to transition into integrated reporting based on the global recognised framework in the near future and in stages.	
	:	The Company's Annual Report contains some of the required information for integrated reporting. In the current time period, significant planning, efforts and resources would be required to enhance the disclosures in UEM Sunrise Annual Report toward adopting the integrated reporting framework based on the global recognised framework.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	In adopting the integrated reporting framework based on the globally recognised framework, Management will be developing a phased and planned approach, identify and train the requisite personnel to effectively proceed towards adopting the required standards.	
Timeframe	:	Within 2 years	

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	:	<p>The AGM of the Company serves as the principal forum that provides the opportunity for shareholders to raise questions pertaining to issues in the Annual Report, audited financial statements and corporate developments in the Group, the resolutions being proposed and on the businesses of the Group. The Chairman, MD/CEO, Chairmen of the respective Board Committees and the External Auditors, if so required, will respond to shareholders' questions during the meeting. Each item of special business included in the notice of the meeting is accompanied by an explanatory statement for the proposed resolution to facilitate better understanding and evaluation of issues involved.</p> <p>The 2018 AGM for UEM Sunrise was held on 31 May 2018 and the notice for AGM was issued on 30 April 2018, with at least 28 clear days' notice period given to shareholders. This allows shareholders to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>At the 2018 AGM, all the ten (10) Directors including the Chairmen of Audit Committee, Nominations & Remuneration Committee, Board Governance & Risk Committee, Board Tender Committee, Board Development Committee and ESOS Committee were present in person to engage directly with shareholders, and be accountable for their stewardship of the Company.</p> <p>During the AGM, the Chairman invited shareholders to raise any questions on the proposals tabled. The proceedings of the 2018 AGM and key matters discussed are recorded in minutes of meeting which is made available on the Company's website www.uemsunrise.com/corporate/investor-relations/corporate-governance within a reasonable timeframe, after tabling at the next Board meeting following the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The 2018 AGM was held at Persada PLUS which is located at KM15 Persimpangan Bertingkat Subang in Petaling Jaya. This venue is easily accessible and should be familiar to most shareholders of the Company since several past AGMs were held at the same venue. As per previous years, to facilitate and encourage more participants to attend the AGM, the Company provided complimentary shuttle bus transportation service from Kelana Jaya LRT Station to Persada PLUS and return trip upon conclusion of the AGM. The bus schedule and location map are made available in the Administrative Note provided in the abridged Annual Report sent to shareholders.</p> <p>Shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in their stead at a general meeting if they are not available to attend the meeting in person.</p> <p>The Board encourages participation at general meetings and will adhere to the Listing Requirements on poll voting for all resolutions set out in the notices of the general meetings. Polling processes are explained during the general meetings and the Board may consider the use of electronic voting for polling, to facilitate greater participation taking into account its reliability, applicability, cost and efficiency. Poll results are to be verified by an appointed Scrutineer, which is not the Polling Administrator.</p> <p>UEM Sunrise leveraged on technology to facilitate electronic polling (“e-polling”) for the conduct of poll on all resolutions proposed at its 2018 AGM. The voting at the 2018 AGM was conducted on a poll in accordance with Paragraph 8.29A of the Listing Requirements. The Company’s Share Registrar, Symphony Share Registrars Sdn Bhd (“Symphony”) (now known as Boardroom Share Registrars Sdn Bhd) was appointed as the Poll Administrator to conduct the polling process. The Company had appointed Commercial Quest Sdn Bhd as Scrutineers to verify the poll results.</p>

	<p>Barcoded wristbands were issued by the Share Registrar upon registration for e-voting at the 2018 AGM. The polling process for the resolutions was conducted only upon completion of the deliberation of all items transacted at the 2018 AGM. The Share Registrar briefed the shareholders on the procedures for e-polling prior to the commencement of the e-polling. Symphony's e-polling system was used where each of the e-polling counters was equipped with desktop and barcode reader. The shareholders/proxies were directed to the e-polling counters to cast their votes with his/her barcoded wristbands.</p> <p>The scrutineer, Commercial Quest Sdn Bhd upon verification of the poll results, confirmed the results for each resolution, which include votes in favour and against, upon which the Chairman of the Meeting announced and declared whether the resolutions were carried. The poll results were also announced by UEM Sunrise via BursaLINK on the same day for the benefit of all shareholders. The minutes of the 2018 AGM was also made available on the Company's website www.uemsunrise.com/corporate/investor-relations/corporate-governance.</p> <p>Pursuant to the Corporate Governance Guide Third Edition, listed companies are encouraged to move towards a full-fledged electronic AGM, whereby shareholders in different locations could attend and also vote at AGMs through webcast or other forms of electronic media that would allow simultaneous participation at the AGM.</p> <p>The Company will continue to monitor developments in the market in respect of new technologies to facilitate the conduct of meetings remotely and may consider implementing the same in the future if there is strong case justifying a need for it.</p> <p>Alternative practice: Shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his/her stead at a general meeting.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>: The Company will continue to leverage on technology and adopt e-polling as the preferred medium for shareholders to cast their votes. The Company will continue to explore and consider the recommendation for remote shareholders' participation and voting in absentia.</p>
<p>Timeframe</p>	<p>: Others</p>

**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.

Click here to enter text.