

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2836
COMPANY NAME : CARLSBERG BREWERY MALAYSIA BERHAD
FINANCIAL YEAR : December 31, 2020

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Board leads and has effective control over the Group whereby collective decisions and/or close monitoring are conducted on issues relating to strategy, performance, resources, standards of conduct and financial matters. • The matters reserved for the collective decision of the Board are listed in the Appendix A of the Board Charter. • The Board has oversight on matters delegated to the Management whereby updates are reported at least on a quarterly basis. The Group adopts a Chart of Authority approved by the Board which the Management has to adhere to in carrying out its day-to-day functions. • The roles and responsibilities of the Board as set out in the Board Charter are clear and distinct from that of the Managing Director. • The Board also facilitates its principal responsibilities which include reviewing and adopting a strategic plan, overseeing the conduct of the business, risk management, succession planning, reviewing and ensuring effective internal controls. The Board has delegated specific responsibilities to the following committees ("Committees"):- <ol style="list-style-type: none"> i. Audit Committee ("AC") ii. Nomination & Remuneration Committee ("NRC") iii. Risk Management Committee ("RMC") • The powers delegated to the Committees are set out in the Terms of Reference of each Committees as approved by the Board and set out in the Appendices B, C and D of the Board Charter. • The Board Charter is available on the corporate website - www.carlsbergmalaysia.com.my.
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none">• The Chairman, Datuk Toh Ah Wah, holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and the overall conduct of the Group.• The Chairman is committed to good corporate governance practices and has been leading the Board towards a high performing culture.• Key responsibilities of the Chairman include the following:<ul style="list-style-type: none">a) Provides leadership for the Board so that the Board may perform its responsibilities effectively;b) Sets the Board agenda and ensures that Board members receive complete and accurate information in a timely manner;c) Leads Board meetings and discussions;d) Encourages active participation and allows different views to be freely expressed;e) Manages the interface between Board and Management;f) Ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; andg) Leads the Board in establishing and monitoring good corporate governance practices in the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<ul style="list-style-type: none">• The positions of the Chairman and the Managing Director ("MD") are held by two different individuals. The Chairman, Datuk Toh Ah Wah and the MD, Stefano Clini, have their respective roles and responsibilities that are governed in the Company's Board Charter.• The roles and responsibilities of the Chairman and the MD are spelt out distinctly to ensure the appropriate balance of power and authority.• The MD oversees the day to day management and running of the Group and the implementation of the Board's decisions and policies.	
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	:	<ul style="list-style-type: none">• The role of the Company Secretary is currently held by Ms Koh Poi San, Legal & Compliance Director and Company Secretary with effect from 19 February 2020 and prior to that by Mr Lim Chee Keat, Chief Financial Officer until 19 February 2020, to carry out the following responsibilities in providing support to the Board:-<ol style="list-style-type: none">a) Ensure compliance of listing and related statutory obligations as well as updates on regulatory requirements, codes, guidance and relevant legislation;b) Ensure adherence to board policies and procedures, rules, relevant laws and best practices on corporate governance;c) Attend Board, Committees and General Meetings, and ensure the proper recording of minutes as well as follow-up on matters arising;d) Ensure proper upkeep of statutory registers and records and maintain a secured retrieval system which stores meeting papers and minutes of meetings;e) Assist the respective Chairpersons in the preparation for and conduct of meetings; in terms of policies and procedures, and updates on regulatory requirements, codes, guidance and relevant legislation.• The Company Secretary has the requisite credentials, and is qualified to act as company secretary under Section 235(2) of the Companies Act 2016 and undertakes continuous professional development. In addition, she is the Legal & Compliance Director leading both functions in the Group and a member of Senior Management.• The Group also retains the services of Tricor Corporate Services Sdn. Bhd., an external consultant, on corporate secretarial and compliance matters to provide additional advice on issues pertaining to compliance and Corporate Governance.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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	:	<ul style="list-style-type: none"> • All Directors have access to the advice and services of the Company Secretary as well as to all information within the Group. There is also a formal procedure sanctioned by the Board of Directors, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense. • All Directors are furnished with a comprehensive Board File including the meeting agenda usually no less than seven (7) days before each Board meeting. Sufficient time is given to enable the Directors to solicit further explanations and/or information, where necessary, so that deliberations at the meeting are focused and constructive. • The Board File includes, amongst others, sales and marketing development and strategies, financial results and forecasts, status of major projects, minutes of meetings of the Board and of the Board Committees and other major operational, financial, compliance, strategic planning, succession planning and legal issues. • In addition, there is a schedule of matters reserved specifically for the Board's decision. • All Directors should ensure that minutes of Board meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstains from voting or deliberating on a particular matter. • A secured online portal has been created to allow the Directors online access to Board File, updates and other relevant documents. This portal enables sharing of updated information and documents with the Directors and amongst the Directors themselves in a timely manner.
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	:	<ul style="list-style-type: none">• The Board Charter was recently revised by the Board on 14 August 2020.• Any subsequent amendments to the Board Charter can only be approved by the Board. Apart from setting out the roles and responsibilities of the Board, the Board Charter also outlines the membership guidelines, procedures for Board Meetings, Directors' remuneration, investor relations and shareholder communication as well as the matters reserved for the collective decision of the Board.• The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.• The Board Charter is available on the corporate website at www.carlsbergmalaysia.com.my.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none">• The Group has embedded the 'Live by our Compass' programme introduced by the Carlsberg Group into the Group culture by implementing the ethical standards for conducting business with integrity. The Group has also adopted the 'Code of Ethics & Conduct' (the "COEC") introduced by the Carlsberg Group to help its employees to make the right choices and to act appropriately in response to ethical dilemmas that might arise in their daily work. The COEC applies to the Management, employees and contract workers of the Carlsberg Group.• The COEC has 14 key areas: Compliance with laws and company policies • Anti-corruption and anti-bribery laws • Trade sanctions and export control laws • Competition laws • Data protection and privacy laws • Responsible drinking • Conflicts of interest • Insider trading and handling of inside information • Protection and proper use of corporate assets • Confidential and proprietary information • Work environment • Gifts, meals and entertainment • Political activities and donations • Accuracy of books, records and public reports.• The COEC is extensive but not exhaustive and the Group expects its employees to exercise sound judgement in their decision-making in order to adhere to the highest ethical standards. The COEC will be reviewed periodically.• In order to bring the COEC to life, employees are trained on the ethical standards set out in the COEC. As part of this training, the Group implemented an e-learning module that makes employees aware of ethical behaviours that are meaningful for the Carlsberg Group and need to be followed. In 2020, employees across the Group in higher-risk roles received face-to-face training on data protection, competition law and trade sanctions. New joiners are enrolled in e-learning on competition law, anti-bribery and corruption and COEC and this will continue in 2021. In 2020, new e-learning courses on anti-bribery and corruption, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Gifts Entertainment and Donations Manual was rolled-out to the entire organisation. The training is deemed essential for maintaining

	<p>awareness of the importance and details of the Group's policies and its compliance programme as a whole.</p> <ul style="list-style-type: none"> • The Group also adopted the Carlsberg Group's policy structure launched in 2017 to support the highest standards of ethical business conduct. • There are 30 group policies and around 200 manuals supporting the policies which are divided into • Governance & Strategic Risks • Legal & Compliance Risks • Financial Risks • Operational Risks. • The policies aim to mitigate the main company risks, protect our brands and highlight what is expected of employees. The policies, supplemented by supporting manuals, explain how employees should comply with the requirements. 	
<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>	<p>:</p>

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • Carlsberg embraces an ‘open-door’ culture, in which employees, business partners and members of the public are encouraged to report any violation of the COEC or standards expected by Carlsberg. As per the Whistleblowing Policy & Procedures, an individual could report a violation to the Legal & Compliance Director and Company Secretary who is responsible for compliance related matters or the Head of Internal Audit (“IA”) who is functionally independent of the business operations. A dedicated mailbox (whistleblow.cbmb@carlsberg.asia) is set up for this purpose. • Alternatively, the individual may choose to escalate the violation directly to the Group Internal Audit and Control Team at Carlsberg Group. This can be done via an email to a Speak Up mailbox (SpeakUp@Carlsberg.com), a secured web-based complaint platform (https://www.speakupfeedback.eu/web/wep4br/my) or a telephone line (1-800-88-4307) with designated access code that is hosted by a third party service provider. • The Board has adopted the above as the Group’s whistleblowing policy, which encompasses the Speak Up Manual introduced by Carlsberg Group. All cases lodged within the framework of this policy (including those cases escalated directly to Carlsberg Group) will be overseen by the Board, through the AC Chairman. • Carlsberg has undertaken an intensive exercise in 2020 to further strengthen the ABAC control framework including delivery of tone at the top messages and awareness campaigns; Anti-Bribery and Anti-Corruption (“ABAC”) risk assessments, undertaking control measures by enhancing our policies and procedures, compliance monitoring and enforcements; and training and communication to address the prevention of bribery and corruption, and the requirements of the MACC’s Adequate Procedures Guidelines.
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 4.1

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<ul style="list-style-type: none">• The Company is supportive of objective and independent deliberation, review and decision making.• Currently, the Board comprises seven (7) Directors, with three (3) out of seven (7) Directors being Independent Directors and one (1) Executive Director, who also serves as the MD.• Three (3) of the Independent Non-Executive Directors including the Chairman, representing 43% of the Board with the remaining consisting of three (3) Non-Independent Non-Executive Directors and the Managing Director of the Company.• The current shareholding structure of the Company is that 51% of its equity interest are held directly by Carlsberg Breweries A/S.• The Board is of the view that to fully leverage on the experience of the Carlsberg Group, it is in the best interest of the Company and that of its stakeholders that the Board constitutes a fair and adequate representation of the major shareholder.• In practice, decisions of the Board are only carried with the unanimous approval of the entire Board and in the case of approvals for related party transactions, decisions are only deliberated and voted on by the independent directors and only carried with their unanimous approval.• In the unlikely situation of any dissenting views by the directors, the proposal is deferred pending further information from Management or the proposal is abandoned.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	As the Company is a major subsidiary of the Carlsberg Group, Carlsberg Brewery A/S policy is to maintain majority representation on the Board and the above explanation is a measure that can achieve the Intended Outcome of Practice 4.1.
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 4.2

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

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

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:	The tenure of each Independent Director of the Company, namely Datuk Toh Ah Wah, Mr. Chew Hoy Ping and Ms. Michelle Tanya Achuthan, does not exceed a cumulative period of nine (9) years respectively.	
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	:	The Board Charter stipulates that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

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	:	<ul style="list-style-type: none"> • Appointment of Board and Senior Management are based on objective criteria, merit and besides gender diversity, due regard are placed for diversity in skills, experience, age and cultural background. • The Board pursues diversity at both the Board level and Senior Management. • The Board recognises a diverse Board in the Company could offer greater depth and breadth of perspectives and diversity in Senior Management will lead to better collective decisions. • Please refer to the Annual Report, Profile of Directors and the Management Team on pages 82 to 85 and 78 to 81 respectively for further information. 	
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 4.5

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	:	<ul style="list-style-type: none">• The Board is supportive of gender diversity in the Board composition and Senior Management. For the financial year 2020, two out of the seven of the Board members are women, i.e. 29% or a practical 30% of the Board, with one of the female Board members being an Independent Director and the Chairperson of the Nomination & Remuneration Committee.• The Senior Management team comprise a majority (63%) of women leaders.• The profiles of the Directors and Senior Management are set out on pages 78 to 85 of this Annual Report.• The Board through the Nomination & Remuneration Committee will continue to consider gender diversity as part of its future selection of female board representation.• With the recent resignation of Ms Chow Lee Peng on 30 November 2020, the Nomination & Remuneration Committee recommended for approval of the Board the appointment of Ms Chan Po Kei Kay as a new board member effective 16 December 2020, reconfirming the gender diversity measures for new board appointments.
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	:	For the appointment of all Directors, the Nomination & Remuneration Committee (“NRC”) considers shortlisted candidates based on their profiles, professional achievements and personality assessments. Appropriate candidates for Independent Directors are sourced through recommendations as well as external search networks based on the needs of the Board. The NRC then interviews the shortlisted candidates to ensure that they are suitable and of sufficient calibre for recommendation to the Board for approval.	
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 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none">• The Nomination & Remuneration Committee which is charged with the responsibility of, amongst others, recommending the appointment of new Directors to the Board, comprises a majority of Independent Directors. The current members are:<ol style="list-style-type: none">a) Michelle Tanya Achuthan (Independent Non-Executive Director) – Redesignated as Chairperson effective 19 February 2021;b) Datuk Toh Ah Wah (Independent Non-Executive Director) – Redesignated as Member effective 19 February 2021;c) Chew Hoy Ping (Independent Non-Executive Director) – Member; andd) Chan Po Kei Kay (Non-Independent Non-Executive Director) – Member.• The Terms of Reference of the Nomination & Remuneration Committee is set out in the Appendix C of the Board Charter and is available on the corporate website at www.carlsbergmalaysia.com.my.• The role of Chairperson of the Nomination & Remuneration Committee includes the following:-<ol style="list-style-type: none">a) Leading in succession planning and appointment of Board members, future Chairman and Managing Directors; andb) Leading the annual review of board effectiveness, ensuring that the performance of each individual Director is independently assessed.
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	:	<ul style="list-style-type: none"> • The Board undertakes an annual assessment of the Board’s effectiveness including the performance of Board Committees and all Board Directors including Independent Directors. The results of the assessment are reviewed by the Board to, among others, determine measures to deal with any identified issues or recommendations. Independent Directors are also evaluated to ensure they continue to bring independent and objective judgement to board deliberations. • The annual assessment that includes peer and self-assessments are carried out by all the Directors. The key areas were: <ol style="list-style-type: none"> a) Board Dynamics and Participation b) Integrity and Objectivity c) Technical and Competencies d) Independence • The Board had engaged PwC Consulting Associates (M) Sdn Bhd (PwC) in 2018 to conduct the evaluation of the Board’s Performance. The results, in particular the key strength and weaknesses identified from the evaluation were shared with the Board to allow enhancements to be undertaken. • For FYE 2020, the Board’s Effectiveness Evaluation was conducted in house by the Company Secretary in December 2020. • Based on the results for the 2020 assessment, the Board was satisfied with the following outcomes: <ol style="list-style-type: none"> a) The Directors view confidently of their fellow Board members and the experience and knowledge that each bring to the Board; b) There was a healthy board dynamic and excellent leadership from the Chairman; and c) An effective oversight in key areas of responsibility. • The Board has identified the following areas to focus in the future: <ol style="list-style-type: none"> a) To oversee the development and implementation of sustainability strategies in the Organisation, and ensuring environmental, social and governance aspects are appropriately balanced with the interests of various stakeholders; and

	b) To oversee human capital development and Board and Senior Management succession planning, including appointing, developing, compensating and where appropriate, replacing Directors and/or Senior Management.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 6.1

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The objective of the Group's remuneration policy is to attract and retain the right calibre of Directors and Senior Management required to lead and control the Group effectively. In the case of the Executive Director and Senior Management, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their role, experience and level of responsibilities. • Under the current remuneration policy, the remuneration payable to Non-Executive Directors in respect of Directors' fees are paid to Independent Non-Executive Directors only and also includes fees for the Chairman and Members of the AC, RMC and NRC, who are Independent Non-Executive Directors. • Details of the Independent Non-Executive Directors' remuneration are set out in the Corporate Governance Overview Statement at page 92 of the Annual Report 2020. The fees were last revised in 2018. • The remuneration for Non-Independent Non-Executive Directors and are representatives of the Carlsberg Group, are not paid by the Company but are paid by the Carlsberg Group. • The NRC also reviews the remuneration policy for Senior Management and recommends to the Board for approval.
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	:	<ul style="list-style-type: none"> • The Nomination & Remuneration Committee which is charged with the responsibility of, amongst others, recommending the appointment of new Directors to the Board, comprises a majority of Independent Directors. The current members are: <ol style="list-style-type: none"> a) Michelle Tanya Achuthan (Independent Non-Executive Director) – Redesignated as Chairperson effective 19 February 2021; b) Datuk Toh Ah Wah (Independent Non-Executive Director) – Redesignated as Member effective 19 February 2021; c) Chew Hoy Ping (Independent Non-Executive Director) – Member; and d) Chan Po Kei Kay (Non-Independent Non-Executive Director) – Member. • The Nomination & Remuneration Committee evaluates the remuneration structure of senior management and recommends for the Board's approval, the framework of executive remuneration of the Executive Director's remuneration package. • The Terms of Reference of the Nomination and Remuneration Committee is set out in the Appendix C of the Board Charter and is available on the corporate website at www.carlsbergmalaysia.com.my.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on named basis for the remuneration of individual directors are set out in the Corporate Governance Overview Statement at page 92 of the Annual Report 2020.
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	:	<ul style="list-style-type: none">• The Company has disclosed the top five senior management's remuneration in bands of RM50,000 but not on a named basis due to confidentiality and sensitivity of each remuneration package.• Only the MD's remuneration is disclosed in detail in the Corporate Governance Overview Statement at page 92 of the Annual Report 2020.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board believes that the measure as set out Practice 7.2 is sufficiently transparent and allows stakeholders to assess the reasonableness of the senior management remuneration in the context of the company's performance.	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	The Board believes that the measure set out for Practice 7.2 is sufficiently transparent and allows stakeholders to assess the reasonableness of senior management's remuneration in the context of the Company's performance.

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	:	<ul style="list-style-type: none">• In line with the Step Up practices of the Code, the Board approved on 21 February 2020 for the Audit & Risk Management Committee to be separated into an Audit Committee (AC) and a Risk Management Committee (RMC).• Mr. Chew Hoy Ping, an Independent Non-Executive Director is the Chairman of the AC whilst the Chairman of the Board is Datuk Toh Ah Wah.• The composition of the AC are as follows:<ul style="list-style-type: none">a) Chew Hoy Ping (Independent Non-Executive Director) – Chairman;b) Roland Arthur Lawrence (Non-Executive Director) - Member ; andc) Datuk Toh Ah Wah (Independent Non-Executive Director) – Member.• The Terms of Reference of the AC are set out in Appendix B of the Board Charter which is available on the corporate website at www.carlsbergmalaysia.com.my.
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	:	<ul style="list-style-type: none">• The Group recognises the importance of independence of its external auditors and that no possible conflict of interest whatsoever should arise.• None of the members of the Board were former key audit partners.• The Group will observe a cooling-off period of at least two (2) years in the event any potential candidate to be appointed as a member of the AC was a key audit partner as set out under the Terms of Reference of the AC in Appendix B of the Board Charter.
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	:	<ul style="list-style-type: none">• The scope of work of the external auditors and their subsequent findings and conclusions are reviewed by the AC, with a twice-a-year formal meeting held between the AC and the external auditors.• The external auditors, PwC, were present at two (2) AC meetings during the financial year 2020. At these meetings, the AC also held separate private sessions with the external auditors without the executive Board members or the Management present.• The AC assessed the performance, competency and professionalism demonstrated by the external auditors during the year.• The AC obtained the requisite assurance on independence from the external auditors and recommended the audit fees payable to the Board for approval.• The AC considered and assessed the independence and objectivity of the external auditors during the year and also prior to engaging the external auditors for non-audit related services.• The non-audit fees paid to the member firms of external auditors, Messrs PricewaterhouseCoopers by the Group during the financial year ended 31 December 2020 amounted to RM9,434. This amount was incurred in relation to the review of the Statement on Risk Management and Internal Control.
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	:	Not Adopted
Explanation on adoption of the practice	:	The Audit Committee consists of a majority of independent directors. Over the course of the financial year 2020, the committee comprised of 3 members (2 independents and 1 non independent). The Board considers the current composition of the Audit Committee as fairly reflecting an appropriate balance of independent views and oversight while leveraging on the knowledge and perspective of the regional Carlsberg finance director in its review of the Group's financial, risks, and audit and accounting matters.

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	:	<ol style="list-style-type: none">1. The members of AC have the relevant accounting or related experience and financial literacy to effectively discharge their duties.2. The qualification and experience of the individual AC members are disclosed in the Board of Directors' Profile on pages 82 to 85 of the Annual Report.3. All members of the AC had undertaken continuous professional development. During the year, the AC members attended the training as below:- <u>Roland Arthur Lawrence</u><ol style="list-style-type: none">1. E-Learning – Code of Ethics and Conduct (CODY), Carlsberg Group on 4 June 2020.2. E-Learning – Competition Law, Carlsberg Group on 30 June 2020.3. E-Learning - Anti-Bribery and Corruption, Carlsberg Group on 17 September 2020. <u>Chew Hoy Ping</u><ol style="list-style-type: none">1. Cyber & Economic Crime: Fraudsters & cyber criminals, too, can work from home, PricewaterhouseCoopers on 23 April 2020.2. Presentation of Financial Statements: A Change for Better Comparability & Transparency of Companies' Performance Reporting, MASB on 27 April 2020.3. Governance & Risk: An uncertain world, a riskier landscape, PricewaterhouseCoopers on 30 April 2020.4. COVID-19 impact on financial reporting: Not business as usual, PricewaterhouseCoopers on 5 May 2020.5. The Clear and Present Risks Facing Organisations Under COVID-19, FPLC on 13 May 2020.6. Are Boards Ready for Climate Change, SKRINE on 4 June 2020.7. ESG Trends & Regulatory Developments, Asia School of Business/ICLIFF on 11 June 2020.8. Practical Insights On Corporate Liability: 25 Days Later, SKRINE on 25 June 2020.

	<p>9. Directors' training: Optimising Risk & Resilience Planning to Manage Disruptions, TRICOR on 18 September 2020.</p> <p>10. E-Learning - Anti-Bribery and Corruption, Carlsberg Group on 17 September 2020.</p> <p>11. Directors' training: Amendments to Listing Requirements 2019/2020 & Analysis of Corporate Governance Report 2019/2020, TRICOR on 16 October 2020.</p> <p>12. Malaysia's COVID-19 Act 2020, MIA on 22 October 2020.</p> <p>13. PwC Malaysia's Budget 2021 Webinar, PricewaterhouseCoopers on 17 November 2020.</p> <p>14. Fraud Risk Management Workshop, Bursa / PricewaterhouseCoopers on 18 November 2020.</p> <p>15. Mastering Cyber Security to Mitigate Fraud, MIA on 2 December 2020.</p> <p>16. Managing Risk Effectively Amidst Uncertainty, MIA on 17 December 2020.</p> <p>The Value Reporting Foundation: A game changer merger to simplify the corporate reporting landscape, MICPA on 17 December 2020.</p> <p><u>Datuk Toh Ah Wah</u></p> <p>1. Malaysia Tax Policy Forum 2020 - Strengthening Malaysia's Fiscal Future, International Strategy Institute on 9 January 2020.</p> <p>2. Directors' Training - Corporate Liability, PETRONAS on 10 February 2020.</p> <p>3. Raising Defences: Section 17A, MACC Act, ASB/ICLIF on 9 - 10 June 2020.</p> <p>4. E-Learning Module for 5 Critical Laws - Competition Law, 3rd Party Risk Management, Sanctions, Petronas Anti-Bribery & Corruption Policy & Guidelines and Personal Data Protection & Privacy, PETRONAS on 2 - 4 August 2020.</p> <p>5. Chemicals and Transformation, Challenges and Opportunities, KPMG on 25 August 2020.</p> <p>6. Directors' Training - Optimising Risk & Resilience Planning to Manage Disruptions, TRICOR on 18 September 2020.</p> <p>7. E-Learning - Anti-Bribery and Corruption, Carlsberg Group on 22 September 2020.</p> <p>8. KPMG's CEO Webinar Series - Transformation Towards Recovery on 9 October 2020.</p> <p>9. Directors' Training - Amendments to Listing Requirements 2019/2020 and Analysis of Corporate Governance Report 2019/2020, TRICOR on 16 October 2020.</p> <p>10. Board Excellence Programme - Best Practices for Board Excellence, PETRONAS on 19-20 October 2020.</p> <p>11. Fraud Risk Management Workshop, PricewaterhouseCoopers on 25 November 2020.</p> <p>12. Continuous Professional Development in Accounting & Auditing for Board Audit Committee - Amendments to MFRS, KPMG on 30 November 2020.</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

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	:	<ul style="list-style-type: none"> • The Board of Directors continually places significant emphasis on a sound risk management process and internal control mechanism which are necessary to safeguard the Group's assets and shareholders' investment. • To this end, the Board affirms its overall responsibility for the identification and mitigation of the Group's key risks, which are categorised in its risk registers according to the risk nature; namely strategic, operational, financial and compliance. • The Group also maintains an internal control framework that comprises standard operating procedures, financial and process controls, communicative processes and trainings as established by the Group to prevent, detect and monitor any possible control gaps. In addition, the Board via the AC reviews the audit findings and recommendations highlighted by the Internal Audit function of the Group. • However, it should be noted that the risk management and internal control framework by its nature, manages but cannot totally eliminate all risks and therefore can provide only reasonable and not absolute assurance against misstatement, loss or fraud and any other adverse event • On 21 February 2020, the Board approved for the Audit & Risk Management Committee to be split into separate Audit Committee and Risk Management Committee.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies 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	:	<ul style="list-style-type: none"> • On quarterly basis, the Board via the RMC evaluates and monitors the key risks reported by the Company as per the risk register. A dedicated risk report is prepared for this purpose and relevant members of the Management team are invited to join the quarterly meeting, as and when necessary. • Throughout the year, the IA function coordinated discussions and meetings with all the risk owners and functional heads to identify new risks and update the existing risks in the Company's risk register (separate risk registers are maintained for the Malaysian and Singaporean businesses). • Prior to the quarterly RMC meeting, a meeting led by the MD is conducted at the risk working committee level. The objectives of this workshop are to update, evaluate and monitor all the risks identified. Mitigating activities are also discussed and adopted. • As part of the internal control framework, the Group has established standard operating procedures to safeguard the integrity of the business operations and financial reporting. • Meanwhile, preventive, detective and monitoring controls are embedded in the core business processes to ensure the risk of deviation is adequately mitigated. • Policies and directives are communicated to employees as well as business partners through Company memos and written documents. • Trainings and refreshers, in particular in the form of e-learnings are regularly rolled out to create high level of awareness and instill a compliant culture within the Group. • Independent reviews are carried out throughout the year by the in-house IA function to assess the adequacy and effectiveness of the internal control framework and procedures. All such reviews are governed by the yearly IA audit plan that is approved by the AC. Audit results, including the findings and recommendations are reported to the AC on quarterly basis.
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<ul style="list-style-type: none">• The Board approved on 21 February 2020 for the Audit & Risk Management Committee to be separated into an AC and a RMC. The RMC oversees the risk management framework and activities of the Group.• The RMC comprises a majority of Independent Directors, its members are:<ol style="list-style-type: none">a) Chew Hoy Ping (Independent Non-Executive Director) – Chairman;b) Datuk Toh Ah Wah (Independent Non-Executive Director) – Member;c) Michelle Tanya Achuthan (Independent Non-Executive Director) – Member; andd) Stefano Clini (Managing 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	:	<ul style="list-style-type: none">• The Board of Directors has always placed significant emphasis on sound internal controls which are necessary to safeguard the Group's assets and shareholders' investment.• To this end, the Board affirms its overall responsibility for the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls. However, it should be noted that such system, by its nature, manages but cannot totally eliminate all risks and therefore can provide only reasonable and not absolute assurance against misstatement, loss or fraud.• Reviews are performed throughout the year to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Group's independent and sufficiently resourced internal audit function as well as the Company's management team.• The Group maintains an in-house IA function, which is independent of the business operations. The Head of IA is Mr. Lim Tiong Eng @ Allan Lim, a chartered accountant under the Malaysian Institute of Accountants as well as a certified practicing accountant under the CPA Australia. The Head of IA is assisted by 3 internal auditing staff.• The Head of Internal Audit has a functional reporting line to the AC Chairman. He has full access to the AC and maintains regular communication with the AC Chairman for discussion of audit matters as well as other matters concerning the IA function.• The scope of work for the IA function is laid out in the annual audit plan that is approved by the AC. The contents of the annual audit plan are determined by an annual risk assessment performed independently by the IA function. Areas covered by the annual audit plan are related to key internal control processes, risk management, corporate governance & compliance and related party transactions. The progress and status of the audit plan is presented to the AC on a quarterly basis.• The works performed by IA are guided by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework in general and the COSO 5 components of internal control specifically. The IA team also refers closely to the standards as per the International Professional Practices Framework (2017) issued by the Institute of Internal Auditors.• All audit findings and the corresponding remedial action plans are presented by the Head of Internal Audit in the quarterly AC

	meeting. The progress and implementation status of action plans is also tabled in the quarterly meeting. A dedicated reporting deck is prepared for such purposes.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Group has an Internal Audit Department (“IAD”) that provides the AC and the Board with reasonable assurance on the adequacy and integrity of the system of internal controls. • The IAD is staffed by a total of 4 professionals and it is led by Mr. Lim Tiong Eng @ Allan Lim as the Head of Internal Audit. He holds a Bachelor of Commerce (major in accounting) and is a certified member of both CPA Australia & Malaysian Institute of Accountants. • All members of the IA function, like any other employees of the Group, are subject to an annual declaration of any potential conflict of interest. No member of the IA function has reported any conflicts of interest during the year. • The works performed by IA are guided by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) framework in general and the COSO 5 components of internal control specifically. The IA team also refers closely to the standards issued in the International Professional Practices Framework (2017) issued by the Institute of Internal Auditors.
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	:	<ul style="list-style-type: none"> • The Board recognises the importance of an effective communication channel between the Board, shareholders and general public, and at the same time, full compliance with the disclosure requirements as set out in the Listing Requirements. • The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance. • The Managing Director is the designated spokesperson for all matters related to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board. • The Group maintains a website at www.carlsbergmalaysia.com.my for shareholders and the public to access information on, amongst others, the Group's background and products, financial performance, frequently-asked questions (FAQs) and updates on its various sponsorships and promotions. • Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or phone. Primary contact details are set out at the group's website. • Written communications are attended to within 48 hours from day of receipt. The website also posts all press releases made by the Group together with latest news on the Group and the industry. During the year, the Managing Director and/or key management personnel also conduct discussions with the press and analysts when necessary, to provide information on the Group's strategy, performance and major developments. A press briefing is usually held after each 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 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	:	<ul style="list-style-type: none">• The Company's Annual Report 2020 was guided by the principles and content elements of the International Integrated Reporting Framework, with a foundation on our current corporate strategy.• The Board sees the importance in providing clarity on business issues, linkages between financial and non-financial performance, and value created for our stakeholders.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Group targets to adopt integrated reporting based on a globally recognised framework and that which is aligned with the Carlsberg Group in the preparation of the Annual Report.
Timeframe	:	Within the next 3 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	:	<ol style="list-style-type: none">1. The Annual General Meeting (“AGM”) represents the principal forum for dialogue and interaction with shareholders.2. At every meeting, the Board sets out the progress and performance of the Group since the previous AGM.3. Shareholders are encouraged to participate in the Question & Answer session wherein the Directors, Company Secretary, Heads of Department as well as the Group’s external auditors are available to respond to the queries raised. In the event an answer cannot be readily given at the meeting, the Chairman will undertake to provide a response that is uploaded onto the corporate website subsequently.4. Each item of special business included in the notice of meeting will be accompanied by a full explanation on the effects of a proposed resolution.5. The notices of AGM are despatched to shareholders at least 28 days before the AGM, to allow shareholders to have sufficient time to read the Annual Report and make the necessary attendance and voting arrangements. During 2020, due to the implementation of the Conditional Movement Control Order in Malaysia, the Company’s Annual Report 2019 was separately issued on 8 May 2020 while the Notice of AGM was issued on 10 June 2020, which was within 28 days from the date of the Annual General Meeting held on 9 July 2020.6. Details as below:<table border="1"><thead><tr><th>Document</th><th>Date of Issue</th><th>No. of Days before AGM</th><th>Date of Annual General Meeting</th></tr></thead><tbody><tr><td>Annual Report 2019</td><td>8 May 2020</td><td>60 days</td><td>9 July 2020</td></tr><tr><td>Notice of 50th AGM</td><td>10 June 2020</td><td>28 days</td><td>9 July 2020</td></tr></tbody></table>7. During the year, the MD and/or key management personnel also conduct periodic discussions with the press and analysts when necessary, to provide information on the Group’s strategy, performance and major developments.8. A press briefing is also usually held after each AGM.9. The proceedings of the 50th AGM included the Managing Director’s presentation of the Group’s performance, key developments and financial results for the reporting year and commentary on the	Document	Date of Issue	No. of Days before AGM	Date of Annual General Meeting	Annual Report 2019	8 May 2020	60 days	9 July 2020	Notice of 50 th AGM	10 June 2020	28 days	9 July 2020
Document	Date of Issue	No. of Days before AGM	Date of Annual General Meeting											
Annual Report 2019	8 May 2020	60 days	9 July 2020											
Notice of 50 th AGM	10 June 2020	28 days	9 July 2020											

	<p>outlook for the following year and a Question & Answer session during which the Chairman invited shareholders to raise questions pertaining to the Company's financial statements and other items, before putting the resolutions to vote. Senior Management and representatives of External Auditors were also present to respond to any queries by the shareholders. The responses to the questions raised by the Minority Shareholders Watch Group were presented to shareholders at the AGM and uploaded to the Company's website at www.carlsbergmalaysia.com.my.</p> <p>10. The Board is satisfied with the current programme for the AGM and during 2020, there were no major contentious issues noted with shareholders/investors.</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

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	:	<ul style="list-style-type: none"> • All directors have always committed to attend the AGM. The Board members include executives of the Carlsberg Group with global and regional responsibilities. • All directors attended the Company's 50th Annual General Meeting in 2020. • The Chairmen of the AC, RMC and the NRC were present to provide responses if necessary to any questions addressed to them. 	
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	:	Applied	
Explanation on application of the practice	:	The Company’s Annual General Meeting has been held within the capital city limits and not in a remote location. In 2020, the Company conducted the 50 th AGM on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting (RPV) facilities available on Tricor Investor Issuing House Services TIIH Online website, allowing attendance by shareholders and proxy holders via remote participation and voting in absentia.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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

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

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