

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5292
COMPANY NAME : UWC Berhad
FINANCIAL YEAR : July 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is entrusted to overseeing the overall management of the business affairs of the Group; determining all major policies; ensuring effective strategies and management are in place; assessing the performance of the Group and its management team; and reviewing the systems of risk management and internal control of the Group.</p> <p>When implementing the business plan, the Executive Directors are responsible for executing corporate decisions made by the Board while the Non-Executive Directors scrutinise the management performance by providing independent views and advice in the interests of the shareholders at large.</p> <p>In order to ensure that its obligations to its shareholders and other stakeholders are understood, the Board has defined and collectively review and approved its roles and responsibilities as well as its schedule of reserved matters in its Board Charter, which can be found at the Company's corporate website at www.uwcberhad.com.my. The Board Charter is reviewed periodically by the Board.</p> <p>Periodically, the Board will review and track the management performance through its review of the interim financial results of the Group. The Board is kept abreast of the latest updates of the Company in the quarterly Board Meeting.</p> <p>The Group has in place the Anti-Bribery and Anti-Corruption Policy in keeping with the commitment set forth to prevent and detect bribery and corruption. This Policy is prepared in accordance with the Malaysian Anti-Corruption Commission Act 2009 and Malaysian Anti-Corruption Commission (Amendment) Act 2018.</p>

	<p>In addition, the Group has also adopted Whistle Blowing Policy. The objective of this Whistle Blowing Policy is to create open work environment practise within the Group. The Code of Conduct and Ethics serve as a tool for the Board to convey and instil its values into the organisation.</p> <p>During the year, the Board has also reviewed and updated its Diversity Policy. This Diversity Policy is a formalisation of the Group's commitment to gender diversity at board level and across the Group.</p> <p>The Board has also introduced Fit and Proper Policy for Directors. This Fit and Proper Policy defines the criteria in the evaluation of directors before their appointment and/or re-election to the Board.</p> <p>These policies are posted onto the Company's corporate website.</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

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 is an independent non-executive member of the Board.</p> <p>The Board Chairman instills good governance practices, leadership and effectiveness in the Board through chairing of board and shareholders meetings and deliberating together with the Board members on board matters and policies.</p> <p>When chairing the board meetings, the Chairman will lead and facilitate other Board members to participate in the meeting and ensure that each Board member receives information for the agenda discussed.</p> <p>The responsibilities of the Board Chairman are set out in the Board Charter, which is published on the Company's corporate website at www.uwcberhad.com.my.</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 position of Board Chairman and Group Chief Executive Officer ("CEO") are held by different Individuals.</p> <p>The Board is headed by an Independent Non-Executive Director, Dato' Wan Hashim bin Wan Jusoh whereas the Group CEO is Dato' Ng Chai Eng. The role of the Board Chairman is to ensure the effective functioning of the Board while the key role of the Group CEO is to lead and manage the Group's operations and execute the decisions made by the Board.</p> <p>The distinct and separate roles and responsibilities of the Board Chairman and Group CEO are clearly stated in Board Charter, which is available on the Company's corporate website at www.uwcberhad.com.my.</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 Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Independent Chairman of the Board, Dato' Wan Hashim bin Wan Jusoh also is a member of Audit Committee, Nomination Committee and Remuneration Committee due to limited number of independent directors in the present Board. The Board took cognisance that having the same individual assuming the positions of Chairman of the Board as well as Chairman or member of Board Committees may give rise to self-review risks.
	:	It is determined that the involvement of the Chairman of the Board in the meetings of the Committees will not impair the objectivity of the Committees as the Chairman of the Board is independent, non-executive and does not assume the Chairman role of the Committees. In addition, the Chairman of the Board has always provided constructive opinions that are relevant to the business during the Committee meetings in the past. The Committees are of the view that there is sufficient check and balance in place to accommodate the Chairman of the Board also being a committee member.
<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 continuously review this departure of practice to ensure whenever there exists any sign of conflicts, they will collectively adapt to promote good governance.
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Presently, the Board is assisted by a qualified and competent Chartered Secretary who is an associate member of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretary assists the Board in discharging its duties with regards to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.</p> <p>The Company Secretary keeps the Board informed of new legislation in ensuring compliance with the latest regulatory requirements. All Board members have unrestricted access to the advice and services of Company Secretary. The decision for appointing and removing the Company Secretary rests with the Board.</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 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	The Board understand that quality of information affects the effectiveness of the Board to oversee the conduct of business and to evaluate the Management’s performance of the Group.	
		Board papers were circulated to the Board members at least seven (7) days in advance of each Board meetings in order to provide the Board members with information beforehand so that they can deliberate issues more effectively during the Board meetings. During the board meeting, Executive Directors and Management were also invited to attend the Board meetings to provide explanations to the agenda discussed.	
		Upon conclusion of meeting, the Company Secretary will ensure that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes is circulated to the Board members before the next meetings.	
During the FY2022, there were five (5) meetings held and all the Board Papers were circulated to the Board in timely manner.			
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

The board charter clearly identifies –

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has defined its Board Charter setting out the roles, duties and responsibilities of the Board, Chairman, Executive Directors and the Independent Directors as well as the schedule of matter on key matters reserved for the Board's approval.</p> <p>The Board has also defined the terms of reference of its Board Committees, namely the Audit, Risk Management, Nomination and Remuneration Committees respectively. These Board Committees are responsible to carry out their functions and responsibilities in accordance to their respective terms of reference and to report back to the Board. The Board Charter is reviewed periodically by the Board and the Board Charter was updated on 21 June 2022.</p> <p>The Charter, Code of Conduct and Ethics, Whistle Blowing Policy, Anti-Bribery and Anti-Corruption Policy, Fit and Proper Policy for Directors, Diversity Policy as well as the terms of reference of the Board Committees are also posted on the Company's corporate website at www.uwcberhad.com.my.</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

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has defined its Code of Conduct and Ethics. This Code of Conduct and Ethics serve as a tool for the Board to convey and instil its values into the organisation.</p> <p>Amongst other, the provisions in this Code of Conducts and Ethics include:</p> <ul style="list-style-type: none">- Conflict of Interest- Confidentiality- Insider Information- Protection of Assets and Funds- Compliance- Gift- Anti-bribery <p>As stated in Practice 2.1, the Code of Conduct and Ethics is also posted onto the Company's corporate website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has defined its Whistle Blowing Policy for the Group. This policy is also posted onto the Company’s corporate website.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognise the importance of sustainability and are committed to better our fundamentals on the environmental, social and governance ("ESG") related frameworks to bring forth long term value to our stakeholders. The Board is responsible for the overall direction on the sustainability efforts and initiatives of the Group.</p> <p>The roles and responsibilities of the sustainability governance bodies are presented below:</p> <p><u>The Board</u></p> <ul style="list-style-type: none">• Oversees the sustainability efforts and initiatives of the Group;• Reviews and endorses the Group's material sustainability matters;• Reviews and endorses the sustainability initiatives proposed by the Sustainability Committee;• Reviews and endorses the annual sustainability report for inclusion in our annual report; and• Sets strategies that support long-term value creation and includes strategies on EES considerations underpinning sustainability. <p><u>Sustainability Committee</u></p> <ul style="list-style-type: none">• Identifies material sustainability matters that are relevant to the Group's business operations;• Proposes sustainability initiatives and measures to be implemented across the Group;• Implements sustainability initiatives that have been approved by the Board;• Conducts data gathering for sustainability reporting; and• The Chairman reports the overall progress of the Group's sustainability efforts to the Board.

	<p>The Group's sustainability practises comprise 3 dimensions which are Economic, Environmental and Social (EES). Besides, UWC Group is committed to supporting and fulfilling the United Nation's Sustainable Development Goals ("UN SDGs"). The Board has aligned the identified material sustainability matters with thirteen (13) relevant SDGs to embed sustainability in our organisation.</p> <p>The further details of the Group's sustainability matters and initiatives are disclosed in the Sustainability Report in Annual Report 2022.</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

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is cognisant of a stakeholder is essentially an individual or a group that has an effect on, or is affected by our Group and our activities. Naturally, our stakeholders influence the way we carry out our business activities and how we formulate our strategies to meet their expectations and to generate long-term benefits to our stakeholders in terms of business sustainability and value creation.</p> <p>The Board communicates with interested stakeholders (both internal and external) through various means, including AGM, roadshow and Investors' briefing, supplier or customer periodic visit and audit, quarterly reporting, engagement with local communities and etc. The method of how we engage with the different stakeholders to address their needs are disclosed under Stakeholder Engagement in Sustainability Report 2022.</p> <p>The Sustainability Report also summarise the sustainability initiatives and accomplishments on the identified material sustainability matters. We believe in the symbiotic partnership between business, regulatory and society in achieving sustainability that benefit society and the environment.</p> <p>The Sustainability Report is prepared in accordance with Main Market Listing Requirements and adopted the content elements of FTSE4Good Bursa Malaysia Index, in line with Bursa Malaysia Sustainability Reporting Guide.</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

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	In order to discharge their duties effectively as Directors, the Board attended appropriate seminars, training, or workshops during the year to continuously enhance their knowledge and stay abreast of latest developments relating to sustainability matters. This is addressed under the training programmes attended during the financial year as set out in the Corporate Governance Overview Statement in Annual Report 2022.	
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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is responsible to oversee the sustainability efforts and initiatives of the Group and also recognises the importance of sustainability in all its business operation. To be in line with the best practice advocated by MCCG 2021, the Annual Board Assessment and Evaluation Form of the Company for the FYE 2022 includes an assessment on the effectiveness of the Board in addressing the Company's material sustainability risks and opportunities.	
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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5 - Step Up

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

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>		
Application	:	Adopted
Explanation on adoption of the practice	:	<p>Dr. Ng Chin Liang, the Deputy Group CEO was appointed by the Board to lead the sustainability development effort of the Group. He provides strong stewardship towards the implementation of the sustainability initiatives within the Group and he is supported by a number of sub-committees to aid him to discharge this responsibility effectively. Together, Dr. Ng Chin Liang and the sub-committees form the Sustainability Committee which ensures that sustainability practices are embedded and integrated into the Group's business operations rather than as a standalone basis, to ensure continuity, relevance and sustainability of the practices.</p> <p>Further to adopt the Practice 4.5-Step Up, the Board unanimously affirmed Dr. Ng Chin Liang as the executive leadership on sustainability for the Group upon deliberation on 21 June 2022.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board holds that the effectiveness of the Board is influenced by a proper balance and mixture of skills, talents, knowledge, experiences, backgrounds, and gender. The Nomination Committee ("NC") assesses the performance of the Board and Board Committees through annual board evaluation.</p> <p>An annual assessment has been conducted by the NC on 6 September 2022 towards the effectiveness and independence of the Board and Board Committees. The evaluation involves individual Director completing separate evaluation questionnaires regarding the processes of the Board and its Board Committees, their effectiveness and improvement opportunities, where necessary. Further, an assessment is conducted where Directors assess the performance of their fellow Directors as a whole, and the contribution of each individual Director including his time commitment, skills, knowledge, character, experience, professionalism and integrity.</p> <p>Currently, the Board's membership comes from a variety of backgrounds and skills, which helps in giving the Group access to a wide range of perspectives and a wealth of knowledge and experience. The tenures of all three (3) Independent Directors are less than five (5) consecutive years. The profiles of all the Directors are disclosed in Annual Report 2022.</p> <p>The NC is responsible for evaluating the eligibility of the Directors to stand for re-election at the Annual General Meeting ("AGM"). On 6 September 2022, the NC assesses the quality and integrity, competency and capability, time and commitment of Director who is subject to annual retirement by rotation and re-election at the forthcoming AGM. Upon deliberation and satisfactory evaluation, the NC recommends to the Board for shareholders' approval.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	Presently, majority of the board members are Independent Non-Executive Directors. This composition is on par with the practice required for Large Company and fairly reflects the interest of shareholders.	
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 5.3

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

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

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:	The current Independent Directors only came on Board in 2018 and their tenure do not exceed the cumulative term limit of nine years as of to-date.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board updated its Board Charter on 21 June 2022 to be in line with the best practise of the MCCG.</p> <p>Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.</p>

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied											
Explanation on application of the practice	:	The appointment of Board members and key senior management are based on objective criteria, merit and with due regards for diversity in skills, experience, age, cultural background and gender. The current diversity in age distribution gender and skillsets of the existing Board members and key senior management are as follows:-											
		Age Group/ Gender		26-35 years		36-45 years		46-55 years		56-65 years		Total	
			M	F	M	F	M	F	M	F	M	F	
		Number of Directors	1	0	0	0	1	0	3	1	5	1	
		Number of Key Senior Management	0	0	1	1	2	0	1	0	4	1	
		M - Male F - Female											
		Skill	Business Management		Accounting & Finance Management		Engineering		Legal		Economics and Government Administration		
		Number of Directors	1		2		1		1		1		
		Number of Key Senior Management	1		1		3		0		0		
		Duties of Nomination Committee and criteria for consideration of candidates are covered in terms of reference for the Nomination Committee which is available at Company's corporate website.											
		The Board appointed Mr. Lee Boon Chien ("Mr Lee") as Financial Controller ("FC") of the Group on 14 February 2022. The NC has deliberated and assessed his suitability by taking into consideration the required mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies and personal qualities before recommending the appointment of new FC to the Board for approval.											

	<p>The Board had adopted a Fit and Proper Policy for Directors on 21 June 2022. The purpose of this Policy is to define the criteria (i.e. character, experience, integrity, competence and time commitment to effectively discharge his/her role) in the evaluation of directors before their appointment and re-election to the Board. This Fit and Proper Policy for Directors has been published onto the Company’s corporate website.</p> <p>All members of the Board and Board Committees achieved full attendance to the meetings held in FY2022. There is also formal and informal engagement between the Board members and management throughout the year. The Board is satisfied that each Director is able to commit and devote adequate time to effectively discharge his or her responsibilities.</p>	
Explanation : for departure		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	When identifying suitably qualified candidates for appointment as director, the Nomination Committee would consider recommendations from existing board members, management, major shareholders and third-party sources, thereafter shortlist candidates for the Board's further deliberation. The Board evaluates candidates for directorship based on their skills, knowledge, professionalism, character and experience in line with the needs of the Group. There was no new director being appointed during the financial year.	
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 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of the Directors are set out in the Profile of Directors in Annual Report 2022. These include their age, gender, nationality, qualification, date first appointed to the board, membership of the board committee, working experience, occupation, present appointment, any conflict of interest and history of conviction of any offences as well as Board meeting attendance during the financial year. Their shareholdings in UWC was disclosed in the Analysis of Shareholdings as set out in Annual Report 2022.</p> <p>The NC is also responsible for evaluating the eligibility of the Directors to stand for re-election. Upon satisfactory outcome of the annual performance evaluation of the Directors on 6 September 2022, the NC resolved to propose to the Board to recommend both Dato' Wan Hashim Bin Wan Jusoh and Dato' Ng Chai Eng for annual retirement by rotation and re-election at the forthcoming AGM to be held on 9 Jan 2023 for shareholders' approval.</p> <p>A statement by the Board and Nomination Committee being satisfied with the performance and effectiveness of the retiring Directors who offer themselves for re-election at the fifth (5th) AGM will be included in the Statement Accompanying Notice of 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

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Dato’ Lio Chee Yeong, who is an Independent Non-Executive Director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is mindful that any gender representation should be in the best interest of the Company. At present, there is one (1) female Director sitting on the Board of the Company. Her presence also complies with Main Market Listing Requirements which mandates presence of at least one (1) female Director on board.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board views the incorporation of gender diversity in the boardroom as a long-term goal, and is committed to provide equal opportunities and nurturing diversity within the Group. The Board will continue to review this Practice annually.	
Timeframe	:		

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The board is committed to workplace diversity and recognizes the benefits arising from employee and board diversity. UWC has in place a Diversity Policy for the Board and its workforce as the Board is of the collective opinion that the Diversity Policy is a formalisation of the Group's commitment to gender diversity at board level and across the Group.</p> <p>Upon introduction of Practice 5.10 of the MCCG 2021, the Board reviewed and improved the Diversity Policy. New clauses added to the scope of diversity policy are relating to independence, skills and experience, gender, cultural background, ethnicity and age that are supplemented by measurable objectives.</p> <p>The Board had approved the revised Diversity Policy for publication onto the Company's corporate website on 21 June 2022.</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 form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>An annual assessment of the Board is undertaken following the completion of the financial year. The evaluation is carried out by way of questionnaires sent to each Director. The questionnaires cover the composition, role, procedures and practices of the Board as a whole and the self-assessments of each individual director's performance. In the assessments, the Nomination Committee ("NC") took into consideration, among others but not limited to, the character, experience, integrity, personality, competence and contribution of each director. The individual responses to the questionnaires are confidential to each Director, with questionnaire responses sent to the Company Secretary for summarization for consideration by the NC and subsequent report back to the Board.</p> <p>On 6 September 2022, the Company Secretary tabled following evaluations performed by the directors for the financial year 2022 to the NC:</p> <ul style="list-style-type: none">- Review the current Board's structure, size and composition,- Assess the effectiveness of the Board as a whole and Board's Committee as well as the contribution of each individual Director,- Assess the effectiveness of the Board on Environmental, Social and Governance ("ESG") issues such as ESG considerations and sustainability targets- Review the required mix of skills and experience and other qualities, including core competences of the members of the Board,- Review the level of Independency of Independence Directors,- Note the details of the training attended by the Directors of the Company; and- Review and recommend re-election of retiring Directors

	<p>The NC noted satisfactory results from the above evaluations and reported to the Board accordingly.</p> <p>The NC had conducted an annual review over the performance of the Audit Committee and its members, the NC was of the view that Audit Committee and its members have carried out their duties in accordance with the terms of reference of the Audit Committee. At the same time, the executive Board members, in reviewing the reports from the Audit Committee, affirmed that Audit Committee and its members have carried out their duties in accordance with the terms of reference of the Audit Committee.</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

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

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Broadly, the remuneration policy of the Board requires that the remuneration of the Non-Executive Directors to be determined in accordance with their experience and the level of responsibilities assumed in the Board Committees, their attendance and special skills and expertise they bring to the Board, whilst the remuneration of the Executive Directors will be based on the individual’s and Group’s performance, the market conditions trends and industry practice.</p> <p>The Remuneration Committee which consists wholly of Non-Executive Directors recommends the remuneration for the Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. Individual Director abstains from deliberations and voting on the decision in respect of their own remuneration.</p> <p>The Remuneration Committee has met three (3) times during the financial year.</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

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established its Remuneration Committee ("RC"). The objective of the RC is to assist and advise the Board on matters relating to the remuneration of the Board and key senior management as well as how to attract, motivate and retain executives to create shareholder value.</p> <p>The present members of the RC are as follows and comprise wholly Non-Executive Independent Directors:</p> <p><u>Chairman:</u> Dato' Lio Chee Yeong</p> <p><u>Members:</u> Dato' Wan Hashim Bin Wan Jusoh Dato' F'ng Meow Cheng</p> <p>The terms of reference of the Remuneration Committee in place outlines their roles and responsibilities when deliberating matters in relation to the remuneration of the Board and senior management. RC reviews the terms of reference periodically and posted it onto the Company's corporate website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Details of the Directors' remuneration received/receivable by all the Directors of the Company for the financial year ended 31 July 2022 is set out in the following page.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emolument	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Wan Hashim Bin Wan Jusoh	Independent Non-Executive Director	72	5	-	-	-	-	77	-	-	-	-	-	-	77
2	Dato' F'ng Meow Cheng	Independent Non-Executive Director	36	2.5	-	-	-	-	38.5	-	-	-	-	-	-	38.5
3	Dato' Lio Chee Yeong	Independent Non-Executive Director	36	2.5	-	-	-	-	38.5	-	-	-	-	-	-	38.5
4	Dato' Ng Chai Eng	Executive Director	-	-	-	-	-	-	-	-	120	914	720	112	-	1,866
5	Lau Chee Kheong	Executive Director	-	-	-	-	-	-	-	-	120	914	720	112	-	1,866
6	Dr. Ng Chin Liang	Executive Director	-	-	-	-	-	-	-	-	16.5	204	84.4	25.3	-	330.2

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Details of the remuneration of the top five (5) senior management are not disclosed on a named basis as the Board is of the view that such disclosure may expose our key senior management to unwarranted attention.</p> <p>The Company also believes that non-disclosure of the remuneration information on top five (5) senior management will not affect the interest of its shareholders.</p> <p>The Board would endeavour to ensure that the remuneration of the top five (5) senior management commensurate with their duties and responsibilities and also in line with the market pay-outs.</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 monitor the market practice on such disclosure practice and will review its response to Practice 8.2 annually.
Timeframe	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The members of Audit Committee comprising fully Independent Non-Executive Directors and the Chairman of the Committee is Dato’ F’ng Meow Cheng who is not the Chairman of the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	None of the members of the Audit Committee are former audit partners of the current external audit firm of the Group.	
		The Committee is mindful of at least three (3) years cooling-off period best practice under the MCCG when considering the appointment of a former key audit partner from its current external audit firm to ensure that the review of the Group financial statement and the performance and independence of the External Auditors are being done objectively by the Committee.	
Explanation for departure	:	The terms of reference of the Audit Committee is available on the Company’s corporate website.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The present External Auditors has been appointed since 2011. Nonetheless, the External Auditors practise a seven-year engagement partner rotation policy.</p> <p>Under its terms of reference, the Audit Committee shall assess the performance of External Auditor and its independence covering:</p> <ul style="list-style-type: none">i. the External Auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;ii. the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; andiii. whether there are procedures in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or length of service tenure of the External Auditors. <p>Before the commencement of the current financial year audit, the AC has reviewed and deliberated with the External Auditors on their audit planning memorandum, covering the audit risk areas, approach, emphasis and timeline.</p> <p>The AC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to UWC presently.</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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>As reported in Practice 9.1, the members of Audit Committee are fully Independent Non-Executive Directors and the composition is tabulated as below:</p> <ul style="list-style-type: none">(1) Dato' F'ng Meow Cheng - Chairman(2) Dato' Wan Hashim bin Wan Jusoh - Committee Member(3) Dato' Lio Chee Yeong - Committee 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 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee Chairman, Dato' F'ng Meow Cheng is a member of Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.</p> <p>Members of the Audit Committee are financially literate, with diverse background, experience and knowledge in accountancy, business management, commercial and corporate laws and national investment policies and administration.</p> <p>Members of the Audit Committee have noted the provision in this Practice and will undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules in the new financial year.</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

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility for maintaining a sound internal control system for the Group identifying and reviewing risks; and ensuring the implementation of appropriate systems to manage risks. While the Board has delegated its oversight role in risk management and the system of internal controls to the Audit and Risk Committees, the Board understands the principal risks of the business that the Group is engaged in.</p> <p>The risk management processes in identifying, evaluating, managing and documenting key operational risks in UWC are embedded in the operation and business processes in accordance with the ISO Quality Management System. These processes are performed by key senior management and reported to the Executive Directors cum Group CEO and COO.</p> <p>During the year, the management has reported to the Risk Management Committees of the status of its key risks.</p> <p>The Statement of Risk Management and Internal Control ("SORMIC") set out in Annual Report 2022 provides an overview on the state of the internal control in the Group.</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

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has disclosed in detailed the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework under SORMIC in its Annual Report. The Board is satisfied with the existing level of systems of risk management and internal control and also received assurance from the Group CEO and the Financial Controller that to the best of their knowledge that the Group's risk management and internal control systems are adequate and effective, in all material aspects.	
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 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has formed its Risk Management Committee to overseeing the risk management framework in the Group. This Committee comprises fully Independent Non-Executive Directors and the composition is tabulated as below:</p> <p>(1) Dato' F'ng Meow Cheng - Chairman (2) Dato' Wan Hashim bin Wan Jusoh - Committee Member (3) Dato' Lio Chee Yeong - Committee Member</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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Auditors will review the systems of internal control of the Group based on the audit plan approved by the Audit Committee ("AC"). The Internal Auditors will then report their findings, their suggestions for improvement and the management responses to the AC. The progress of the implementation of recommended actions are being monitored through follow up reviews by the Internal Auditors. The AC will then report to the Board on the progress and findings of the internal audit function.</p> <p>During the financial year 2022, the Board has outsourced its internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC"), an independent professional firm which reports directly to the AC. The AC has approved the Internal Audit Plan, which outlines the scopes of internal audit for the whole financial year. Subsequently, the internal audit findings and recommendations for improvement, including action plans agreed with operation level management, were reported to the AC on 21 June 2022.</p> <p>The AC also reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.</p> <p>Further details of the Internal Audit function are set out in the AC Report section of the Annual Report 2022.</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

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit Function is carried out by KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC"), an independent professional firm. There is no other engagement between the Group and KPMG MRC which may create conflict of interest or impair their objectivity and independence.</p> <p>The internal audit engagement is led by an Executive Director, namely Encik Mohd Khaidzir Shahari who is with the Internal Audit, Risk and Compliance Services ("IARCS") practices of KPMG MRC. He provides overall direction for the engagement and is responsible for all stages of the work therein. Encik Mohd Khaidzir is a Professional Member and Certified Internal Auditor (The Institute of Internal Auditors Incorporated), a Chartered Accountant of Malaysia Institute of Accountants and a Certified Global Management Accountant. He is also currently a Board of Governors for the Institute of Internal Auditors Malaysia ("IIAM") and is the Chairman of IIAM's Research and Technical Advisory Committee. All the personnel deployed by KPMG MRC are free from any relationship or conflict of interest, that could impair their objectivity and independence during the course of their work.</p> <p>The Internal Auditors conduct their work in consideration of the broad principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The Internal Auditors report their observations and findings on pre-agreed scope to Audit Committee.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Information about the Group’s business and corporate developments is disseminated through the Company’s annual reports, various disclosures to Bursa Securities including quarterly financial results, changes in composition of the Board, changes in shareholdings and others announcements in accordance with the Main Market Listing Requirements of Bursa Securities were made from time to time.</p> <p>In addition, the Group maintains a website at www.uwcbberhad.com.my where shareholders or investors may access information of the Group encompassing corporate information, latest financial results, annual reports, announcements to Bursa Securities, Board Charter, other Board policies and Board Committees’ terms of reference.</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

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

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

Practice 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has yet to adopt integrated reporting based on a globally recognised framework.	
		The Board is of the view that the current Company’s Annual Report present a sufficiently comprehensive overview about the financial and non-financial information of the Group for stakeholders to make informed decisions.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Company will continuously assess its’ need and readiness to adopt integrated reporting based on a globally recognised framework.	
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is mindful that the sufficient notice of general meeting would allow shareholders to make necessary arrangements to attend and participate either in person or by corporate representative, proxy or attorney as well as to enable the shareholders to have the adequate time to consider the resolutions that will be discussed and decided at the meeting.</p> <p>The notice of fourth (4th) AGM was despatched to be shareholders on 30 November 2021, which is at least 28 days prior to the meeting held on 10 January 2022. In addition to sending notices, the Company also advertised in a major local news media (New Straits Times) as well as the Company’s corporate website.</p> <p>Likewise, the forthcoming fifth (5th) AGM will be conducted on 9 January 2023 and the Company shall provide the Notice of AGM to the shareholders at least 28 days prior to it.</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

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	All the directors of the Company attended the previous Annual General Meeting (“AGM”) that was held on 9 January 2022 and all the Directors have confirmed their attendance for the forthcoming AGM, barring unforeseen circumstances. The chairs of the Audit, Risk Management, Nomination and Remuneration Committees will undertake to address questions directed to them by shareholders during the AGM.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board considers the convenience of shareholders when selecting a suitable and appropriate location to hold its AGM.</p> <p>Shareholders who are unable to attend the AGM are advised to appoint proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Registered Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.</p> <p>All resolutions set out in the Notice of AGM will be put to vote by poll. The Company will also appoint independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM will be announced to Bursa Securities on the same meeting day.</p> <p>Before resorting to the use of technology voting system, the Board will observe the number of shareholders turn-up in the next few general meetings and evaluate the cost and benefit of the electronic and technology voting system options for managing voting by large group of shareholders.</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 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	During the fourth (4 th) AGM, the Board addressed all questions posed by shareholders. The Board also presented the response to the queries raised by Minority Shareholders Watch Group prior to AGM. Members of the Board and Board Committees, the management, Company Secretary and external auditors were present during the fourth (4 th) AGM to address any areas of interest or concerns brought up by the shareholders.
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 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
Application	:	Not applicable – only physical general meetings were conducted in the financial year
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

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The announcement of outcome of the fourth (4 th) AGM that held on 10 January 2022 was made to Bursa Malaysia and made available on the Company's corporate website.
<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 ensure that the minutes of the forthcoming fifth (5 th) AGM be published on the Company's corporate website within thirty (30) business days after the general meeting.
Timeframe	:	Within one (1) year

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

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

Not applicable
