

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement sets out the principal features of Boustead Plantations Berhad (BPB or the Company) and its subsidiaries' (collectively referred to as the Group) corporate governance approach, summary of corporate governance practices during the financial year as well as key focus areas and future priorities in relation to corporate governance. The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) and guidance was drawn from Practice Note 9 of the MMLR and the Corporate Governance Guide (3rd edition) issued by Bursa Malaysia Securities Berhad (Bursa Malaysia).

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report, based on a prescribed format as enumerated in Paragraph 15.25(2) of the MMLR so as to provide a detailed articulation on the application of the Group's corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance (MCCG). The Corporate Governance Report is available on the Group's website, www.bousteadplantations.com.my as well as via an announcement on the website of Bursa Malaysia.

This Corporate Governance Overview Statement should also be read in tandem with the other statements in the Annual Report namely Statement on Risk Management and Internal Control, Audit Committee Report, Risk Committee Report and Sustainability Report.

CORPORATE GOVERNANCE APPROACH

The Board of Directors (Board) of BPB is committed towards reinforcing its market position in the plantation industry, whilst remaining true to the Group's well-established corporate governance philosophies which are ingrained in the Group's core values, namely, **Respect, Integrity, Teamwork** and **Excellence**. The Board believes that a robust and dynamic corporate governance framework is essential to form the bedrock of responsible and responsive decision making in the Group.

The Group's overall approach to corporate governance is to:

- promote heightened accountability at the leadership level (Board and Senior Management);
- adopt the substance behind corporate governance enumerations and not merely in form;
- conduct a thorough debate and rigorous enquiry process before establishing corporate governance systems, policies and procedures;
- identify opportunities to drive the synergistic implementation of corporate governance systems, policies and procedures for improved strategic and operational decision making; and
- find a fine balance in meeting the expectations of the different groups of stakeholders of the Group.

Given that the Board forms the pivot of good corporate governance, the Board steers efforts to promote meaningful and thoughtful application of good corporate governance practices. The Group regularly reviews its corporate governance arrangements and practices to ascertain if they reflect prevailing norms, market dynamics, emerging trends, developments in the regulatory tapestry and evolving stakeholder expectations.



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SUMMARY OF CORPORATE GOVERNANCE PRACTICES

In manifesting the Group’s commitment towards sound corporate governance, the Group has benchmarked its practices against the relevant promulgations as well as other best practices.

BPB has applied all the Practices encapsulated in MCGG for the financial year ended 31 December 2020 except:

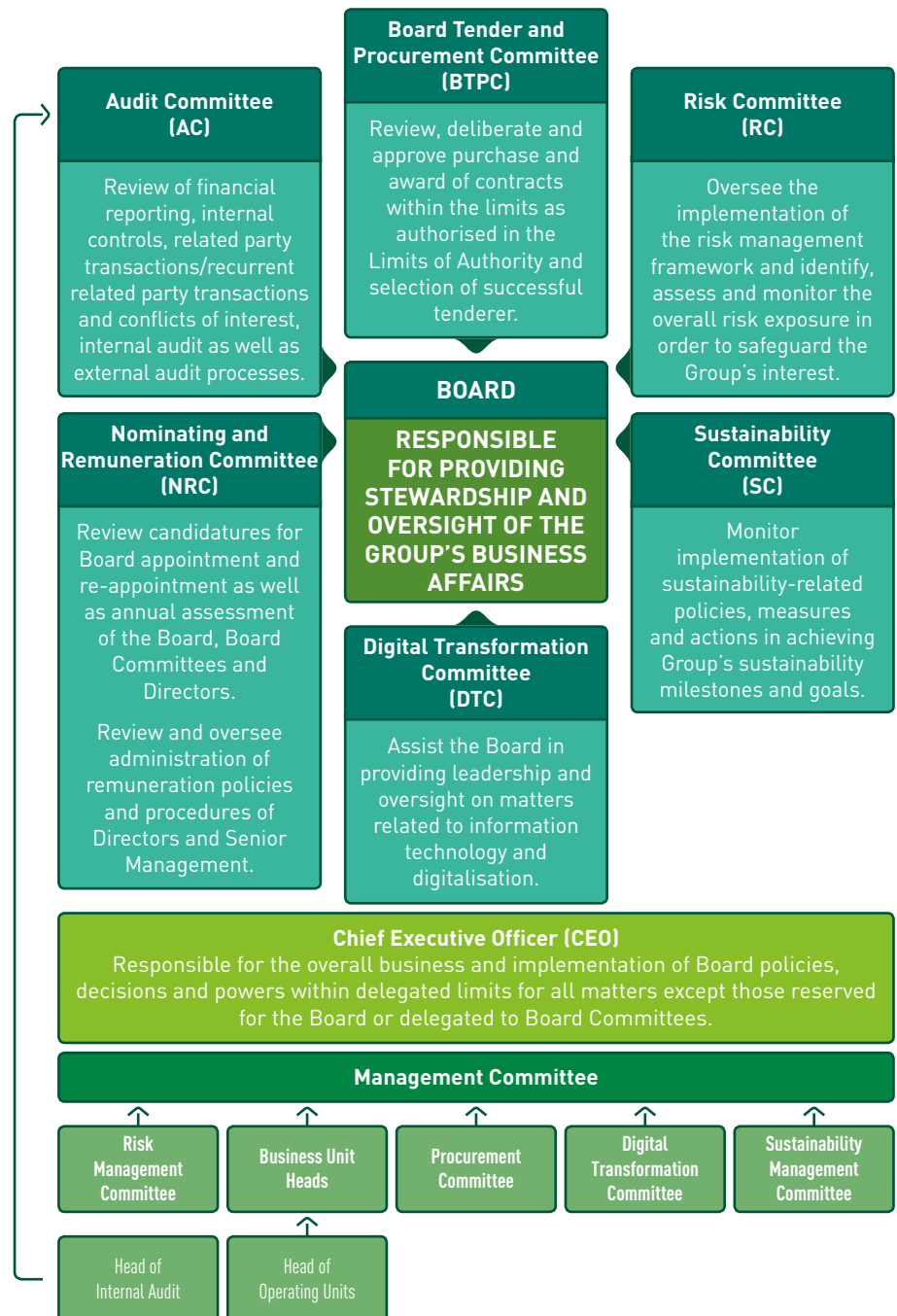
- Practice 4.5: Policy on Gender Diversity;
- Practice 6.1: Remuneration Policy for Directors and Senior Management;
- Practice 7.2: Disclosure of the top five Senior Management personnel’s remuneration on a named basis in bands of RM50,000; and
- Practice 11.2: Adoption of integrated reporting.

In line with the latitude accorded in the application mechanism of MCGG, the Company has provided explanations for the departures from the said practices supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of MCGG are available in the Corporate Governance Report.

A summary of the Group’s corporate governance practices with reference to the MCGG is described below.

BOARD’S ROLES AND RESPONSIBILITIES

The Board is responsible for the corporate governance practices of the Group. Being at the helm of the Group, the Board governs the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group.



As depicted in the earlier illustration, Board Committees have been established to assist the Board in its oversight function with reference to specific responsibility areas. However, it should be noted that the Board retains collective oversight over the Board Committees at all times. These Board Committees have been constituted with clear terms of reference and they are actively engaged to ensure that the Group is in adherence with good corporate governance.

The Board has formalised a Board Charter which sets out the ethos of the Group, structure and authority of the Board. The Board Charter is the primary document that elucidates on the governance of the Board, Board Committees and individual Directors. The Board Charter is available on the Group's website, www.bousteadplantations.com.my and was last reviewed on 22 August 2019.

The Directors allocate sufficient time to discharge their responsibilities effectively and attend Board and Board Committee meetings with sufficient regularity to deliberate on matters under their purview. Board meetings are held at quarterly intervals with additional meetings convened for particular matters, when necessary. During the year, the Board has deliberated on business strategies and critical issues concerning the Group, including business plan, annual budget, significant acquisitions and disposals, financial results as well as key performance indicators. The attendance of individual Directors at Board and Board Committees meetings during the financial year 2020 is outlined below:

Directors	Board	AC	RC	NRC	SC	BTPC ⁷	DTC ⁸
Independent Non-Executive Directors							
Dato' Haji Ismail Haji Lasim ¹	3/3			3/3			
Dato' Mohzani Abdul Wahab	10/10	5/5	4/4	7/7			
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.	10/10		4/4	7/7	2/2	Nil	
Tan Sri Dato' Wira Aziah Ali	10/10	5/5	4/4	6/7	2/2		
Dato' Ahmad Rizal Abdul Rahman	10/10	5/5	4/4		Nil ⁶		2/2 ⁹
Ir. Abdul Aziz Julkarnain ¹	3/3	Nil ⁶				Nil	Nil ⁶
Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid ²	Nil						
Datuk Syed Tamim Ansari Syed Mohamed ³	5/5			2/2			
Dato' Chan Kong Yew ³	5/5				2/2		
Dato' Haji Ahmad Tajuddin Haji Sulaiman ⁴	1/1						2/2
Non-Independent Non-Executive Directors							
Datuk Hj. Shah Headan Ayoob Hussain Shah ⁵	5/5				Nil	Nil	Nil ⁶
Izaddeen Daud ²	Nil						
Fahmy Ismail ²	Nil						
Ahmad Shahredzuan Mohd Shariff ²	Nil						
Dato' Sri Ghazali Mohd Ali ³	4/5						

■ Board/Board Committee Chairman ■ Member

Note:

¹ Appointed w.e.f. 1 September 2020.

² Appointed w.e.f. 10 March 2021.

³ Retired as Director at the conclusion of the 107th Annual General Meeting of the Company held on 24 June 2020.

⁴ Resigned w.e.f. 10 November 2020.

⁵ Appointed w.e.f. 1 July 2020.

⁶ Appointed w.e.f. 1 January 2021.

⁷ BTPC was established on 28 July 2020. No meetings were held during the financial year.

⁸ DTC was established on 28 July 2020.

⁹ Redesignated from Chairman of DTC to Member of DTC w.e.f. 1 January 2021.



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There is clear delineation of roles of the Board and Management. The CEO is the conduit between the Board and the Management in driving the success of the Group's governance and management function. The CEO manages and implements the Board's policies and decisions through the Management Committee.

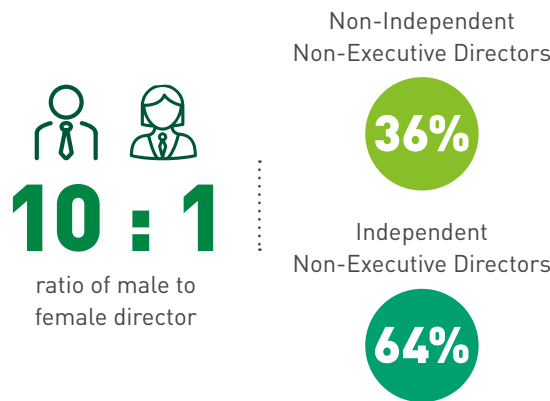
In performing their duties, all Directors have access to advice and services of a suitably qualified Company Secretary. The Company Secretary acts as a corporate governance counsel and ensures good information flow within Board, Board Committees and Senior Management. The Company Secretary attends all meetings of the Board and Board Committees and advises the Directors on the requirements encapsulated in the Company's Constitution and legislative promulgations such as the Companies Act 2016, Capital Markets and Services Act 2007 (Amendment 2012) and MMLR. Management provides Directors with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions.

As Integrity is a core value of the Group, the Board is cognisant of its responsibility to set the ethical tone for the Group. The Code of Ethics and Conduct and Whistleblowing Policy have been put in place to foster an ethical culture and allow legitimate ethical concerns to be escalated in confidence without risk of reprisal. The Code of Ethics and Conduct and Whistleblowing Policy are reviewed periodically by the Board. The Code of Ethics and Conduct is published on the Group's website, www.bousteadplantations.com.my.

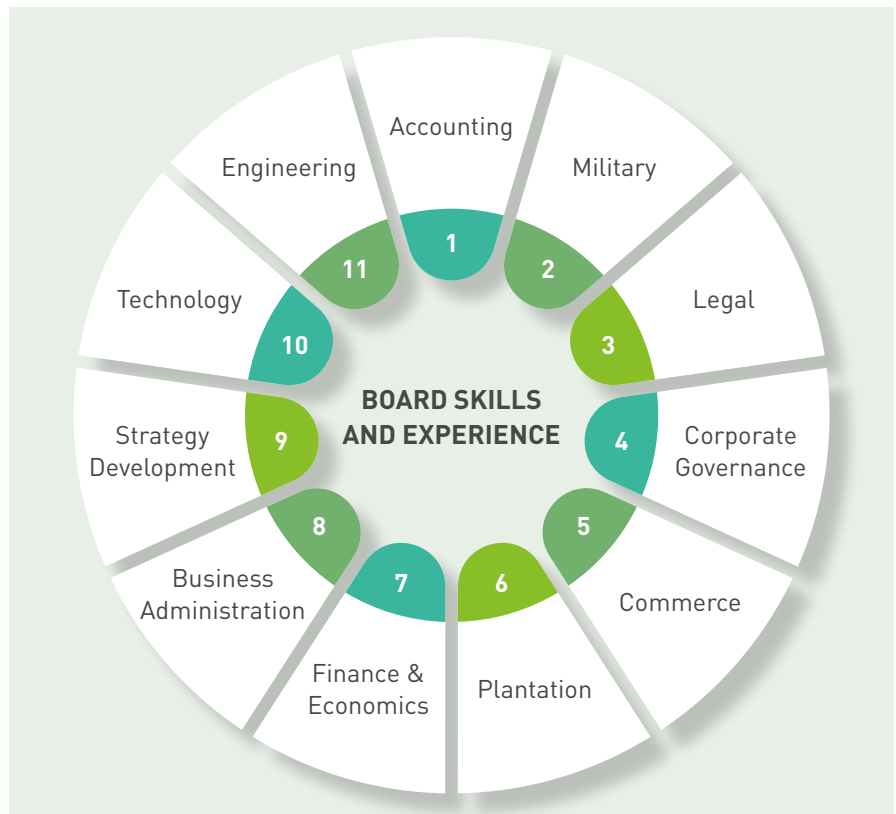
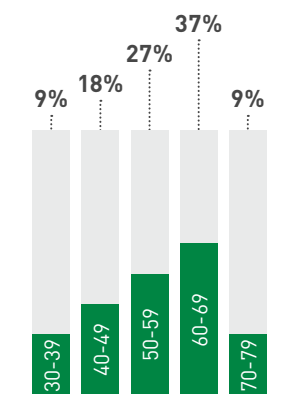
BOARD COMPOSITION

The Board of Directors comprises eleven members, seven of whom are Independent Non-Executive Directors. The composition of the Independent Directors on the Board is in excess of the MMLR one third. The Board strives to ensure that it has an appropriate mix of skills, qualifications and experience to discharge its role and responsibilities effectively based on the Group's nature of business. The Board, from time to time undertakes a review of its composition to determine areas of strengths and improvement opportunities.

BOARD COMPOSITION:



AGE COMPOSITION:



Appointments to the Board are made via a formal, rigorous and transparent process, premised on meritocracy and taking into account objective criteria such as qualification, skills, experience, professionalism, integrity and diversity needed on the Board in the context of the Group's strategic direction. In the case of Independent Directors, the NRC assesses the candidate's ability to bring the element of detached impartiality and objective judgement to boardroom deliberations. The Board endeavours to increase the proportion of female representation in the near future.

The Board, with the assistance of the NRC, regularly assesses the skills, experience, independence and diversity required collectively for the Board to effectively fulfill its role. The Board was satisfied that there was mutual respect among Directors which contributed to a democratic environment so as to constructively deliberate and undertake a robust decision-making process.

The Board reviews its performance, and that of Board Committees and individual Directors on an annual basis based on a set of predetermined criteria in a process that is facilitated by the NRC. During the year under review, the NRC's key activity was to assess the overall Board and Board Committees' performance and effectiveness as a whole. The Board was satisfied with level of commitment of its Directors in fulfilling the Board's fundamental roles and responsibilities.

The Board and Board Committees' composition had fulfilled the criteria required, possess a right blend of knowledge, experience and mix of skills. In addition, the NRC also recommended for the Board to endorse the re-election of the relevant Directors at the forthcoming AGM.

In reviewing the independence of Independent Directors, the NRC and Board adopt a qualitative approach in assessing if Independent Directors possess the intellectual honesty and moral courage to advocate professional views without fear or favour.

REMUNERATION

BPB aims to set remuneration at levels which are sufficient to attract and retain high calibre Directors and Senior Management needed to run the business successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved.

The NRC which comprises a majority of Non-Executive Directors is also responsible on remuneration matters. The NRC implements policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior Management.

A review on the quantum and composition of Non-Executive Directors' remuneration is undertaken once every four years.

Remuneration details of the Directors for the financial year ended 31 December 2020 for BPB are as follows:

Directors	Fees		Meeting and other allowances RM'000
	Company RM'000	Group RM'000	
Dato' Haji Ismail Haji Lasim <i>(Appointed w.e.f. 1 September 2020)</i>	38	38	30
Dato' Mohzani Abdul Wahab	126	126	28
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.	101	101	23
Tan Sri Dato' Wira Aziah Ali	116	116	28
Dato' Ahmad Rizal Abdul Rahman	112	112	24
Datuk Hj. Shah Headan Ayoob Hussain Shah <i>(Appointed w.e.f. 1 July 2020)</i>	47	47	5
Ir. Abdul Aziz Julkarnain <i>(Appointed w.e.f. 1 September 2020)</i>	30	30	3



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Directors	Fees		Meeting and other allowances RM'000
	Company RM'000	Group RM'000	
Dato' Haji Ahmad Tajuddin Haji Sulaiman <i>(Resigned w.e.f. 10 November 2020)</i>	27	27	3
Datuk Syed Tamim Ansari Syed Mohamed ¹	55	55	11
Dato' Chan Kong Yew ¹	45	45	7
Dato' Sri Ghazali Mohd Ali ¹	43	43	4
TOTAL	740	740	166

¹ Retired as Director at the conclusion of the 107th AGM of the Company held on 24 June 2020.

AUDIT COMMITTEE (AC)

The AC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations.

The AC is chaired by an Independent Director who is distinct from the Chairman of the Board. All members of the AC are financially literate. One of the AC members is a member of the Malaysian Institute of Accountants. The AC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the AC. The role of the AC and the number of meetings held during the financial year as well as the attendance record of each member are set out in the AC Report in the Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is cognisant that a robust risk management and internal control framework helps the Group to achieve its value-creation targets by providing risk information to enable better formulation of the Group's strategies and decision making. The Group has established policies and framework for the oversight and management of material business risks and has adopted a formal Risk Management Policy. The Group, through the Risk Management Committee (a Management-level Committee), maintains detailed risk registers which are reviewed and updated on quarterly basis.

Key focus areas of risks are reported and deliberated at the Risk Committee (RC) meetings. The RC was established by the Board on 16 July 2019. In line with the MCG Step Up Practice 9.3, the RC comprises a majority of Independent Directors.

The internal audit function is carried out by the in-house Group Internal Audit (GIA) of Boustead Holdings Berhad (the Immediate Holding Company of BPB). The GIA function reports directly to the AC, and is independent of the activities it audits. GIA's authority, scope and responsibilities are governed by an Internal Audit Charter, approved by the AC. Further information on the Group's risk management and internal control framework is available in the Statement on Risk Management and Internal Control in the Annual Report.

COMMUNICATION WITH STAKEHOLDERS

The Group is fully committed to maintain a high standard for the dissemination of relevant and material information on the development of the Group. The Group also places strong emphasis on the importance of timely and equitable dissemination of information to shareholders and stakeholders. Key shareholder and stakeholder communication modes include Annual Report, quarterly results analyst briefings, announcement to Bursa Malaysia, Sustainability Report, corporate website and investor relations activities.

The Group's investor relations activities are aimed at developing and maintaining a positive relationship with all the stakeholders through active two-way communication.

Contact for enquiries regarding investor relations matters of the Group: corporate.office@bplant.com.my.

CONDUCT OF GENERAL MEETINGS

The Group is of the view that General Meetings are important platforms to engage with its shareholders as well as to address their concerns. During the immediate preceding three years, all Directors were present at the AGMs to answer questions raised by shareholders. The Chairman, CEO and Chairmen of Board Committees will provide written answers to any significant question that cannot be readily answered. The Group encourage shareholders to attend and participate in the AGM by providing adequate advance notice and holding the AGM at a readily accessible location.

In light of the current COVID-19 pandemic, BPB will continue to implement remote shareholders' participation and online remote voting at the 108th AGM by leveraging on technology in accordance with Section 327(1) and (2) of the Companies Act 2016. Shareholders who attend the 108th AGM via remote participation will also be able to submit any questions during the AGM for the Company to respond. Shareholders are encouraged to take advantage of the said technology to participate in the AGM.

NOTICE OF AGM

Date : 17 June 2021

Venue : Royale Chulan Kuala Lumpur

CORPORATE GOVERNANCE FOCUS AND INITIATIVES

The Board is committed towards continuous enhancement of governance practices throughout the Group. In 2020, the Group has undertaken the following activities:



Independence of the Board

It is recognised that having objectivity in the boardroom extends beyond quantitative measures such as number of independent directors and their respective tenures. In order to harness the collective wisdom from greater participation of Independent Directors, Independent Directors have access to key gatekeepers of the Group such as external and internal auditors to discuss or share concerns about the Group and exchange views on potential improvements in governance.



Boardroom Diversity

The Board recognises the importance of diversity in averting "groupthink" and "blindspots" in the deliberation and decision making process. Recognising gender as a key facet of the various diversity dimensions, the Board is committed to developing a corporate culture that also embraces the aspect of gender diversity.



Professional Development of Directors

During the year under review, Directors were accorded with a host of opportunities to develop and maintain their skills and knowledge. Directors attended various training programmes to keep themselves abreast of changes in legislative promulgations and industry practices. The Board, through the NRC was satisfied with the type of programmes attended by each Director during the year to enhance their knowledge and performance.



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The list of training programmes that were attended by the Board members are outlined below:

Name	Programme title and Organiser	Date(s)
Directors		
Dato' Mohzani Abdul Wahab	<ul style="list-style-type: none"> The Board Chair – The First Among Equals (Institute of Corporate Directors Malaysia (ICDM)) Full-day Seminar on Corporate Liability Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Malaysian Institute of Corporate Governance (MICG)) 	<p>4 March 2020</p> <p>15 September 2020</p>
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.	<ul style="list-style-type: none"> Full-day Seminar on Corporate Liability Section 17A of the MACC Act 2009 (MICG) 	<p>15 September 2020</p>
Tan Sri Dato' Wira Aziah Ali	<ul style="list-style-type: none"> Virtual Forum: Board Appointments – Making Diversity Work (Boardroom Malaysia and LeadWomen Sdn Bhd) Full-day Seminar on Corporate Liability Section 17A of the MACC Act 2009 (MICG) “Half the Sky” with Miwa Kato of the United Nations (Global Compact Network Malaysia, TULIPS and Nottingham University Business School) 	<p>2 July 2020</p> <p>15 September 2020</p> <p>11 December 2020</p>
Dato' Ahmad Rizal Abdul Rahman	<ul style="list-style-type: none"> Talent Connect 2020 – Connect with Unconventional and Extraordinary Talents (Asia School of Business (ASB)) Tightening the Screws on Corruption Risk Management (ASB) Full-day Seminar on Corporate Liability Section 17A of the MACC Act 2009 (MICG) The Role of the Risk Management Committee in Managing Risk (ICDM) Corporate Governance – Risk Management and the Internal Control System (ASB) 	<p>10 January 2020</p> <p>18 - 19 June 2020</p> <p>15 September 2020</p> <p>19 - 20 October 2020</p> <p>28 October 2020</p>

All Directors have attended the training programmes during the financial year, save for the newly appointed Directors, Dato' Haji Ismail Haji Lasim, Datuk Hj. Shah Headan Ayoob Hussain Shah and Ir. Abdul Aziz Julkarnain who are unable to attend any training in 2020 due to their tight schedule and travel commitments. However, they have been keeping abreast on latest regulatory updates and information on the Group's businesses and operations, risk management activities and other initiatives undertaken by the Company from time to time.

Besides that, all the Directors have completed the Mandatory Accreditation Programme (MAP) as prescribed by Bursa Malaysia, save for the newly appointed Directors and they have registered to attend the MAP training scheduled on 31 May 2021 to 2 June 2021.

CORPORATE GOVERNANCE PRIORITIES (2021 AND BEYOND)

The Board recognises that there are always opportunities for improvement in its corporate governance activities in order for the Group to continue to engender trust and confidence amongst stakeholders. The Board has identified the following set pieces on its horizon that will help it to achieve its corporate governance objectives.

Board diversity

In fostering gender diversity, the Board endeavours to establish and formalise a diversity policy, set targets, measures and annually assess both the targets and the progress in achieving them.

The Board endeavours to appoint one additional female Director (i.e. 17% women representation on the Board) and to meet the 30% target by 2023.

Sustainability reporting

BPB aims to leverage on its existing qualitative sustainability indices and adopt a more mature form of sustainability reporting. The Board will set the direction for Management to establish necessary systems and controls with the presence of quality non-financial data that will support the development of such forms of reporting. BPB will also actively engage stakeholders to formalise a better understanding of what is expected and desired from its sustainability reporting.

YEAR 2021 - 2023

LONG-TERM PLAN