

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 1643  
**COMPANY NAME** : Landmarks Berhad  
**FINANCIAL YEAR** : December 31, 2017

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the performance and success of the Company and the Group. It provides stewardship in the management of the Group's business activities to create, preserve and increase stakeholder values. Every Director of the Company has a legal duty to act in the best interest of the Company and collectively, they are responsible to lead and manage the Group in an effective and responsible manner. All Board members are expected to demonstrate good stewardship, act professionally and uphold values of integrity, sincerity and corporate responsibility, having regards to their fiduciary duties in accordance with the prevailing laws and regulations.</p> <p>The duties and responsibilities of the Board are set out in the Board Charter (which was reviewed and approved on 6 October 2017) as follows:</p> <ul style="list-style-type: none"><li>• establishing the corporate vision and mission, and philosophy of the Landmarks Group;</li><li>• establishing strategic and financial objectives and plans for the Landmarks Group;</li><li>• approving the annual budget and business plans, monitors its achievement and evaluates and approves major capital expenditure, capital management and major corporate transactions;</li><li>• identifying, evaluating, managing and monitoring the principal risks and the risk management strategy of the Landmarks Group;</li><li>• reviewing the adequacy and integrity of internal controls and reporting systems, evaluating their effectiveness, and identifying and rectifying deficiencies; and</li><li>• appointing senior management who possess the necessary skills and experience, and approving a succession plan for senior management.</li></ul> <p>and is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p>

	The Board is satisfied that it has met its objectives in 2017.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors is headed by the Chairman, who is a Non-Independent Non-Executive Director. The Chairman of the Board provides leadership so that the Board can perform its responsibilities effectively. The principal role of the Chairman is to:</p> <ul style="list-style-type: none"> <li>• lead board meetings and discussions;</li> <li>• act as a facilitator and encourage active participation at meetings of the Board to ensure that no member, whether executive or non-executive, dominates discussion, that appropriate discussions take place and that relevant opinion among members and management is forthcoming;</li> <li>• lead the Board in establishing and monitoring good corporate governance in the Company and Group;</li> <li>• maintain regular dialogue with the management over operational matters and to consult the other members of the Board over any matter that gives him or her cause for major concern; and</li> <li>• represent the Board to shareholders and ensure that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.</li> </ul> <p>The role of the Chairman is set out in the Board Charter which was reviewed and approved by the Board on 6 October 2017. The Board Charter is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p> <p>The Board is satisfied that the Chairman has performed his role during the financial year.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board of Directors during the financial year 2017 was Tan Sri Zakaria bin Abdul Hamid, a Non-Independent Non-Executive Director. The Chief Executive Officer (“CEO”) during the same period was Mr Mark Wee Liang Yee, who concurrently held the position of Executive Deputy Chairman.</p> <p>There is a clear separation of the roles of the Chairman of the Board and the Chief Executive Officer. The Chairman is responsible to provide leadership so that the Board can perform its responsibilities whilst the CEO is to responsible to support the Board on the development of, advising on and implementation of the corporate and business strategies, policies and decisions set by the Board as well as coordinating and overseeing the day-to-day operations.</p> <p>The roles of the Chairman and CEO is set out in the Board Charter which is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p> <p>The Board is satisfied that the Chairman and the CEO have played their respective roles during the financial year.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors have access to the advice and services of the Company Secretary, who supports the Board in an advisory capacity by ensuring that the Board is updated on corporate governance matters, policies and procedures are adhered to and that applicable regulations, guidelines and rules are complied with. The Company Secretary, a chartered secretary with more than 20 years of corporate secretarial experience gained primarily in public listed companies in Malaysia, is a full-time permanent employee of the Company. The Company Secretary is responsible for the company secretarial functions in all jurisdictions where the Group operates, ie, Malaysia, Singapore, Indonesia and Seychelles. She ensures that the Board is provided advice and updated on corporate regulatory matters affecting the Group via a specific agenda item at each Board meeting. She is also responsible to manage the processes of Board, Board Committee and members' meetings as well as the training and development requirements of all Directors. The Board provides support to the Company Secretary to undertake continuous professional development to keep updated on developments in corporate governance, securities laws and listing requirements.</p> <p>The Board is satisfied that the Company Secretary has performed her responsibilities during the financial year.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board members are given material documentation at least three (3) days in advance of each Board and Board Committee meeting. The reports cover areas of financial, operational, risk management and regulatory compliance matters. The Board papers are comprehensive and encompass both quantitative and qualitative information so that informed decisions can be made. The Board requests additional information whenever it deems necessary or appropriate. The members of management, where appropriate, are invited to be in attendance at Board and Board Committee meetings to present issues and furnish clarifications that may be raised. The Directors, in their individual capacity or collectively, may take independent professional advice in furtherance of their duties, whenever necessary and in appropriate circumstances, at the Company's expense. If a member of the Board considers such advice to be necessary, the member shall first discuss with the Chairman and, having done so, shall be free to obtain such professional advice.</p> <p>The minutes of the Board and Board Committee meetings are circulated to all Directors for their review not later than three (3) weeks after the Board meeting. The Directors are satisfied that the minutes are accurate records of the deliberations and decisions of the Board.</p> <p>In 2018, the Board meeting materials will be provided to Directors five (5) business days in advance of each Board and Board Committee meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter was reviewed and approved by the Board on 6 October 2017, taking into consideration the requirements of the Companies Act 2016, Main Market Listing Requirements and the Malaysian Code on Corporate Governance. The roles and responsibilities of the Board, Board Chairman and the CEO are set out in the Board Charter which is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>. The Board has constituted three (3) Board committees, i.e., Audit and Risk Management Committee, Nominating Committee and Remuneration Committee with clearly defined Terms of Reference (“TOR”) respectively. The TOR of each of the Board Committees were reviewed and approved by the Board on 27 November 2017 which are accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p> <p>The matters reserved for the decision of the Board is clearly set out in the Board Charter.</p> <p>The Board Charter will be further reviewed in 2018 to include the roles and responsibilities of individual directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has reviewed and approved a Code of Ethics and Conduct on 6 October 2017 which assists the Directors and employees in defining ethical standards and conduct at work. The code sets out the behavioural expectations to be observed in managing conflicts of interest, treatment of confidential information, inside information and securities trading, protection of Group assets and funds, compliance with the law, personal gifting, health and safety, harassment, additional interest or employment, fair and courteous behavior, public statements and misconduct. The Code of Conduct and Ethics is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p> <p>The Code of Ethics and Conduct will be reviewed in 2018 to include preventing corruption and money laundering.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has approved the Whistleblowing Policy on 25 February 2015 in its commitment to uphold the highest standards of ethics, integrity and accountability. The policy enables the Board, employees and any other stakeholder to disclose internally any malpractices or misconduct without fear or reprisal. It provides a confidentially safe and acceptable platform for all stakeholders to channel their concerns about illegal, unethical or improper business conduct affecting the Group to avoid the negative effects that may come through public exposure resulting in loss of Company image or reputation, financial distress or loss of investor confidence. Whistleblowers may report their concerns in writing or face-to-face to their immediate supervisor, Head of Department, the Group Chief Operating Officer, the Company Secretary or the Chairman of the Audit and Risk Management Committee ("ARMC"). A whistleblower who raises a genuine concern will not be at risk of dismissal or suffer any form of retribution. The Company will carefully and thoroughly assess the course of action to be taken and written updates on the progress of investigation will be given to the whistleblower. The Group Chief Operating Officer or the Chairman of the ARMC will ensure that the findings of the investigation are given to the whistleblower, the individual(s) under investigation and the members of the ARMC or other external authorities. The policy is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p> <p>During the financial year, there was no incident reported under the Whistleblowing Policy.</p> <p>A review will be undertaken in 2018 to assess the effectiveness of the policy and its procedures.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>For the period from 1 January to 26 October 2017, the Board comprised six (6) members: two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors and two (2) Independent Directors. This composition complies with the Main Market Listing Requirements of a minimum two (2) or one-third (1/3), whichever is higher, of Independent Directors. On 27 October 2017, the Board appointed two (2) Independent Directors, which increased the Board membership to eight (8) comprising two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors and four (4) Independent Directors.</p> <p>The Independent Directors comprised half the membership of the Board from 27 October 2017.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.2

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

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

<b>Application</b>	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years
<b>Explanation on application of the practice</b>	:	<p>For the period up to the Annual General Meeting ("AGM") on 24 May 2017, none of the Independent Directors have served a cumulative term of nine (9) years. Two (2) of the Independent Directors, Mr Bernard Chong Lip Tau and Mr John Ko Wai Seng, would have both served the Company for a cumulative period of more than nine (9) years each by the forthcoming AGM. The Nominating Committee and the Board have assessed that they have both remained independent and have fulfilled the guidelines of the Main Market Listing Requirements in respect of independence. Being free of management, they have and are able to exercise independent judgment to act in the best interests of the Company. Having served the Board for more than nine (9) years, they understand the Group's operations which will enable them to bring valuable recommendations to Board deliberations. Most importantly, they have exercised care as Independent Directors and have carried out their professional and fiduciary duties in the best interest of the Company.</p> <p>Hence, the Board will seek shareholders' approval for the Company to retain Mr Bernard Chong and Mr John Ko as Independent Directors at the forthcoming AGM.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.3 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Directors, with their diverse backgrounds and specialisations from the legal and accounting fraternities, former senior executives in the Malaysian government sector and experience in business management collectively bring considerable knowledge, judgment, expertise and experience to the Board. The breadth and depth of experience and knowledge of the Directors provide the necessary balance of power and authority as well as diverse views, insights and advice on its stewardship role.</p> <p>The appointment of Dato' Sri Ramli bin Yusuff, a lawyer by training, during the financial year has provided an additional perspective to the Board's overall effectiveness in the risk management of the Group's businesses as well as contribute to the Group's core business as a resort developer and management of resort projects. Mr Chin Mui Khiong, an accountant, also appointed during the financial year, has more than 35 years of professional experience gained in audit and business advisory services in a wide spectrum of industries. He will be able to positively contribute his skills and knowledge to the Group with the implementation of a plethora of new accounting standards and compliances.</p> <p>Recognising that gender diversity is a national agenda to be pursued, the Board will actively source for female candidates who meet the skills and experience requirements for appointment as Directors and senior management who will contribute positively and bring further diversity to the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	During the financial year 2017, the Board had not set any policy on gender diversity for the Board or senior management.	
		Notwithstanding that there were no female members in the Board, the Directors bring with them diverse skills and experience to manage the Group.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Subsequent to the financial year end, the Board had on 27 February 2018 approved a policy to appoint at least a woman member to the Board within the next three (3) years. This would allow adequate time for the Board to seek out suitable candidates with the relevant skills and experience to contribute to the Group. The Board will actively seek to include women candidates with the relevant qualifications, skills and experience for senior management positions when vacancies arise in the Group.	
<b>Timeframe</b>	:	Within 3 years	

### Intended Outcome

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

### Practice 4.6

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The candidates appointed as Directors of the Board during the financial year were recommended by an existing Board member.	
		Although the Directors appointed during the financial year were recommended by an existing Board member, the Nominating Committee had assessed each of them independently based on their qualifications, skills and experience which they will bring to the Board. The candidates were assessed to be able to contribute positively by bringing additional perspectives and experience to Board deliberations and decision-making. Please see Practice 4.4 above.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Not applicable as the Company is not a Large Company.	
<b>Timeframe</b>	:	Others	

### Intended Outcome

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

### Practice 4.7

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Nominating Committee comprises:</p> <ul style="list-style-type: none"><li>i. Tan Sri Zakaria bin Abdul Hamid, Chairman (Non-Independent Non-Executive)</li><li>ii. Mr Bernard Chong Lip Tau (Independent Non-Executive)</li><li>iii. Mr John Ko Wai Seng (Independent Non-Executive)</li></ul> <p>The Chairman of the Nominating Committee is also the Chairman of the Board of Directors.</p> <p>The Nominating Committee has not set the succession plan for the Directors or senior management.</p> <p>The Chairman of the Nominating Committee, although a Non-Independent Director, is a Non-Executive Director who is independent of management and free from any business relationship with the Group. He is not a major shareholder of the Company and does not have any family relationship with any other Director, major shareholder or officer of the Company. The Board is of the view that the Chairman of the Board is well placed to act on behalf of the Board and in its best interest to ensure that the Nominating Committee meets the needs of the Company. Furthermore, decision-making is by the entire Board and hence, the Board is of the opinion that there is no conflict for the non-independent non-executive Chairman to chair the Nominating Committee.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Chairman of the Nominating Committee shall lead the succession plan for the Board as well as senior management.
<b>Timeframe</b>	:	Within 2 years

### Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The annual assessment of the Board, the Board Committees as well as each member of the Board is undertaken internally by the Nominating Committee, using a structured questionnaire. In respect of the Board, the areas assessed, include amongst others, the structure of the Board in terms of its size and composition, the operations and conduct of Board meetings, the Board's roles and responsibilities as well as the role and responsibilities of the Chairman. In assessing the Board Committees, the Nominating Committee had also assessed the composition of each Committee, the assistance given by the Committees in Board decision-making, the expertise and skills of Committee members in fulfilling their roles, the role of the chair of each Committee in the discharge of their responsibilities and the process and conduct of meetings of the Committees. The Nominating Committee has also assessed each Director on their fit and properness, contribution and performance, and calibre and personality.</p> <p>The Nominating Committee has also evaluated the training and development programmes undertaken by the Directors.</p> <p>The Board is satisfied with the performance of the Board, the Board Committees and the Directors during the financial year.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 6.1

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The quantum of the remuneration of the Directors and senior management is reviewed annually by the Remuneration Committee for the Board's approval.
		<p>The Board has not set policies and procedures to determine the remuneration of Directors and senior management. However, the remuneration of the Non-Executive Directors is transparent, comprising an annual fixed fee for serving on the Board and an allowance for attendance at each meeting of the Board. A similar fixed annual fee and meeting allowance are payable to Non-Executive Directors who are members of the respective Board Committees. The annual fixed fees are paid after approval by the shareholders at the Annual General Meeting whilst the meeting allowance is paid after their attendance at each meeting. The Non-Executive Directors are also provided with certain benefits such as subscription to club membership, outpatient medical expenses, hospitalisation and surgical insurance coverage, handphone allowances and travelling benefits.</p> <p>The remuneration of the senior management comprises salary, performance-related pay and benefits as set out in the Employee Handbook. In determining the salary of the senior management, consideration is given to their qualifications, experience, and the market and industry benchmarks for such positions. Performance-related pay is based on the staff's individual performance with reference to an annual assessment on the achievement of objectives set as well as the performance of the Group.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	: The Board shall set out the policies and procedures for the remuneration of the Directors and senior management.
<b>Timeframe</b>	: Within 1 year

### Intended Outcome

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

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

### Practice 6.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee has been constituted by the Board to review and recommend the remuneration of the Directors and senior management for its approval. The Remuneration Committee comprises non-executive Directors, majority of whom are independent, as follows:</p> <ul style="list-style-type: none"><li>i. Tan Sri Zakaria bin Abdul Hamid, Chairman (Non-Independent Non-Executive)</li><li>ii. Mr Bernard Chong Lip Tau (Independent Non-Executive)</li><li>iii. Mr Chin Mui Khiong (Independent Non-Executive)</li></ul> <p>The Terms of Reference of the Remuneration Committee were reviewed and approved by the Board on 23 November 2017 and is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 7.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The remuneration received and receivable by each Director from the Group and the Company for the financial year ended 31 December 2017 are set out on page 34 of the Corporate Governance Overview Statement in the 2017 Annual Report.  The 2017 Annual Report of the Company is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 7.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The remuneration of the senior management (excluding Executive Directors) for the financial year ended 31 December 2017 are set out on page 35 of the Corporate Governance Overview Statement in the 2017 Annual Report.</p> <p>The 2017 Annual Report of the Company is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Audit and Risk Management Committee (“ARMC”) is Mr Bernard Chong Lip Tau, an Independent Non-Executive Director whilst the Chairman of the Board of Directors is Tan Sri Zakaria bin Abdul Hamid, a Non-Independent Non-Executive Director.</p> <p>The Board has approved that the Chairman of the ARMC shall be an Independent Non-Executive Director as set out in the Terms of Reference of the ARMC.</p> <p>The Terms of Reference of the ARMC is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has on 23 November 2017 reviewed and approved the Terms of Reference of the Audit and Risk Management Committee ("ARMC") which sets out the composition of the members of the ARMC. The Board has approved that a former key audit partner of the external auditors shall only be appointed a member of the ARMC after he has relinquished his position as a key audit partner of the Company or Group for at least two (2) years.</p> <p>The Terms of Reference of the ARMC is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Audit and Risk Management Committee ("ARMC") has not set policies and procedures for the assessment of the external auditor.</p> <p>Whilst there are no set policies and procedures for the assessment of the external auditor, the ARMC has undertaken an annual assessment of the external auditors in fulfilment of its duties and responsibilities as set out in its Terms of Reference. The assessment is undertaken using a structured questionnaire. The assessment criteria include the calibre of the external audit firm, quality processes and performance during the external audit, skills and expertise of the audit team, their independence and objectivity, audit scope and planning, the audit fees and communication. The external auditors have also provided their written assurance confirming that they are, and have been, independent throughout the conduct of their audit engagement.</p> <p>The Terms of Reference of the ARMC is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The ARMC shall set policies and procedures for the assessment of the external auditor.
<b>Timeframe</b>	:	Within 1 year

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the Audit and Risk Management Committee ("ARMC") comprise the following:</p> <ul style="list-style-type: none"><li>i. Mr Bernard Chong Lip Tau, Chairman (Independent Non-Executive)</li><li>ii. Mr John Ko Wai Seng (Independent Non-Executive)</li><li>iii. Dato' Abdul Malek bin Abdul Hamid (Non-Independent Non-Executive)</li></ul> <p>with training, skills and experience in audit and finance, law and marine engineering, respectively. The Chairman of the ARMC is financially trained, being an accountant by training as well as experience. He is well-placed to lead and guide the ARMC in the performance of its duties. The members of the ARMC also have experience in the business and corporate environment, with exposure in financial accounting and reporting matters. They are well versed with the business of the Group, having served as members of the Board for a significant period and are regularly updated on its activities. In addition, the external auditors will brief the ARMC on relevant accounting standards, practices and rules affecting the Group's business on an annual basis.</p> <p>All members of the ARMC have undertaken professional development programmes during the financial year. The training programmes attended by the members are set out on pages 32 and 33 of the Corporate Governance Overview Statement in the 2017 Annual Report.</p> <p>The 2017 Annual Report of the Company is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established an Enterprise Risk Management ("ERM") framework to identify, assess and manage the risks that the Group is exposed to. The Board ensures that internal controls are in place to manage and assuage those risks.</p> <p>The details of the ERM framework are disclosed in the Statement of Risk Management and Internal Control set out on page 40 to 42 of the 2017 Annual Report.</p> <p>The Company's 2017 Annual Report is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The features of the risk management and internal control framework, its adequacy and effectiveness are set out in the Statement of Risk Management and Internal Control on page 40 to 42 of the 2017 Annual Report.</p> <p>The Company’s 2017 Annual Report is accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 9.3 - Step Up**

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

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

**Intended Outcome**

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

**Practice 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Audit and Risk Management Committee (“ARMC”) is responsible for managing and monitoring the internal audit function as set out in its Terms of Reference. The activities of the internal audit function during the financial year is set out in the ARMC Report on page 37 to 39 of the 2017 Annual Report.</p> <p>The Terms of Reference of the ARMC and the Company’s 2017 Annual Report are accessible at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 10.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function of the Company is helmed by Mr Chew Eng Kiong, a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. In the discharge of his responsibilities, he is supported by NGL Tricor Governance Sdn Bhd (“NTG”), an Independent Professional Services Firm (“IPSF”). NTG is a consultancy practice specialising in providing independent assurance services for corporations that require cost effective and immediate solutions for governance, risk and internal audit needs. NTG has 20 employees in the Internal Audit department of whom four (4) employees, inclusive of an Engagement Manager and a Director, have been assigned to the Group. All the internal audit personnel, including Mr Chew, are free from relationships or conflicts of interest which lends objectivity and independence.</p> <p>The internal audit function is carried out in accordance with the International Professional Practices Framework (IPPF) and COSO.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board ensures its communication with stakeholders are transparent. Communication with stakeholders is achieved through the annual reports, the quarterly announcements and the shareholders' meetings. In addition to these communication platforms, the Company's website at <a href="http://www.landmarks.com.my">www.landmarks.com.my</a> provides a comprehensive avenue for up-to-date information dissemination with dedicated sections on corporate and financial information and news on the Group. The Company has also established an email contact, i.e., <a href="mailto:investor@landmarks.com.my">investor@landmarks.com.my</a> at the Company's website to allow investors to submit their queries to the Company. During the financial year, no significant queries were received from investors at the email contact provided.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 11.2**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Not applicable as the Company is not a Large Company.	
		Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Not applicable	
<b>Timeframe</b>	:	Others	

### Intended Outcome

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

### Practice 12.1

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The notice period for the Annual General Meeting (“AGM”) in 2017 was 25 days. For the forthcoming AGM in 2018, the notice period is 22 days. The notice period is in compliance with the Companies Act 2016, the Constitution of the Company and the Main Market Listing Requirements of 21 days.
	:	The notice of the AGM is announced to Bursa Malaysia Securities Berhad and posted on the website of the Company immediately it is issued, together with a print advertisement in a nationally circulated newspaper. The notice of the AGM is also included in the Annual Report which is despatched to all shareholders within the timelines as stipulated in the Companies Act 2016, the Constitution of the Company and the Main Market Listing Requirements.  The Board is satisfied that there is sufficient dissemination of the notice of the AGM to allow shareholders adequate time to consider the resolutions to be tabled and plan for their attendance at the meeting.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Not applicable as the Company is not a Large Company.
<b>Timeframe</b>	:	Others

**Intended Outcome**

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

**Practice 12.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Directors were present at the Annual General Meeting (“AGM”) in 2017 to attend to and respond to the queries raised by the shareholders, with the exception of the Chairman of the Board, who had to attend to urgent matters overseas.</p> <p>The Chief Executive Officer and the Group Chief Operating Officer responded to the queries raised by shareholders at the AGM and provided clarifications where necessary. The summary of the discussions is posted on the Company’s website, <a href="http://www.landmarks.com.my">www.landmarks.com.my</a> within a reasonable time after the conclusion of the AGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The general meetings of the Company have generally been attended by about 150 to 200 shareholders and proxies, representing about 1.5% of the Company's shareholder base. The attendance is not substantial for the Company to organise meetings in remote locations for voting in absentia or remote participation which requires allocating more resources, especially financial, to manage the logistics of such meetings.</p> <p>The Company has implemented electronic poll voting for all resolutions put up at the Annual General Meeting held on 24 May 2017 to expedite verification and counting of votes. The electronic voting was facilitated by the share registrars and the votes were validated by the appointed scrutineer.</p> <p>The Company has provided an email contact at <a href="mailto:investor@landmarks.com.my">investor@landmarks.com.my</a> to allow shareholders to raise any issues concerning the Company and Group.</p> <p>The Company has not received any significant queries or comments from shareholders concerning the Company or the Group via the email contact during the financial year.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Not applicable as the Company is not a Large Company
<b>Timeframe</b>	:	Others

**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
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