

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 8338  
**COMPANY NAME** : DATAPREP HOLDINGS BHD.  
**FINANCIAL YEAR** : March 31, 2018

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors (the Board) of Dataprep Holdings Bhd. (the Company) is committed to demonstrate high standards of corporate governance. In fulfilling its role as the stewards of the Company and its subsidiaries (collectively referred to as the Group), the Board is dedicated to discharge its duties and responsibilities with due care, skill and diligence.</p> <p>The key responsibilities of the the Board are as follows:</p> <ul style="list-style-type: none"><li>a) Promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.</li><li>b) Reviewing and deciding on the Management's proposals for the Company, and monitoring its implementation. The Management's proposals which are reserved for the Board's approval will be discussed at the Board Meetings, where the Board have the opportunity to scrutinise the proposal and seek clarification from the Management team. The Managing Director ensures that Management has taken into account all the appropriate considerations before tabling the proposals to the Board. Any significant updates on the proposals would be updated to the Directors either in the next Board Meeting or in the follow-up reports circulated to the Board. The day-to-day management of the Group is delegated to the Managing Director and the Senior Management Team.</li><li>c) Ensuring that the strategic plan of the Group supports long-term value creation and includes strategies on the economic, environmental and social considerations, underpinning sustainability. The Group's sustainability initiative reflect its continuous drive towards optimising operational efficiency in tandem with the long term value creation based on economic,</li></ul>

	<p>environmental and social considerations.</p> <p>d) The Board meets at least four (4) times a year, with additional meetings held as and when required by the Board. Prior to the start of the new financial year, the Board will review and discuss the annual budget and strategic business plans presented by Management, before approving for execution.</p> <p>e) The Board acknowledges its overall responsibility in maintaining a sound system of internal control to safeguard shareholders' investments and the assets of the Group and for reviewing the adequacy and integrity of the system. Notwithstanding this, due to the limitations that are inherent in any system of internal control, the Group's internal control system is designed to manage risks within tolerable and knowledgeable limits, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. Details of the Group's internal controls are set out in its Statement on Risk Management and Internal Control, which is on page 32 to page 36 of the Company's Annual Report.</p> <p>f) The Board has ensured that the Group has the necessary risk infrastructure encompassing the risk assessment process, organisational oversight and reporting function to instil the appropriate discipline and control for continuous improvement of the risk management capabilities.</p> <p>g) To ensure that there is an appropriate risk management framework in place, for management to identify, manage and monitor significant risks.</p> <p>h) To ensure that the Senior Management team are qualified, professional and have sufficient calibre to collectively lead the operations of the Group.</p> <p>i) The Board is committed in ensuring the Group has in place procedures to enable effective and timely communication with stakeholders. The Group uses a number of formal channels for effective dissemination of information to the public, namely, the Annual Report, announcements to Bursa Malaysia Securities Berhad and media releases. Whilst the Group's website, <a href="http://www.dp.com.my">http://www.dp.com.my</a> provides relevant information for investors and other stakeholders.</p> <p>j) The Audit Committee has been entrusted by the Board to ensure the Group's financial and non-financial reporting present a true and fair view of its state of affairs. The Audit Committee meets regularly to review the unaudited financial results, and ensures Management prepares the results and statements in accordance with the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR), applicable</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	accounting standards and other relevant regulatory requirements.	
<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>Dato' Mohd Rizal bin Mohd Jaafar is the Chairman of the Company. His profile can be viewed on page 16 of the Company's Annual Report. He provides leadership so that the Board can perform its responsibilities effectively.</p> <p>As provided under the Company's Board Charter, the Chairman is responsible for, among others:</p> <ul style="list-style-type: none"><li>• Leading the Board in setting the values and standards of the Company;</li><li>• Encouraging all Directors to play an active role in Board activities; and</li><li>• Ensuring the provision of accurate, timely and clear information to Directors.</li></ul> <p>He ensures that Directors are properly briefed on issues arising in Board meetings. During Board Meetings, the Chairman leads the discussion, allowing sufficient time for deliberations on key issues and complex matters.</p> <p>He also encourages active participation and allows views including dissent to be freely expressed. The Chairman also ensures that every Board resolution is put to vote and the will of majority prevails. The Chairman plays a key role in the conduct of the General Meetings. Besides ensuring the proper flow of resolutions tabled at the meeting, he manages the communication on the floor. He further encourages active participation from shareholders and allows a generous amount of time during the questions and answers session.</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 1.3

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 roles of the Chairman and Managing Director are separate and clearly defined and are held by two distinct individuals. Dato' Mohd Rizal bin Mohd Jaafar is the Non-Independent Non-Executive Director and Chairman of the Board whereas Encik Mohamad Sabir bin Mohamad Sabri is the Managing Director of the Company entrusted with providing the necessary support for the Chairman.</p> <p>The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director has the overall responsibility for the day-to-day running of the business and implementation of Board policies and decisions. The separation of power seeks to facilitate an appropriate balance of power to prevent any single individual from dominating deliberations and the decision making process. The respective duties and responsibilities of the Chairman and the Managing Director are contained in the Board Charter.</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>The Company Secretaries of the Company are Ms Geng Mun Mooi, Ms Leong Shiak Wan and Zuriati binti Yaacob. They are qualified to hold the position under Section 235 of the Companies Act, 2016.</p> <p>The Company Secretaries plays and advisory role in supporting the Board to uphold high standards of corporate governance. As a counsel to the Board, they provides the Board with periodic updates regarding regulatory developments and assists the Board in interpreting and applying pertinent corporate governance promulgations such as Capital Markets and Services Act 2007 (Amendment 2012), Companies Act 2016 and MMLR. The Company Secretaries also provides support in the facilitating the flow of information to Board. The Company Secretaries additionally serves as a liaison for stakeholders' communication and engagement on corporate governance issues. The role and responsibilities of the Company Secretaries are set out in the Board Charter. In order to upskill and keep abreast with the latest developments in corporate governance realm, the Company Secretaries has attended relevant training and professional development programmes during the financial year relating to Companies Act 2016, Malaysian Code on Corporate Governance (MCCG) and MMLR.</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 1.5

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 recognises the importance of information supply in promoting informed Board discussions and deliberations. The Chairman, together with Management and Company Secretaries, are responsible for ensuring Directors receive adequate and timely information prior to Board or Board Committee meetings. The Board meets regularly during the year, with the annual meeting diary tentatively made in advance to facilitate Directors' planning. There is a formal schedule of matters (including quarterly financial results, strategic business issues, and the annual business plan) reserved for discussion at the scheduled Board meetings.</p> <p>The notice of the Board meetings is circulated to Board members at least 14 days before the meeting and the agenda and Board papers are circulated to the Directors within reasonable time before each meeting. The Directors are supplied with Board papers with necessary information that are accurate, clear and comprehensive to enable informed decision making at the Board meetings. In addition, Board members can seek further advice or clarification from Management when required. The deliberations and conclusions of issues discussed in the Board meetings are duly recorded in the Board minutes. The meeting minutes capture the decisions made, including the key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The decisions made at the Board meetings are also communicated to Management in a timely manner to ensure appropriate execution.</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

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 is guided by its Board Charter which clearly sets out the Board's strategic intent, roles and responsibilities in discharging its fiduciary and leadership functions. The Board Charter is reviewed periodically and updated in accordance with the needs of the Group to ensure its effectiveness and consistency with the Board's objectives and corporate vision. The Board Charter serves as a primary reference point on governance matters for Directors as well as an induction literature for newly-appointed Directors. The Board Charter addresses, among others, the following matters:</p> <ul style="list-style-type: none"> <li>▪ Role and responsibilities of the Board;</li> <li>▪ Composition, Board balance and Board diversity;</li> <li>▪ The role of Chairman and Managing Director;</li> <li>▪ Supply of information and Board meetings;</li> <li>▪ Matters reserved for the Board;</li> <li>▪ Board Governance;</li> <li>▪ Board Committees; • Risk Management and Internal Control System; • General Meetings; and</li> <li>▪ Communication with stakeholders.</li> </ul> <p>The Board Charter was last reviewed on 23 May 2014. The Board Charter is accessible for reference on the Group's website, <a href="http://www.dp.com.my">http://www.dp.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

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>	:	The Board consistently strives to instil ethical values and standards across every level of the Group. The Code of Conduct is available on the Group's website, <a href="http://www.dp.com.my">http://www.dp.com.my</a> . The Code of Conduct covers the following overarching areas: <ul style="list-style-type: none"><li>• Relationship with Shareholders, Employees, Creditors and Customers; and</li><li>• Social Responsibilities and the Environment.</li></ul>
<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>	:	The Group is committed in preserving and protecting the interest and reputation at all times. In this respect, the Whistleblowing Policy was established in May 2014. This Whistleblowing Policy and Procedures apply to Directors and employees of the Group and are designed to provide them with proper internal reporting channels and guidance to disclose any wrongdoing or improper conduct relating to unlawful conducts, inappropriate behaviour, malpractices, any violation of established written policies and procedures within the Group or any action that is or could be harmful to the reputation of the Group and/or compromise the interests of the shareholders, clients and the public without fear of reprisal, victimisation, harassment or subsequent discrimination.
<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 4.1**

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>The Board comprises five (5) members, three (3) of which are Independent Directors as follows:</p> <ul style="list-style-type: none"> <li>• Ong Kuan Wah.</li> <li>• Nor Adha bin Yahya.</li> <li>• Datuk Abdul Aziz bin Ishak.</li> </ul> <p>With half of the Board composed of Independent Directors, Dataprep is able to facilitate greater checks and balances during boardroom deliberations and decision making. This counterweight allows Independent Directors to encourage, support and drive each other in the value creation and sustainability of the business.</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>	:	Not applicable - No independent director(s) serving beyond 9 years	
<b>Explanation on application of the practice</b>	:		
<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 4.3 - 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 Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity and recognises the benefits of diversity at leadership and employee level. Having a range of diversity dimensions brings different perspectives to the boardroom and to various levels of Management within the Group. The Remuneration, Quality and Nominating (RQN) Committee is responsible to lead the process for the nomination of new Board appointments and making the necessary recommendations. In this respect, the role of the RQN Committee is detailed in its Terms of Reference, which is accessible for reference on the Group's website, <a href="http://www.dp.com.my">http://www.dp.com.my</a>. In making its recommendations to the Board, the RQN Committee considers and assess the suitability of a new appointment based on objective criteria, including:</p> <ul style="list-style-type: none"> <li>• Qualification;</li> <li>• Required competencies, skills, expertise and experience;</li> <li>• Specialist knowledge or technical skills;</li> <li>• Professionalism and integrity; and</li> <li>• Time commitment to the Company.</li> </ul>
<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 4.5

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>	:	<p>The Board recognises the government's call for gender diversity of at least 30% women directors in companies. The Board is mindful that any gender representation should be in the best interest of the Company. The Company do have a formalised Board gender diversity policy which is accessible for reference on the Group's website, <a href="http://www.dp.com.my">http://www.dp.com.my</a>.</p> <p>However, the issue of diversity is discussed and given prominence during deliberations by the RQN Committee and the Board. The Board will take steps towards formalising such policy, targets and measures to reflect the Company's commitment towards gender diversity.</p> <p>The Board will take steps towards implementing such policy, targets and measures to reflect the Company's commitment towards gender diversity.</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

## 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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RQN Committee is responsible for recommending suitable candidates for Directorships to the Board. In undertaking this responsibility, the Nomination Committee leverages on several sources to “cast a wider net” and gain access to a wide pool of potential candidates. The responsibilities of the RQN Committee in this regard are outlined in its Terms of Reference. In evaluating potential candidates, the RQN Committee will assess directorship suitability based on objective criteria, including:</p> <ul style="list-style-type: none"> <li>• Qualification;</li> <li>• Required competencies, skills, expertise and experience;</li> <li>• Specialist knowledge or technical skills;</li> <li>• Professionalism and integrity; and</li> <li>• Time commitment to the Company.</li> </ul> <p>In searching for suitable candidates, the RQN Committee may receive suggestions from existing Board Members, Management, and major shareholders. The Committee is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.</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 4.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RQN Committee is chaired by the Independent Non Executive Director, Nor Adha bin Yahya. The membership of the RQN Committee is outlined below:</p> <p>Chairman : Nor Adha bin Yahya (Independent Non-Executive Director) Members : Datuk Abdul Aziz bin Ishak (Independent Non-Executive Director)</p> <p style="margin-left: 40px;">: Ong Kuan Wah (Independent Non-Executive Director) : Dato' Mohd Rizal bin Mohd Jaafar (Non-Independent Non-Executive Director)</p> <p>The Board understands that an effective recruitment and evaluation process of Directors is the building block of a high-performing Board. The Board therefore believes that the Independent Non Executive Director is the most suitable and qualified person to lead the conduct of the process in an objective manner. Given that the Independent Non-Executive Director acts as a confidant to other Directors, he is well-placed to oversee the assessment of the Board's Chairman, taking into account a broad range of perspectives. In addition, Nor Adha bin Yahya acts as a sounding board for the Chairman and serves as an intermediary for the other 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**

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>	:	The RQN Committee is responsible for the Board Effectiveness Evaluation (BEE) process, covering the Board, Board Committees and individual Directors, including Independent Directors. However, since all directors were newly appointed, there is no BEE for financial year March 2018.	
<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 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>	:	Presently the Company does not have a formalised remuneration policies and procedures for Directors and Senior Management.	
		The Board will take steps towards formalising such policies and procedures to reflect the Company's commitment to attract and retain Directors and Senior Management personnel of high calibre and talent.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

### 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 Board has in a place a RQN Committee which comprising a majority of Non-Executive Directors.</p> <p>The RQN Committee responsibilities include reviewing the remuneration packages, reward structure and fringe benefits applicable to Board and Senior Management; and making the appropriate recommendations to the Board.</p> <p>The Terms of Reference of RQN Committee is accessible for reference on the Group's website, <a href="http://www.dp.com.my">http://www.dp.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>	:	<p>The Board aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Group successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved.</p> <p>The level of remuneration for the Managing Director is determined by the RQN Committee after giving due consideration to the responsibility and function as the Managing Director. The remuneration of Non-Executive Directors is approved by shareholders at the AGM of the Company, as prescribed by the Companies Act 2016.</p> <p>Details breakdown have been set out in page 42 to 44 of the annual report.</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

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	At this particular juncture, the Board is of the opinion that the disclosure of the Senior Management's individual remuneration components (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group due to confidentiality and security concerns.	
		The Board ensures that the remuneration of Senior Management is commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Senior Management to lead and run the Company successfully. Excessive remuneration pay-outs are not made to Senior Management personnel in any instance.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**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>	:	The Board of Directors has established an Audit Committee which is chaired by the Independent Non-Executive Director, Ong Kuan Wah. Meanwhile, the Chairman of the Board is Dato' Mohd Rizal bin Mohd Jaafar. As such, the Chairman of the Audit Committee is distinct from the Chairman of the Board. Having the positions of Board Chairman and Chairman of the Audit Committee assumed by different individuals allows the Board to objectively review the Audit Committee's findings and recommendations. The possession of sound financial understanding and experience equips the Chairman of the Audit Committee with the ability to lead discussions and deliberations and ultimately be satisfied that the end result fairly reflects the understanding of the Audit and Compliance Committee. His full profile can be viewed on page 18 of the Company's Annual Report. The duties and responsibilities of the Chairman of the Audit Committee are outlined in the Terms of Reference of the Audit Committee, which is available on the Group's website, <a href="http://www.dp.com.my">http://www.dp.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

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>	:	The Audit Committee comprises of four (4) members, all whom are Non-Executive Directors and with a majority being independent. At present, none of the Audit Committee members were former key audit partners of the Company's external auditors.
<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>	:	Applied
<b>Explanation on application of the practice</b>	:	The Audit Committee is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditor. Under its Terms of Reference, the Audit Committee reviews the suitability, objectivity and independence of the external auditor of the Company on an annual basis. The review process covers the assessment of the independence of the external auditor, the evaluation of the external auditor's performance, quality of work, audit fees and the adequacy of resources. During the financial year, the Audit Committee met with the external auditor namely, Messrs. Folks DFK & Co. twice during the year in the absence of Management. The Audit Committee also monitored and reviewed the performance and independence of Messrs. Folks DFK & Co. and is satisfied that the external auditor has been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by the Committee. For the audit of the financial year ended 31 March 2018, the Audit Committee was further assured by Messrs. Folks DFK & Co. by way of written confirmation that its personnel were and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. Pursuant to the assessment on the suitability and independence of the external auditor, the Audit Committee made its recommendation to the Board on the re-appointment on the external auditor alongside the accompanying audit fees.
<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 8.4 - 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 Audit Committee comprises four (4) members as follows:</p> <p>Chairman : Ong Kuan Wah (Independent Non-Executive Director)  Members : Datuk Abdul Aziz bin Ishak (Independent Non-Executive Director)                 : Nor Adha bin Yahya (Independent Non-Executive Director)                 : Dato' Mohd Rizal bin Mohd Jaafar (Non-Independent Non-Executive Director)</p> <p>Collectively, the Audit Committee possesses a wide range of necessary skills to discharge its duties. All members of the Audit Committee are financially literate, whilst majority of the committee member are member of MIA, and thus, fulfilling paragraph 15.09(1)(c) of MMLR, which calls for one member of the audit committee to be a member of a professional accountancy body.</p> <p>All members of the Audit Committee have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. During the Audit Committee Meetings, the members were briefed by the external auditor, Messrs. Folks DFK &amp; Co. on the following key areas:</p> <ul style="list-style-type: none"> <li>• Financial Reporting developments;</li> <li>• Malaysian Financial Reporting Standards;</li> <li>• Malaysian Code on Corporate Governance; and</li> <li>• Other changes in regulatory environment.</li> </ul>
<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

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 the necessary risk and internal control infrastructure encompassing the risk assessment process, internal control measures, organisational oversight and reporting function to instil the appropriate discipline to continuously improve risk management and internal control capabilities.</p> <p>Accordingly, the Group has undertaken the following:</p> <ul style="list-style-type: none"> <li>▪ Establishment of risk management function to coordinate the Enterprise Risk Management activities within the Group;</li> <li>▪ Heightened risk awareness culture in the business process;</li> <li>▪ Compilation of the business units' risk profiles in relation to the Group risk parameters; and</li> <li>▪ Inculcated of a culture of continuous improvement in risk management and provided a system or process to manage the central accumulation of risk profile data.</li> </ul> <p>Details of the Group's Risk Management and Internal Control Framework are set out in its Statement on Risk Management and Internal Control, which is on page 32 to page 36 of the Company's Annual Report. The internal control mechanisms established by the Board are embedded within the organisation structure in all of its processes.</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>	:	Risk assessment, monitoring and review of the various risks faced by the Group are continuous processes within the key operating units, with the Management Committee playing a pivotal oversight function as delegated by the Board of Directors. The Board has further received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively. Further details are contained in the Statement of Risk Management and Internal Control which is on page 32 to page 36 of the Company's Annual Report.
<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>	:	The internal audit function is carried out by the Internal Audit Unit (IAU) headed by the Head of Internal Audit which directly reporting to the Audit Committee. IAU's authority, scope and responsibilities are governed by Audit Committees' term of Reference. The Audit Committee reviews and subsequently approves the Annual Internal Audit Plan and ensures IAU is accorded with appropriate standing and authority to facilitate the discharge of its duties. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. IAU provides assurance and recommendations to the Audit Committee on the Group's governance, risk management and internal control systems. The Audit Committee has access to the Head of IAU and is able to discuss significant internal audit matters in private if required.
<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>IAU is independent in its audits process and reports directly to the Audit Committee. The IAU assists the Committee in the discharge of its duties and responsibilities. Head of IAU, along with other internal audit personnel, are free from any family relationship with any Directors and/or major shareholder and do not have any conflict of interest with the Group.</p> <p>To ensure the IAU personnel are kept abreast with the current laws and regulations, the Committee also encouraged them to attend any training and development courses. The total expenses incurred for the internal audit work during the financial year end 31 March 2018 were approximately RM207,000.</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 are accountable to shareholders as well as other stakeholders of the Company for the performance and operations of the Company. As such, the Board endeavours to ensure that communication with stakeholders is conducted in a regular and forthcoming manner. The Board aims to maintain a positive relationship with the different group of stakeholders through proactive two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the Group, its core businesses and operations. This shall enable the stakeholders to make informed decisions in valuing the Company's shares. The Group leverages on a number of formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through the Annual Report, announcements to Bursa Malaysia Securities Berhad, media releases, Annual General Meeting (AGM) and the Group's website. The Company is also of the view that the AGM is an important opportunity to meet shareholders and address their concerns. At the AGM, there will be a Questions and Answers session during which the Chairman encourages shareholders' active participation, including clarification on the Group's strategic direction, business operations, performance and proposed resolutions.
<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>	:	Certain reporting such as the Sustainability Report of the Company have been embodied in the Annual Report of Dataprep. The Board would like to allow an advocacy period for the awareness of integrated reporting to be better appreciated by Management personnel before it is fully adopted. At present, the Board is of the view that the Company's Annual Report is comprehensive enough for stakeholders to make informed decisions.	
		The Annual Report provides stakeholders with a fairly comprehensive overview on the Company's financial and non-financial information including strategic performance. Information provided is also based on the current market outlook as well as the Groups' business prospects.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

### 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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the AGM as an invaluable platform for shareholders to engage both the Board and Senior Management in a productive dialogue and provide constructive feedback that contributes to the overall performance of the Group. The Board therefore undertakes to provide shareholders with adequate time to consider the resolutions that will be discussed and decided upon during the AGM and to facilitate informed decision-making by the shareholders.</p> <p>In this regard, the notice for the upcoming AGM in 2018 was provided to shareholders on 30 July 2018, which more than 28 days before the meeting, which will be held on 13 September 2018. This goes above and beyond Section 316(2) of Companies Act 2016 and paragraph 7.15 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad which call for a 21-days' notice period for public companies or listed issuers respectively. The notice for AGM outlines the resolutions to be tabled during the said meeting and is accompanied with explanatory notes and background information where applicable, to shed clarity on the matters that will be decided at 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 12.2**

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>The Board acknowledges its responsibility to engage shareholders and provide meaningful responses to their questions. This is supported by ensuring that any General Meeting is scheduled in advance to ensure full attendance of the Board members. The Chairman of the Board encourages shareholders' active participation during AGMs and other general meetings by giving sufficient time to the floor during the Questions and Answers session.</p> <p>The Chairman of respective Board Committees were present to facilitate discussions and address any questions from shareholders on matters that fall under the purview of the Committees.</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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The location of the General Meetings have always been held in the Klang Valley at locations which are accessible to the shareholders.</p> <p>The upcoming 29th AGM on 13 September 2018 will be held at Grand Petra Ballroom, Level 2, Royal Widad Residence@UTMKL, No. 24, Jalan Maktab, 54100 Kuala Lumpur.</p> <p>A shareholder of the Company can vote in person or appoint a proxy to attend and vote on his/her behalf. Voting at the AGM is by poll and the Company utilises an electronic voting system to expedite the voting and facilitate the tabulation process in a seamless manner.</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>	:	

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

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

Click here to enter text.

