

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1538
COMPANY NAME : SYMPHONY LIFE BERHAD
FINANCIAL YEAR : March 31, 2019

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<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 stakeholders value. Directors of the Company have a legal duty to act in the best interest of the Company and be collectively responsible to lead and manage the Group effectively. Board members are expected to demonstrate good stewardship, act professionally and uphold the values of integrity, good faith, corporate responsibility, strict adherence to legal and fiduciary duties.</p> <p>The duties and responsibilities of the Board are set out in the Board Charter (reviewed and approved on 28 May 2018) as follows:-</p> <ul style="list-style-type: none"> • establishing the corporate vision and mission as well as the philosophy of the Company; • approving corporate/strategic directions/plans and programmes; • approving annual budgets, including major capital commitments and capital expenditure budgets; • approving new major ventures; • setting the aims of Management and monitoring the performance of Management; • overseeing and evaluating the conduct and performance of the Group’s businesses; • identifying and managing the principal risks affecting the Group; • reviewing the adequacy and integrity of the Group’s internal control systems; and • approving a succession plan for senior management appointments. <p>The Board Charter is accessible at www.symphonylife.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is headed by the Chairman, who is a Non-Independent Executive Director. The Chairman of the Board provides leadership so that the Board can perform its responsibilities effectively. The principal role of the Chairman as set out in the Board Charter are as follows :</p> <ul style="list-style-type: none"> • to provide leadership to the Board and ensure the effectiveness in all aspects of its role; • to lead in discussions at meetings and ensure efficient and effective conduct of the Board meetings; • to encourage active participation and allow dissenting views to be freely expressed; • to facilitate effective communication between the Board and the stakeholders; and • to commit time necessary to discharge effectively his role as Chairman. <p>The Board Charter is accessible at www.symphonylife.my.</p> <p>The Board is satisfied that the Chairman has performed his role during the financial year.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is mindful of the dual role of Chairman and Executive Director held by Tan Sri Mohamed Azman bin Yahya and is of the view that there are sufficient experienced and independent-minded Directors on Board to provide sufficient check and balance. Despite the Chairman being an executive member of the Board, the Board’s 60% of Independent Non-Executive Directors (“INEDs”) meets the Code’s recommendation wherein the Board must comprise a majority of Independent Directors where the Chairman is not an Independent Director.</p> <p>In addition, the presence of independent oversight by the INEDs is sufficient to ensure the balance of accountability and authority within the Board. Furthermore, the Chairman is ably supported and assisted by the key senior management team, comprising the COO and CFO of the Company, in the management of the day-to-day business operations of the Group. Besides that, the Chairman also brings with him considerable experience in the Group’s businesses and provides leadership for the Board in considering and setting the overall strategies and objectives of the Group.</p> <p>Therefore, the Board is of the view that it is in the best interest of the Company to maintain the above arrangement so that the Board could have the benefit of a Chairman who is knowledgeable about the businesses of the Group, capable of guiding discussions at Board Meetings and able to brief the Board in a timely manner on key issues and developments.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is supported by qualified in-house Chartered and Licensed Company Secretaries.</p> <p>All Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries, who are all qualified, experienced and competent, advise the Board on updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of the Directors.</p> <p>The Company Secretaries undertake, inter-alia, the following functions:-</p> <ul style="list-style-type: none"> • advise the Directors and Management of their duties and responsibilities; • prepare the agenda with the Chairman and notify all Directors of the Board and Board Committee meetings; • attend all Board and Board Committee meetings and ensure that all meetings are properly convened and proceedings are properly recorded; • communicating decisions of the Board and Board Committees to Management for necessary action; • ensure the execution of all relevant assessments for Directors, the Board and Board Committees; • identify and arrange suitable training programmes for the Directors; • advise the Board on its obligatory requirements to disclose material information; and • ensure the appointment of new Directors, re-election, re-appointment, retention and resignation of Directors are in accordance with the relevant legislations, regulations and best corporate governance <p>The Board is satisfied that the Company Secretaries have discharged their responsibilities during the financial year.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has full and timely access to complete information pertaining to the Group’s state of affairs, with all relevant supporting financial and non-financial information.</p> <p>All Directors are given ample notice for each Board Meeting and are provided with the agendas and a set of Board papers that contains relevant and material information prior to each meeting so that the Board is accorded sufficient time to appraise the proposals or information. The Board is able to seek further information and clarification from the Management at all times in order to make informed decisions.</p> <p>Formal agendas together with a comprehensive set of meeting papers, consisting of the minutes of the previous meeting, management reports and proposals, are forwarded to the Directors at least five (5) days, or shorter period where it is unavoidable, prior to Board Meetings.</p> <p>The Management conducts detailed briefings at the meetings and where necessary, professional and independent opinions are also made available to the Directors either in the form of written opinions or the physical presence of the professionals, by invitation, at the meetings to field queries by the Directors. This ensures that the Directors have comprehensive understanding of the issues deliberated at the meetings.</p> <p>Minutes of every Board Meetings are circulated to each Director prior to the confirmation of the minutes at the following Board Meeting. The Board also receives minutes of all sub-committee meetings so as to ensure that all Directors are kept informed of the Committees’ activities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board Charter was last reviewed and approved on 28 May 2018 which outlines the respective duties and authority of the Chairman, individual directors, Senior Independent Director and the respective Board Committees. 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 respectively. The Terms of Reference for each Board Committee has been reviewed and approved by the Board from time to time. The Board Charter and Terms of Reference of the respective Board Committees is accessible at www.symphonylife.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Group has in place a Code of Conduct and Ethics that is applicable to all staff and Directors of the Group. The Code of Conduct and Ethics is essentially a set of rules to govern the standards of good conduct and ethics within the Group and in the Group's relationship with external parties in upholding and preserving the good name of the Group. The Code of Conduct and Ethics is accessible at www.symphonylife.my
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	As part of its commitment to uphold the highest standards of ethics, integrity and accountability, the Group has in place a Whistle Blowing Policy. This is essentially a mechanism to enable the employees and Management of the Company to disclose internally any serious malpractice or misconduct without fear of reprisal. This policy provides a safe and acceptable platform for employees and other members of the Group to channel their concerns about illegal, unethical or improper business conduct affecting the Group and its employees. The Whistle Blowing Policy is part of the Code of Conduct and Ethics which is accessible from our website www.symphonylife.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently comprises six (6) members: one (1) Executive Director, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. This composition complies with the Main Market Listing Requirements of a minimum of two (2) or one third (1/3), whichever is higher, of Independent Directors. The Independent Directors comprised more than half the membership of the Board.</p> <p>The current composition of the Board is as follows:-</p> <p>Tan Sri Mohamed Azman bin Yahya (Executive Chairman) (Non-Independent Executive Chairman)</p> <p>Dato' Robert Teo Keng Tuan (Independent Non-Executive Director)</p> <p>Mr. Chin Jit Pyng (Non-Independent Non-Executive Director)</p> <p>Puan Sri Datuk Seri Rohani Parkash Binti Abdullah (Independent Non-Executive Director)</p> <p>Dato' Jasmy bin Ismail (Independent Non-Executive Director)</p> <p>Mr. Phang Tuck Keong (Independent Non-Executive Director)</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

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

Application	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years
Explanation on application of the practice	:	<p>The Board Charter provides that the tenure of an Independent Non-Executive Director ("INED") should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an INED may continue to serve on the Board as a Non-Independent Director. In the event the Board intends to retain an INED beyond nine (9) years, it shall justify and seek annual shareholders' approval.</p> <p>If the Board continues to retain an INED after the twelfth (12th) year, the Board shall seek annual shareholders' approval through a two-tier voting process.</p> <p>Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders' meeting:-</p> <p>Tier 1 : Only the Large Shareholder(s) of the Company votes. Tier 2 : Shareholders other than Large Shareholder(s) votes.</p> <p>The Board Charter can be accessed from our website www.symphonylife.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Group has adopted a policy which stipulates that the tenure of an Independent Non-Executive Director ("INED") should not exceed a cumulative term limit of nine (9) years.</p> <p>Upon completion of the nine (9) years, an INED may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an INED beyond nine (9) years, it shall justify and seek annual shareholders' approval.</p> <p>The Board Charter can be accessed from our website www.symphonylife.my.</p>

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the importance of a diverse workforce and strictly adheres to the practice of non-discrimination of any form, whether based on age, gender, race, ethnicity or religion, throughout the organisation. As such, the Group supports diversity by recruiting according to skills, knowledge, experience, talents and ability rather than based on gender, race and ethnicity.</p> <p>The Group also believes that it is of utmost importance that the Board is composed of the best-qualified individuals to ensure the Company has an effective composition of the Board that is confident in its ability to discharge their duties effectively in the best interests of the Company and shareholders.</p> <p>In relation to Board diversity, the Board believes that it is not necessary to set any targets on the number of female directors but will make the necessary appointments based on merit and contribution to the overall working of the Board. The Board regards that a diverse Board is important and will take into consideration not only candidate's background, skills, experience, gender, ethnicity or race, but also whether he/she will be a right fit into the existing Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5

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

Application	:	Departure																														
Explanation on application of the practice	:																															
Explanation for departure	:	<p>Even though there is no specific policy on gender diversity or target set for hire based on gender, the Group recognises the importance of a diverse workforce and strictly adheres to the practice of non- discrimination of any form, whether based on age, gender, race, ethnicity or religion, throughout the organisation. As such, the Group supports diversity by recruiting according to skills, knowledge, experience, talents and ability rather than based on gender, race and ethnicity.</p> <p>The current structure of gender, ethnicity and age of the employees of the Group are as follows:-</p> <table border="1"> <thead> <tr> <th colspan="2">Gender</th> <th colspan="2">Ethnicity</th> <th colspan="2">Age Group</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>45.05%</td> <td>Malay</td> <td>52.75%</td> <td>20 to 29</td> <td>10.44%</td> </tr> <tr> <td>Female</td> <td>54.95%</td> <td>Chinese</td> <td>39.01%</td> <td>30 to 39</td> <td>29.67%</td> </tr> <tr> <td></td> <td></td> <td>Indian</td> <td>7.69%</td> <td>40 to 49</td> <td>35.71%</td> </tr> <tr> <td></td> <td></td> <td>Others</td> <td>0.55%</td> <td>50 and above</td> <td>24.18%</td> </tr> </tbody> </table>	Gender		Ethnicity		Age Group		Male	45.05%	Malay	52.75%	20 to 29	10.44%	Female	54.95%	Chinese	39.01%	30 to 39	29.67%			Indian	7.69%	40 to 49	35.71%			Others	0.55%	50 and above	24.18%
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Measure	:																															
Timeframe	:																															

Intended Outcome

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

Practice 4.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The search for candidates is performed through various means including recommendation from Directors, Management or external parties, the Group's contacts within the industry and various professional bodies and business associates of the Group. The Group also utilises the services of executive recruiters or head-hunters, leveraging on personal relationships and networks.</p> <p>All proposed nominee(s) for appointment to the Board will be independently assessed and recommended by the Nominating Committee based on qualifications, skills and experience, which the candidate will bring to the Board. The nominee(s) were assessed on their ability to contribute positively by bringing additional perspectives and experience to the Board's deliberations and decision making.</p> <p>There were no new Board appointments made during the financial year in review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>Dato' Jasmy bin Ismail an INED was appointed as Chairman of the Committee on 1 April 2018.</p> <p>The current composition of the Nominating Committee is as follows :</p> <p>Dato' Jasmy bin Ismail (Chairman) Independent Non-Executive Director</p> <p>Puan Sri Datuk Seri Rohani Parkash binti Abdullah Independent Non-Executive Director</p> <p>Mr. Phang Tuck Keong Independent Non-Executive Director</p> <p>The profiles of the Committee members can be found in the 2019 Annual Report. The Terms of Reference of the Nominating Committee can be found at www.symphonylife.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee facilitates and organises the yearly Board Effectiveness Assessment and Evaluation of the Board of Directors, Individual Directors and Board Committees. The objective is to improve the Board’s effectiveness, identify gaps, maximise strengths and address weaknesses of the Board. The overall evaluation process and assessment were conducted by the Nominating Committee, before being tabled and communicated to the Board.</p> <p>The broad performance indicators on which Board effectiveness are evaluated, include Board composition and structure, Board administration, operations and interactions, Board roles and responsibilities as well as Board conduct.</p> <p>The Board Committees’ effectiveness and performance criteria were evaluated on roles and scopes, frequency of meetings, supply of sufficient and timely information and also overall effectiveness and efficiency of the Board Committees. With regard to the individual performance of the respective Directors, the performance indicators include their meeting attendance, their interactive contributions, understanding of their roles and responsibilities and the quality of their input.</p> <p>For the financial year ended 31 March 2019, the Board has, through the Nominating Committee, reviewed the skills mix and experience of the individual Directors including the Executive Chairman, assessed the effectiveness of the Board Committees and the Board as a whole. The Board is satisfied with the performance of the Board, individual Directors, the Chairman and Board Committees.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 6.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee is responsible for the recommendation of salary and other benefit packages policy and framework of Directors, Executive Directors and Senior Management. However, it is nevertheless the responsibility of the Board to approve the remuneration packages of Directors and Senior Management. The Committee is guided by the Remuneration Policy for Directors and Senior Management.</p> <p>The remuneration packages (includes salaries, benefits and performance-related/incentive pay) of the Executive Director(s) and Senior Management are linked to their individual performance and the financial performance the Group. Any salary reviews would take into account of market salary ranges which are broadly comparable and competitively in line with those awarded by similar companies.</p> <p>As for the Non-Executive Directors, the Board considers their responsibility and time commitments, taking into account the number of Board Meetings, membership of Board Committees and all additional work and contribution towards the Group.</p> <p>The Remuneration Policy for Directors and Senior Management was established and approved by the Board on 28 May 2018. The Remuneration Policy is accessible at our website www.symphonylife.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee has been constituted by the Board to review and recommend the remuneration of Directors and Senior Management for its approval. The Remuneration Committee comprises of Non-Executive Directors the majority of whom are Independent.</p> <p>The current composition of the Remuneration Committee is as follows:-</p> <p>Mr. Chin Jit Pyng (Chairman) Non-Independent Non-Executive Director</p> <p>Puan Sri Datuk Seri Rohani Parkash binti Abdullah Independent Non-Executive Director</p> <p>Mr. Phang Tuck Keong Independent Non-Executive Director</p> <p>The Terms of Reference of the Remuneration Committee can be found at www.symphonylife.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration received and receivable by each Director from the Company for the financial year ended 31 March 2019 are set out in the Corporate Governance Overview Statement in the 2019 Annual Report.</p> <p>The 2019 Annual Report of the Company is accessible at www.symphonylife.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>While the Board is cognisant on the importance of transparency, in the interest of talent retention, the Group believes that individual disclosure on a named basis for the remuneration of the senior management personnel is not in the best interest of the Group. Remuneration is based on accepted industry benchmarks and additional remuneration such as bonuses are linked to key performance indicators set at the outset of each financial year.</p> <p>The Key Senior Management positions are the Chief Financial Controller and Chief Operations Officer. The Company believes that the interest of shareholders will not be prejudiced as a result of the non-disclosure.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Audit and Risk Management Committee (" ARMC ") is not the Chairman of the Board. Dato' Robert Teo Keng Tuan was appointed Chairman of the ARMC on 1 April 2018. Dato' Robert Teo Keng Tuan is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants. Members of the ARMC (including the Chairman) comprises of three (3) Independent Non-Executive Directors. Details of the composition and activities of the ARMC are set out in the ARMC Report of the 2019 Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied
Explanation on application of the practice	:	On 28 November 2018, the Board approved and adopted the External Auditors Policy (" the EA Policy ") wherein the policy outlines the guidelines and procedures for the ARMC in reviewing, assessing and monitoring the performance, suitability and independence of the external auditors of the Company. The EA Policy requires that a former key audit partner of the Group, to observe a cooling-off period of at least two (2) years before being appointed as a member of the ARMC.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

Application	:	Applied
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board approved and adopted the External Auditors' Policy ("EA Policy") on 28 November 2018. The EA Policy outlines salient guidelines as follows :-</p> <ul style="list-style-type: none"> a) Selection, Appointment and Re-Appointment of External Auditors ; b) Objectivity and Independence of External Auditors; c) Non-Audit Services; d) Rotation of Engagement Partners; e) Appointment of Former Key Audit partner as member of ARMC; f) Annual Reporting; and g) Annual Assessment of External Auditors. <p>The ARMC conducts a yearly assessment of the suitability and independence of the External Auditors. The assessment of the suitability of the External Auditor is conducted jointly by the ARMC and the Chief Financial Officer on the professional conduct, skills, performance, experience, quality control in audit reviews and timeliness of the auditors in conducting audit of the Company.</p> <p>For the year under review, the ARMC had reviewed the suitability and independence of the external auditors and was satisfied that the external auditors had carried out their work independently and as such, had recommended for their re-appointment. The Board, upon concurrence with the outcome of the assessment, approved the re-appointment of the External Auditor based on the ARMC's recommendation subject to the approval by the shareholders at the AGM.</p> <p>The External Auditors had also provided a confirmation of their independence to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirements.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The members of the Audit and Risk Management Committee ("ARMC") consist of solely Independent Non-Executive Directors and the current composition of the Committee is as below :</p> <p>Dato' Robert Teo Keng Tuan (Chairman) Independent Non-Executive Director</p> <p>Dato' Jasmy bin Ismail Independent Non-Executive Director</p> <p>Mr. Phang Tuck Keong Independent Non-Executive Director</p> <p>Performance of the ARMC is reviewed annually by the Nominating Committee and approved by the Board.</p> <p>The profiles of the Committee members can be found in the 2019 Annual Report. The Terms of Reference of the ARMC can be found at www.symphonylife.my.</p>

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the ARMC continue to undergo regular trainings during the financial year, based on individual learning requirements as well as staying abreast of financial and corporate developments. They have the necessary trainings and experience in audit and finance, law and business management.</p> <p>The Chairman of the ARMC Dato' Robert Teo Keng Tuan, is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants. Therefore, this complies with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad that at least one (1) member of the ARMC must be a member of the Malaysian Institute of Accountants.</p> <p>The members of the ARMC are financially literate and have faithfully carried out their duties in accordance to the Terms of Reference of the ARMC. The members of the ARMC regularly attends relevant trainings and learning events to keep abreast with latest developments in accounting and audit standard.</p> <p>All the ARMCs' members receive ongoing training and development as detailed in the Corporate Governance Overview Statement in the 2019 Annual Report.</p> <p>For the financial year ended 31 March 2019, the ARMC's effectiveness was assessed by the Nominating Committee and the Board was satisfied with the overall performance of the Chairman and members of the ARMC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has overall responsibilities for corporate governance and the development of a sound internal risk control system for the Group to achieve its objectives within the acceptable risk profile as well as safeguarding shareholders’ interest and the Group’s assets.</p> <p>To assist the Board in maintaining a sound system of internal control, the Group has in place an adequately resourced Internal Audit department. The activities of this department were reported regularly to the Audit and Risk Management Committee (“ARMC”) which provides the Board with sufficient assurance regarding the adequacy and effectiveness of the system of internal control.</p> <p>The Internal Audit Department reports directly to the ARMC. Additionally, the ARMC is assisted by the Risk Management Working Committee comprised of senior members of Management, in identifying risk and plan actions to manage and control risks.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group adopts the risk assessment rating matrix in assessing risks. The risk assessment register is compiled after the assessment on the significance/magnitude of impact and likelihood of occurrence of each potential business processes risks of each department within the Group.</p> <p>The risk register is updated and reviewed from time to time in response to the changes in the business environment throughout the financial year. Appropriate steps are taken to mitigate the key risk areas by the risk owners and action plan is implemented to manage and control risks.</p> <p>The Board is assisted by the Audit and Risk Management Committee to implement the Board's policies and procedures on risk management and internal control. These include identifying the risks and assessing the potential impacts of the risks, and implementing the necessary internal controls to reduce the risk. The risk management and internal control reports are reviewed by the Board on a quarterly basis.</p> <p>Further details of the Group's risk management framework and internal controls are set out in the Statement on Risk Management and Internal Control of the 2019 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Audit Committee has been assisting the Board in carrying out, among others, the responsibility of overseeing risk management of the Group. The Audit Committee has been renamed as Audit and Risk Management Committee with effect from 24 May 2017 and the revised Terms of Reference of the Committee was approved and adopted by the Board on 8 June 2017.</p> <p>The Terms of Reference of the Audit and Risk Management Committee can be accessed on our website www.symphonylife.my.</p>

Intended Outcome

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee ("ARMC") is responsible for managing and monitoring the internal audit function. The Group's internal audit function is carried out by the in-house Internal Audit Department ("IAD") which is responsible for the overall internal audit activities of the Group.</p> <p>The IAD is guided by the Internal Audit Charter which was approved by the Board and the Charter defines the objectives, scope of work, authority, responsibility, accountability and necessary empowerment to have unrestricted access to all records of the Group. The Internal Audit Department reports functionally to the Audit and Risk Management Committee and administratively to the Executive Chairman.</p> <p>The Terms of Reference of the ARMC is accessible at our website www.symphonylife.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit personnel are independent from the operational activities of the Company and the Internal Audit Department currently has two staffs, a manager and an executive.</p> <p>Mr. Eddie Loh is the head for the Internal Audit Department and he graduated with a professional degree from the Association of Chartered Certified Accountants.</p> <p>The Internal Audit Department carries out its work with reference to the standards set by the professional bodies, consistent with the Standards for the Professional Practices of Internal Auditing set by the Institute of Internal Auditors.</p> <p>The Audit and Risk Management Committee has evaluated and is satisfied with the internal audit function carried out by the Internal Audit Department.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of maintaining transparency and accountability to its shareholders and its investors and to timely disseminate material information of the Group's performance and any significant developments affecting the Group.</p> <p>A key channel of communication used to provide its shareholders and investors with information about its business, financials and other key activities is the Annual Report of the Company. The public announcements via Bursa Securities, namely the Quarterly and Annual financial results provide an instantaneous overview of the Group's financial performance and operations to its shareholders, institutional shareholders and investors.</p> <p>The Board approved and adopted the Group Communications Guidelines and Policy on 11 June 2018 and the Guidelines shall be subject to review from time to time as deemed appropriate.</p> <p>The Company actively updates its website (www.symphonylife.my) with the latest information on the corporate and business aspects of the Group. Press releases, announcements to Bursa Securities and quarterly results of the Group are also made available on the website and this helps to promote accessibility of information to the Company's shareholders and all other market participants</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.2

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

Application	:	Not applicable
Explanation on application of the practice	:	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	The Company serves the Notice of the coming 56 th Annual General Meeting to the Shareholders of the Company at least 28 days prior to the meeting scheduled on 28 August 2019.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.2

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

Application	:	Applied
Explanation on application of the practice	:	All Directors were present at the Annual General Meeting (“AGM”) in 2018 to attend and respond to the queries raised by the shareholders. The Chief Financial Officer and the two (2) Chief Operating Officers were also in attendance to respond to the queries raised by shareholders at the AGM and provide clarifications where necessary. The Chairman encouraged shareholders to fully participate by raising questions and to seek clarifications on matters pertaining to the Company’s financial statements and other items tabled for adoption at the meeting before putting a resolution to vote. The summary of discussions is posted on the Company’s website at www.symphonylife.my within the prescribed timeframe after the conclusion of the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.3

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The general meetings of the Company have generally been attended by about 150 to 200 shareholders and proxies. The attendance is not substantial for the Company to organise meetings in remote locations for voting in absentia or remote participation which requires allocating financial and logistical resources. In any event, the Company is not aware of any such request as the majority of the Company's shareholders are located within the Klang Valley or adjacent areas with sufficient access to public transportation.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

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