

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0037  
**COMPANY NAME** : RGB International Bhd.  
**FINANCIAL YEAR** : December 31, 2017

## OUTLINE:

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

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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 RGB International Bhd. ("RGB" or "the Company") is guided by the Board Charter, which is available on the Company's website (<a href="http://www.rbggames.com/home/about-us.html">http://www.rbggames.com/home/about-us.html</a>).</p> <p>The Board collectively leads and is responsible for the success of the Group by providing entrepreneurial leadership and strategic direction as well as supervision of the management. It is also the ultimate decision-making body.</p> <p>The functions of the Board are to:</p> <ul style="list-style-type: none"><li>• monitor the compliance with all relevant statutory and legal obligations.</li><li>• ensure that the Group's core values, vision and mission and shareholders' interests are met.</li><li>• ensure that the Company has appropriate corporate governance ("CG") structures in place and together with senior management, promote good CG culture within the Group which reinforces ethical, prudent and professional behaviour.</li><li>• review and set the Group's strategic plan and direction and ensure that the strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.</li><li>• review, challenge and decide on the management's proposals for the Group and monitor its implementation by the management.</li><li>• supervise and assess performance of the management to determine whether the business is being properly managed.</li><li>• review the adequacy and the integrity of the Group's internal control systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines and ensure there is a sound framework for reporting of internal controls.</li><li>• understand the principal risks affecting the Group and recognise</li></ul>

	<p>that business decisions involve the taking of appropriate risks.</p> <ul style="list-style-type: none"> <li>• set the risk appetite within which the Board expects the management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.</li> <li>• establish such committees, policies and procedures to effectively discharge the Board’s roles and responsibilities.</li> <li>• initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for Directors to attend courses, seminars and participate in development programs as the Board judges appropriate.</li> <li>• ensure that senior management has the necessary skills and experience and succession plans are in place for the Board members and senior management.</li> <li>• promote better investor relations and shareholder communications and ensure that the Group has in place procedures to enable effective communication with stakeholders.</li> <li>• ensure the integrity of the Group’s financial and non-financial reporting.</li> </ul> <p>As part of the Board’s efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to the following Committees with each operating within clearly defined Terms of Reference (“TOR”). The Managing Director (“MD”) and Board Committees remain accountable to the Board for the authority that is delegated. The Chairman of the relevant Board Committees will report to the Board on the key issues deliberated by the Board Committees at the Board meetings.</p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Remuneration Committee</li> <li>• Nomination Committee</li> <li>• Employees’ Share Option Scheme (“ESOS”) Committee</li> <li>• Credit Review &amp; Risk Assessment (“CRRA”) Committee</li> <li>• Executive Committee</li> </ul> <p>The matters reserved for the collective decision of the Board on the basis of any recommendation that may be made from time to time by the Board Committees and/or the management are listed under Paragraph 3.1 of the Board Charter.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>

<b>Timeframe</b>	:		
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### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The roles and responsibilities of the Chairman of the Board are clearly specified in Paragraph 3.2 of the Board Charter.</p> <p>The Chairman is responsible for:</p> <ul style="list-style-type: none"> <li>• leadership of the Board.</li> <li>• overseeing the effective discharge of the Board's supervisory role.</li> <li>• facilitating the effective contribution of all Directors and allowing dissenting views to be freely expressed.</li> <li>• conducting the Board's function and meetings and ensuring the information is delivered to the Directors on a timely basis.</li> <li>• briefing all the Directors in relation to issues arising at meetings.</li> <li>• leading the Board in establishing and monitoring good CG practices in the Group.</li> <li>• ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.</li> <li>• scheduling regular and effective evaluations of the Board's performance.</li> <li>• promoting constructive and respectful relations between Board members and between the Board and the management.</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**

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 positions of Chairman and MD are held by 2 different individuals. The Chairman, Dato' Mahinder Singh Dulku, is responsible for instilling good CG practices, leadership and effectiveness of the Board whereas the MD, Datuk Chuah Kim Seah, is the officer involved in the day-to-day running of the affairs of the Company.</p> <p>The roles and responsibilities of the Chairman and MD are defined in Paragraphs 3.2 and 3.3 of the Board Charter. There is a clear division of responsibilities between the Chairman and MD to ensure balance of power and authority and greater capacity for independent decision-making.</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>Ms. Woon Mei Ling, the Company Secretary of RGB, has more than 20 years of experience in the corporate secretarial industry. She is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) and is qualified to act as company secretary under Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretary is responsible for advising the Board on matters in relation to compliance with laws, regulations, guidance and procedures affecting the Directors as well as the principles of good CG practices. She attends and ensures that all Board and its Committees meetings are properly convened and that the decisions made and/or resolutions passed thereof are recorded in minutes of meeting and kept in the statutory register at the registered office of the Company. The roles and responsibilities of the Company Secretary are set out in Paragraph 2.5 of the Board Charter.</p> <p>The Company Secretary has attended relevant conferences and training programmes including continuous professional development programmes as required by MAICSA during the financial year under review to keep herself abreast of the evolving capital market environment, regulatory changes and developments in CG.</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>An annual corporate calendar, which provides the scheduled dates for meetings of the Board, Board Committees and Annual General Meeting (“AGM”) as well as various gaming expositions and trade shows, is prepared and circulated to the Directors prior to the beginning of every year to facilitate the Directors’ time planning.</p> <p>Agenda and discussion papers are circulated at least 5 business days prior to the Board and Board Committee meetings to allow the Directors and Board Committee members to study and evaluate the matters to be discussed and subsequently make effective decisions. Procedures have been established concerning the content, presentation and timely delivery of papers for each Board and Board Committee meeting as well as for matters arising from such meetings. Actions on all matters arising from any meeting are reported at the subsequent meeting.</p> <p>The meeting materials are made available in digital form and accessible through mobile devices in line with the Group’s commitment to reduce carbon footprints. As a result, the Directors and Board Committee members are able to access meeting materials in a timely and efficient manner, thus improving Board performance and overall effectiveness of decision-making.</p> <p>The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation.</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>	:		
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**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 has established a Board Charter and is available on the Company's website (<a href="http://www.rgbgames.com/home/about-us.html">http://www.rgbgames.com/home/about-us.html</a>). The Board Charter is the fundamental guide for the Directors and outlines the composition, roles and responsibilities of the Board.</p> <p>The Board Charter comprises, among others, the following matters:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities of the Board, Chairman, MD, Senior Independent Non-Executive Director, Individual Director and Board Committees</li> <li>• Board balance and mix</li> <li>• Tenure of Directors</li> <li>• Nomination and appointments</li> <li>• New directorship</li> <li>• Company Secretary</li> <li>• Matters reserved for the Board</li> <li>• Board's relationship with shareholders</li> <li>• Processes of the Board meetings</li> <li>• Access to information</li> <li>• Directors' training</li> </ul> <p>According to Paragraph 5 of the Board Charter, the Board shall review the Board Charter annually to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remains consistent with the Board's objectives and responsibilities. The Board Charter was last reviewed on 17 April 2018.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Code of Ethics and Conduct ("Code") emphasised the Company's commitment to ethical practices and compliance with the applicable laws and regulations. The Code governs the standards of ethics and good conduct expected from the Directors and employees of the Group, which extend beyond normal working hours including after home functions, conferences and social activities. The Code covers a wide range of business practices and procedures and sets out the basic principles to guide the Group's Directors and employees. The basic principles discussed in the Code are subject to any other policies of the Group covering the same issues such as Employee Handbook and Anti-bribery and Corruption Policy.</p> <p>The Code has 8 key areas as follows:</p> <ul style="list-style-type: none"><li>• Compliance with laws, rules and regulations</li><li>• Competition and fair dealing</li><li>• Conflicts of interest</li><li>• Insider trading</li><li>• Safe and healthy environment</li><li>• Confidentiality and protection of company assets</li><li>• Prompt communications</li><li>• Proper records and communications</li></ul> <p>The Code was last reviewed on 17 April 2018 and can be found on the Company's website (<a href="http://www.rbggames.com/home/about-us.html">http://www.rbggames.com/home/about-us.html</a>).</p> <p>The Company's Employee Handbook, which contains human resource policies, serves as a guide to ensure that the accepted code of ethical conduct and employee obligations and responsibilities under this handbook are practised by the employees.</p> <p>The Anti-bribery and Corruption Policy sets out the standards the Company expects the directors, employees, agents, consultants,</p>

	contractors, suppliers, vendors and any third party intermediaries or representatives performing work or services for or on behalf of RGB Sdn. Bhd., RGB Ltd., RGB (Macau) Limited and RGB (Singapore) Pte. Ltd. to comply with in conducting business.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Whistleblowing Policy provides a platform for the employees and stakeholders of the Group to report any illegal/improper action and/or wrongdoing by the employees and/or the management of the Group.</p> <p>All whistleblowing reports must be addressed to the Chairman of the Board and/or Senior Independent Non-Executive Director of the Company. The Chairman of the Board and/or Senior Independent Non-Executive Director who receives the report must promptly act to investigate and resolve the issue. All investigations shall be tabled to the Board that has the authority to ensure effective implementation of this policy.</p> <p>The Whistleblowing Policy was last reviewed on 17 April 2017 and is available on the Company's website (<a href="http://www.rbgames.com/home/about-us.html">http://www.rbgames.com/home/about-us.html</a>).</p> <p>The Anti-bribery and Corruption Policy also sets out the procedures for reporting any suspicion of bribery or inappropriate inducement or suspicious activity.</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 4.1**

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 of RGB comprises 8 members, 4 of which are Independent Non-Executive Director. With half of the Board composed of Independent Non-Executive Directors, the Company is able to foster greater checks and balances during boardroom deliberations and decision-making.</p> <p>The Nomination Committee had conducted on annual basis an evaluation of level of independence of all the Independent Non-Executive Directors of the Company on 17 April 2018 and the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interest of the Company.</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 4.2

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

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

<b>Application</b>	:	Applied - Two Tier Voting
<b>Explanation on application of the practice</b>	:	<p>The Board has implemented a 9-year policy for Independent Non-Executive Directors, in line with the Malaysian Code of Corporate Governance ("MCCG"). The Board may, in exceptional cases and subject to the assessment of the Nomination Committee on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of 9 years to remain as an Independent Director subject to shareholders' approval. If the Board continues to retain the Independent Director after the 12 years, the Board shall seek annual shareholders' approval through a two-tier voting process to retain the said director as an Independent Director.</p> <p>Dato' Mahinder Singh Dulku has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years. Since 2015, on an annual basis, the Company has obtained its shareholders' approval at the AGM to retain Dato' Mahinder as Independent Non-Executive Chairman of the Company.</p> <p>The Board has recommended that shareholders' approval through a two-tier voting process be sought at the upcoming AGM of the Company for Dato' Mahinder to continue to act as Independent Non-Executive Chairman. The Board is of the opinion that the independence of Dato' Mahinder has not been compromised or impaired in any way after having noted the following justifications during the review and assessment of his independence:</p> <ul style="list-style-type: none"><li>• He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and thus, he would be able to function as a check and balance to the Executive team and bring an element of objectivity to the Board;</li><li>• He has never transacted or entered into any transactions with, nor provided any services to the Company and its subsidiaries, within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of MMLR of Bursa Securities;</li></ul>



	<ul style="list-style-type: none"> <li>• He has extensive experience garnered from his professional experience in legal advisory for a diverse range of businesses and therefore would be able to offer constructive comments and objective review of proposals. Throughout his tenure of service, he has acted in the best interest of the Company and has continued to exercise independent judgement and due care;</li> <li>• He has not developed, established or maintained any significant relationship, which would impair his independence as an Independent Director, with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of him to carry out his duties as Independent Non-Executive Director, Chairman or member of the Board Committees; and</li> <li>• He has devoted sufficient time and attention to his professional obligations for informed and balanced decision-making.</li> </ul> <p>Dato' Mahinder has offered himself for re-election at the upcoming AGM of the Company.</p>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 4.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied																																				
<b>Explanation on application of the practice</b>	:	<p>The Board's composition has the right balance of experience, skills and expertise to make meaningful contributions to the Board's deliberation and decision-making. Brief profile of each Board member is provided in the Annual Report 2017 under Profile of Directors. The current diversity in the race/ethnicity (cultural background), age and gender of the existing Board, all of whom are Malaysians, is as follows:</p> <table border="1"> <tr> <td rowspan="3">Race/Ethnicity</td> <td>Malay</td> <td>2</td> </tr> <tr> <td>Chinese</td> <td>5</td> </tr> <tr> <td>Others</td> <td>1</td> </tr> <tr> <td rowspan="3">Age Group</td> <td>51-60</td> <td>4</td> </tr> <tr> <td>61-70</td> <td>2</td> </tr> <tr> <td>71-80</td> <td>2</td> </tr> <tr> <td rowspan="2">Gender</td> <td>Male</td> <td>7</td> </tr> <tr> <td>Female</td> <td>1</td> </tr> </table> <p>The brief particulars of Key Senior Management Team are provided in the Annual Report 2017 under Key Senior Management Team. They are all Malaysians with diversity in the following perspectives as set out in the table below:</p> <table border="1"> <tr> <td rowspan="2">Race/Ethnicity</td> <td>Chinese</td> <td>3</td> </tr> <tr> <td>Indian</td> <td>1</td> </tr> <tr> <td rowspan="3">Age Group</td> <td>31-40</td> <td>1</td> </tr> <tr> <td>41-50</td> <td>1</td> </tr> <tr> <td>61-70</td> <td>2</td> </tr> <tr> <td rowspan="2">Gender</td> <td>Male</td> <td>3</td> </tr> <tr> <td>Female</td> <td>1</td> </tr> </table>	Race/Ethnicity	Malay	2	Chinese	5	Others	1	Age Group	51-60	4	61-70	2	71-80	2	Gender	Male	7	Female	1	Race/Ethnicity	Chinese	3	Indian	1	Age Group	31-40	1	41-50	1	61-70	2	Gender	Male	3	Female	1
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<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 Company currently has 1 female Director, representing 12.5% of the total Board membership. The Board is supportive of gender diversity to comprise 30% female directors as recommended by the CG Blueprint 2011. Ms. Lam Voon Kean was appointed as the first female director of the Company on 31 March 2014 to fill the vacancy after resignation of Mr. Ooi Teng Chew.</p> <p>The Company does not have a formalised Board gender diversity policy alongside targets and measures. However, the issue of diversity is discussed and given prominence during deliberations by the Nomination Committee and the Board.</p> <p>Female representation will be considered when a vacancy arises and/or suitable candidates are identified. Nevertheless, the appointment of a new Board member will not be guided solely by gender but will also take into consideration the experience, skills and knowledge of the candidate.</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>	:	
<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 4.6**

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>	:	The Nomination Committee is responsible for making recommendation for any appointments to the Board by assessing the desirability of renewing existing directorships and relying on sources from existing Board members, management, major shareholders, independent search firms and/or other independent sources.  The procedures for appointment of Directors are set out in Paragraph 2.3 of the Board Charter.
<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 4.7**

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>According to the TOR of the Nomination Committee, the Chairman of the Nomination Committee shall be the Senior Independent Non-Executive Director appointed by the Board.</p> <p>Mr. Ng Eng Tong, the Senior Independent Non-Executive Director, is the Chairman of the Nomination Committee. As the Chairman of the Nomination Committee, he leads the succession planning and appointment of Board members and leads the annual performance evaluation of each Director, the Board and Board Committees.</p> <p>The responsibilities of the Senior Independent Non-Executive Director are set out in Paragraph 3.4 of the Board Charter.</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 form an opinion on the overall effectiveness of the board and individual directors.

**Practice 5.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee conducts annual performance evaluation of each Director, the Board, Board Committees and Chief Financial Officer (“CFO”) based on self and peer assessment approach for continuous improvement. The character, experience, integrity, competence and time commitment of each Director and CFO are assessed as well as the skills and knowledge of each Director is analysed, inter alia, in the areas of strategy, entrepreneurship, legal and regulatory requirements, CG, risk management, internal controls, audit, accounting, financial reporting, taxation, human capital, sales and marketing, information technology, production and quality assurance. The effectiveness of the Board and its Committees is evaluated in terms of board mix, composition, quality of information, decision-making, boardroom activities and board’s relationship with the management.</p> <p>The Nomination Committee has carried out the evaluation on 17 April 2018 based on questionnaires tailor-made for the Company incorporating best practices of MCCG as the method of evaluation. The Directors and CFO have completed the assessment and evaluation forms for the financial year under review and have provided their comments and recommendations for improvements.</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 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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has put in place a Remuneration Policy which sets out the remuneration structure of Executive Directors, Non-Executive Directors and senior management of the Company as well as the procedures to determine their remuneration.</p> <p>This policy is established for the purpose of ensuring that the Company has remuneration guidelines that are:</p> <ul style="list-style-type: none"> <li>• appropriate to attract, retain and motivate the Directors and senior management;</li> <li>• fair and reasonable having regard to the demands, complexities and performance of the Company as well as the level of competencies, scope of work and responsibilities of the individual Directors and senior management; and</li> <li>• aligned with the business strategy and long-term objectives of the Company.</li> </ul> <p>This policy is available on the Company's website (<a href="http://www.rgbgames.com/home/about-us.html">http://www.rgbgames.com/home/about-us.html</a>) and will be reviewed periodically to ensure it continues to remain relevant and appropriate.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 6.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee of RGB comprises 4 members, all of whom are Independent Non-Executive Directors.</p> <p>The key function of Remuneration Committee is, inter alia, to review and recommend to the Board the policy framework and remuneration structure for Executive and Non-Executive Directors as well as senior management.</p> <p>The Remuneration Committee's TOR is placed on the Company's website (<a href="http://www.rgbgames.com/home/about-us.html">http://www.rgbgames.com/home/about-us.html</a>).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 7.1

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

<b>Application</b>	:	Applied				
<b>Explanation on application of the practice</b>	:	The details of the remuneration of the Directors for the financial year ended 31 December 2017 are as follows:				
		Salary and bonus (RM)	Fees <sup>(a)</sup> (RM)	Benefits in- kind <sup>(b)</sup> (RM)	Other emoluments <sup>(c)</sup> (RM)	Total (RM)
		Directors				
		<b>Group</b>				
		Datuk Chuah Kim Seah	784,024	-	-	268,274 1,052,298
		Datuk Steven Lim Tow Boon	711,338	-	23,950	319,318 1,054,606
		Mazlan Ismail	288,912	-	9,900	35,538 334,350
		Chuah Kim Chiew	374,119	-	-	45,729 419,848
		Dato' Mahinder Singh Dulku	-	130,300	-	10,000 140,300
		Ng Eng Tong	-	119,500	-	10,000 129,500

Directors	Salary and bonus (RM)	Fees <sup>(a)</sup> (RM)	Benefits in-kind <sup>(b)</sup> (RM)	Other emoluments <sup>(c)</sup> (RM)	Total (RM)
Lam Voon Kean	-	96,200	-	33,048	129,248
Tan Sri Norazman Hamidun	-	96,200	-	33,048	129,248
<b>Total</b>	<b>2,158,393</b>	<b>442,200</b>	<b>33,850</b>	<b>754,955</b>	<b>3,389,398</b>
<b><u>Company</u></b>					
Datuk Chuah Kim Seah	-	-	-	-	-
Datuk Steven Lim Tow Boon	-	-	-	-	-
Mazlan Ismail	288,912	-	9,900	35,538	334,350
Chuah Kim Chiew	-	-	-	-	-
Dato' Mahinder Singh Dulku	-	130,300	-	10,000	140,300
Ng Eng Tong	-	119,500	-	10,000	129,500
Lam Voon Kean	-	96,200	-	33,048	129,248
Tan Sri Norazman Hamidun	-	96,200	-	33,048	129,248
<b>Total</b>	<b>288,912</b>	<b>442,200</b>	<b>9,900</b>	<b>121,634</b>	<b>862,646</b>
<b><u>Notes:</u></b>					
(a) Fees are subject to the approval of shareholders of the Company.					
(b) Benefits in-kind represent estimated monetary value of benefits in-kind.					

	(c) Other emoluments include meeting allowance, subsistence allowance, share options vested under ESOS, contributions to defined contribution plan and social security contributions.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 7.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is of the view that the disclosures of senior management's remuneration in the Audited Financial Statements are adequate as it complies with the requirement of Paragraph 17 of MFRS 124 "Related Party Disclosures".</p> <p>Moreover, detailed remuneration on a named basis of 4 senior management who are the Non-Independent Executive Directors have been disclosed under Practice 7.1 above.</p> <p>The Board believes that the non-disclosure of the top 5 senior management's remuneration will not affect the interest of the shareholders.</p> <p>The Company does not have any alternative plan to meet the intended outcome.</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>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Ms. Lam Voon Kean is the Chairman of the Audit Committee whilst Dato' Mahinder Singh Dulku is the Chairman of the Board.  This practice has been incorporated into the TOR of the Audit Committee, which is published on the Company's website ( <a href="http://www.rbgames.com/home/about-us.html">http://www.rbgames.com/home/about-us.html</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>	:	<p>The TOR of the Audit Committee stipulates that no former key audit partner shall be appointed as a member of the Audit Committee before observing a cooling-off period of at least 2 years.</p> <p>None of the members of the Board were former key audit partners within the cooling-off period of 2 years. Hence, there is no such person being appointed as a member of the Audit Committee.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has assigned its Audit Committee to assess, monitor, review and supervise the suitability, objectivity and independence of the external auditors annually. This responsibility is enshrined in the TOR of the Audit Committee while the procedures for the conduct of such assessment are guided by the External Auditors Assessment Policy. This policy was last reviewed on 17 April 2018.</p> <p>The Audit Committee has assessed the independence of the current external auditors of the Company prior to recommendation to the Board for endorsement before seeking shareholders' approval for re-appointment at the forthcoming AGM. The current external auditors, having been re-appointed by the shareholders annually at the AGM, were initially appointed on 25 May 2011. The external auditors have confirmed that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements and have provided the declaration in their annual audit plan presented to the Audit Committee of the Company. The Audit Committee is satisfied with the external auditors' technical capability and audit independence.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	Currently, the Audit Committee of RGB comprises 4 members, all of whom are Independent Non-Executive Directors.  The Company has adopted this practice since 2011.

### 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>Ms. Lam Voon Kean, who is a member of Malaysian Institute of Accountants ("MIA") and Malaysian Institute of Certified Public Accountants ("MICPA"), is the Chairman of the Audit Committee. The academic and professional background of the rest of the Audit Committee members varies. With vast knowledge, skills and experience from various industries, they are able to understand matters under the purview of the Audit Committee and therefore they are able to provide sound advice to the Board.</p> <p>The TOR of the Audit Committee has been amended on 17 April 2018 to stipulate that its members shall undertake continuous professional development training to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p> <p>During the financial under review, the Audit Committee members have attended several seminars, development and training programmes, the details of which are set out in the Annual Report 2017 under Paragraph II of the CG Overview Statement.</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

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

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

**Practice 9.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established an effective risk management and internal control framework to safeguard its shareholders' investment, interest and the Group's assets.</p> <p>The Board, via Audit and CRRRA Committees, undertakes overall responsibility for risk oversight and risk management. Corporate Integrity division was formed to further mitigate the risk encountered by the Group on its day-to-day operations.</p> <p>Details of the Group's risk management and internal control are set out under Statement on Risk Management and Internal Control in the Annual Report 2017.</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

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>	:	The Board has disclosed the key features of its risk management and internal control system as well as its adequacy and effectiveness in the Statement on Risk Management and Internal Control in the Annual Report 2017.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 9.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function of the Company is outsourced to Messrs. KPMG Management &amp; Risk Consulting Sdn. Bhd. (“KPMG”), a professional service provider, for independent appraisal.</p> <p>To ensure effective management and independence of the internal audit function, the Audit Committee is empowered by its TOR to:</p> <ul style="list-style-type: none"> <li>• review with the internal auditors whether the employees of the Group have given them the appropriate assistance in discharging their duties;</li> <li>• review the adequacy of the scope, budget, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;</li> <li>• review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken by management on the recommendations;</li> <li>• appraise the performance of the head of internal audit and review the appraisals of senior staff members of the internal audit; and</li> <li>• approve any appointment or termination of the head of internal audit and senior staff members of the internal audit function and to review any resignations of internal audit staff members and provide resigning staff members an opportunity to submit reasons for resigning, where necessary.</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

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

## Practice 10.2

The board should disclose—

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

<b>Application</b>	:	Applied								
<b>Explanation on application of the practice</b>	:	<p>The internal audit engagement by KPMG is headed by its Executive Director, namely Dato’ Ooi Kok Seng. Dato’ Ooi is a member of the MICPA and MIA. Dato’ Ooi has accumulated over 30 years of experience in a wide range of audit, risk and internal audit work.</p> <p>All the personnel deployed by KPMG are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.</p> <p>There were a total of 5 personnel which were deployed by KPMG for the internal audit work during the financial year ended 31 December 2017. All the personnel possess tertiary qualifications and the level of expertise and professionalism is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Expertise category</th> <th style="width: 40%;">Percentage of total auditors</th> </tr> </thead> <tbody> <tr> <td>Bachelor degree</td> <td style="text-align: center;">60%</td> </tr> <tr> <td>Professional (CPA, CIA, etc.)</td> <td style="text-align: center;">20%</td> </tr> <tr> <td>Post Graduate (MBA, MA, etc.)</td> <td style="text-align: center;">20%</td> </tr> </tbody> </table> <p>The internal audit work was carried out in accordance with a framework set by a recognised professional body i.e. IPPF issued by IIA, of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit work.</p>	Expertise category	Percentage of total auditors	Bachelor degree	60%	Professional (CPA, CIA, etc.)	20%	Post Graduate (MBA, MA, etc.)	20%
Expertise category	Percentage of total auditors									
Bachelor degree	60%									
Professional (CPA, CIA, etc.)	20%									
Post Graduate (MBA, MA, etc.)	20%									
<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>	:	<p>The Group recognises the importance of being accountable to its shareholders and investors and as such has maintained active communication and feedback policy with institutional investors, shareholders and public generally to explain the Group's strategy, performance and major developments.</p> <p>The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary means of disseminating information on the Group's activities and financial performance.</p> <p>The Company has in place an Investor Relations Policy which is published in the Company's website (<a href="http://www.rbgames.com/home/investor-policy.html">http://www.rbgames.com/home/investor-policy.html</a>). The policy set as a guiding principle for the basis of the Company's Investor Relations activities to ensure effective communication with shareholders, investors, analysts and general public. Investors are encouraged to access the website <a href="http://www.rbgames.com">www.rbgames.com</a> for the latest announcements as well as information on the Group's products and services. Alternatively, they may obtain the Group's latest announcements through Bursa Securities' website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a>.</p> <p>Any queries or concerns regarding the Group may be directed to the Investor Relations division via its dedicated e-mail at <a href="mailto:ir@rbgames.com">ir@rbgames.com</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>	:		
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### 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>	:	<p>The Annual Report 2017 of the Company provides stakeholders with a fairly comprehensive overview on the Company's financial and non-financial information. Components such as Management and Discussion Analysis, CG Overview Statement and Statement of Risk Management and Internal Control form an integral part of the non-financial information.</p> <p>The Company will consider adopting integrated reporting if the Board opined that the benefits arising from the adoption of integrated reporting outweigh the related costs.</p> <p>At present, the Board is of the view that the Annual Report 2017 is comprehensive enough for stakeholders to make informed decisions.</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>	:	
<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 12.1

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 Company provides additional time for the shareholders to make necessary arrangement to attend the AGM of the Company, either in person or by proxy, by giving 28-day notice in line with good CG practice instead of the 21-day requirement under the Companies Act 2016 and MMLR of Bursa Securities.</p> <p>The notice of the 15<sup>th</sup> AGM of the Company dated 30 April 2018 was issued to the shareholders 28 days prior to the AGM which will be held on 28 May 2018. The notice also included details and relevant explanatory notes to the resolutions proposed to enable the shareholders to make informed decisions in exercising their voting rights.</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>	:	The 14 <sup>th</sup> AGM of the Company held on 29 May 2017 was attended by all the Directors and the Company Secretary. The Directors, Chairman of all the Board Committees, senior management and the Company's external auditors, Messrs. BDO, were present to answer questions raised and provide clarification as required by the shareholders.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 12.3

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	RGB does not have large number of shareholders which warrant the use of technology to facilitate remote shareholders or voting in absentia at this stage.  RGB has adopted poll voting at its 14 <sup>th</sup> AGM held on 29 May 2017 for all resolutions proposed, where the votes were cast by way of voting slips. RGB will conduct electronic poll voting at the forthcoming AGM to provide a more efficient and accurate outcome of the results.
	:	As an alternative practice, the shareholders who are unable to attend the general meetings of the Company may appoint any person(s) as their proxies to attend and vote on their behalf at the general meetings.
<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.*

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