

# Statement on Corporate Governance

The Board of Directors of Alliance Financial Group Berhad is committed to adopting high standards of corporate governance in all areas of its activities with the objective of achieving business prosperity and corporate accountability. The ultimate objective is to safeguard the interests of all stakeholders and to enhance shareholders' value. The Board is committed to ensure that the Company is in compliance with the principles and recommendations of the Malaysian Code on Corporate Governance 2012 (MCCG 2012) and Bank Negara Malaysia (BNM) Guidelines on Corporate Governance for Licensed Institutions.

In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, this statement describes the way in which the Company has applied the principles and recommendations set out in the MCCG 2012. Save for the exception to Recommendation 3.2 which is explained under paragraph 1.6 in this statement, the Company is in compliance with the principles and recommendations of the MCCG 2012.

## 1. The Board of Directors

### 1.1 Duties and Responsibilities

The Board is led by the Chairman, Datuk Oh Chong Peng, who is an Independent Non-Executive Director.

The Chairman receives strong and positive support from the Group Company Secretary in discharging his duties and responsibilities to ensure the effective functioning of the Board.

There are matters specifically reserved for the Board's decision to ensure that the direction and control of the Group are firmly in hand. The day-to-day conduct of the Group's business is delegated to the Management subject to the authority limits given. The Board is ultimately responsible for the overall performance of the Company and of the Group.

The principal duties and responsibilities of the Board are:

- reviewing and approving strategies, business plans and significant policies;
- reviewing, adopting and approving the Group's annual budgets, key operational initiatives, major investments and funding decisions;
- overseeing the conduct of business of the Group;
- reviewing the risk management processes within the Group;
- assuming responsibility in succession planning within the Group; and
- reviewing the adequacy and integrity of internal control systems and management information systems to ensure compliance with relevant laws, rules, regulations, directives and guidelines.

The Board also assumes various functions and responsibilities that are required of them by regulatory authorities, as specified in guidelines and directives issued from time to time.

### 1.2 Board Charter

The Board has adopted a charter which was designed to provide Directors and Officers with greater clarity regarding the role of the Board, the requirements of Directors in carrying out their role and discharging their duties to the Company, and the Board's operating practices. The charter will be reviewed from time to time and updated in accordance with the needs of the Company and any new laws and regulations that may have an impact on the role and responsibilities of the Board.

### 1.3 Directors' Code of Conduct and Ethics

The Group has a Code of Conduct that sets out the standards required to be observed by the Directors and the employees in order to promote and maintain the highest ethical standards at all times. The Directors in the Group adhere to the Code of Ethics as set out in the Bank Negara Malaysia's BNM/GP7 - Part 1 Code of Ethics: Guidelines on the Code of Conduct for Directors, Officers and Employees in the Banking Industry and the Code of Ethics for Company Directors established by the Companies Commission of Malaysia.

### 1.4 Board Composition and Independence of Directors

The Board comprises nine members, who are all Non-Executive Directors, of whom six are Independent Directors. The Board is constituted of individuals of high calibre and diverse experience and collectively has the necessary skills and qualifications to effectively manage the Company and to discharge the responsibilities of the Board. The current Board members are all very experienced in the management of businesses and in terms of academic background have skills in the areas of law, banking, finance, accounting, economic, information technology and human capital.

The presence of a majority of Independent Non-Executive Directors also provides the necessary checks and balances to ensure that the interests of all shareholders and the general public are given due consideration in the decision-making process.

The Board through the Nomination Committee will assess Directors' independence annually against the independence criteria under Paragraph 1.01 of the Main Market Listing Requirements ("MMLR") and Part 2.26 of BNM's Guidelines on Corporate Governance for Licensed Institutions ("BNM CG Guidelines"). In the annual assessment of the Independent Directors of the Company in respect of FY2014, the Board was satisfied that each of the Independent Directors of the Company continue to be independent and free from any business or other relationship, which could interfere with the exercise of independent judgement.

## 1.5 Annual Assessment of Performance of the Board, Board Committees and Individual Directors

The Nomination Committee annually assesses the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director by way of a set of customised self-assessment questionnaires. In addition to the self-assessment by Directors, each individual Director's performance is assessed by the Board Chairman. The results of the annual assessment are tabled to the Nomination Committee and Board for deliberation.

In the annual assessment of the Board for the financial year ended 31 March 2014 (FY2014), the Board was satisfied with its current size and composition as well as its mix of skills which is made up of individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its responsibility effectively. The Board, through the Nomination Committee has also assessed the fitness and propriety of the Directors in accordance with the Group's Policy on Fit and Proper, and was satisfied with the fitness and propriety of the Directors.

A brief profile of each Director is presented on pages 15 to 19 of this Annual Report.

## 1.6 Appointment and Re-election of Directors

Pursuant to the guidelines issued by BNM, the appointment of new Directors and re-appointment of Directors upon the expiry of their respective tenure of office as approved by BNM, are subject to the prior approval of BNM.

Any proposed appointment of new Board members or proposed re-appointment of Directors will be assessed by the Nomination Committee. In evaluating the appointment of new Directors, the Nomination Committee looks for diversity of skills and experience of the candidates. To ensure the candidate has the character, experience, integrity, competency and time to effectively discharge his role as a Director, the Nomination Committee will assess the fitness and propriety of the candidates in accordance with the Group's Policy on Fit and Proper. The following criteria are considered by the Nomination Committee:

- Probity, personal integrity and reputation
- Competence and capability
- Financial integrity

The Nomination Committee will, upon its assessment, submit its recommendation to the Board for approval subject to BNM's consent.

Upon appointment, new Directors are advised of their legal and statutory responsibilities. All Directors are also regularly being updated on new requirements affecting their responsibility and are constantly reminded of their obligations.

In accordance with the Articles of Association of the Company, newly appointed Directors shall hold office only until the next Annual General Meeting (AGM), and shall then be eligible for re-election. Additionally, one-third (1/3) of the remaining existing Directors shall retire from office at each AGM and be eligible to offer themselves for re-election provided always, that all Directors shall retire from office at least once every three years.

A Director of the Company who is over the age of 70 years will retire at the AGM and may be re-appointed pursuant to Section 129 of the Companies Act, 1965.

As the capacity, energy and enthusiasm of a Director is not necessarily linked to age, the Board deemed it not appropriate to prescribe age limits for the retirement of Directors. The Board believes in having a healthy mix of age and experience and therefore does not prescribe a minimum or maximum age limit for its Board members apart from what is laid down under Section 129 of the Companies Act, 1965.

In relation to Recommendation 3.2 of the MCCG 2012 that the tenure of an Independent Director should not exceed a cumulative term of nine years, the Board has maintained its current policy that Independent Directors after having served for 12 years will not be considered for further re-appointment. In view of this policy for Independent Directors to serve for up to 12 years, shareholders approval will not be sought for Independent Directors who have served for nine years but less than 12 years.

## 1.7 Board Meetings

The Board meets on a regular basis to review business performance, strategies, business plans and significant policies as well as to consider business and other proposals which require the Board's approval. Ad-hoc Board meetings, where necessary, are held to deliberate on corporate proposals or urgent issues which require the Board's consideration between scheduled meetings.

The Board met 11 times during the FY2014. Details of each Director's attendance during the financial year are as follows:

Name of Director	Attendance
Datuk Oh Chong Peng ( <i>Chairman</i> )	11/11
Dato' Thomas Mun Lung Lee	10/11
Stephen Geh Sim Whye	10/11
Tan Yuen Fah	11/11
Megat Dziauddin bin Megat Mahmud	10/11
Lee Ah Boon	9/11
Ou Shian Waei	11/11
Kung Beng Hong	11/11
Sng Seow Wah	11/11

## Statement on Corporate Governance (cont'd)

### 1.8 Access to Information

Board members are provided with relevant proposal papers and supporting documents at least three clear days before the relevant Board and Board Committee meetings to provide sufficient time for the Directors to review, consider and obtain further information, where required, for deliberation at the meetings. Urgent proposals can be presented less than three clear days subject to approval of the Chairman. Senior management and advisers are invited to attend Board meetings, where necessary, to provide additional information and insights on the relevant agenda items tabled at Board meetings.

The Group has implemented paperless meetings where board materials are uploaded to a secured board portal for the Directors to download to their tablets. This initiative has made the process of creating, distributing and reviewing confidential board materials more efficient and secure. It speeds up the process of board pack dissemination and removes the need for hard copy papers. The initiative also enhances the Group's corporate responsibility in line with environmental initiatives by reducing its paper consumption.

Every Director has the right to resources, whenever necessary and reasonable, for the performance of his duties at the cost of the Company. Directors may seek external independent professional advice at the expense of the Company, to assist them in making well-informed decisions whether as a full Board or in their individual capacity.

### 1.9 Time Commitment

The Board is satisfied with the level of time commitment given by the Non-Executive Directors towards fulfilling their roles and responsibilities as Directors of the Company.

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, they must not hold directorships in more than five public listed companies.

Non-Executive Directors are required to notify the Chairman before accepting any additional external appointments. The notification shall include an indication of time that will be spent on the new appointment. The Chairman shall notify the Board if he has any additional external appointments or significant commitments outside the Company.

### 1.10 Directors' Training

The Board places the responsibility for training of Directors on the Nomination Committee which on a continuous basis, evaluates and determines the training needs of Directors.

The Company has in place a Directors' Orientation Programme for newly appointed Directors to familiarise themselves with the Group's business operations. The Directors are provided with the opportunity for relevant training programmes on an ongoing basis on areas relating to the banking and financial industry to keep themselves abreast with the latest developments in the marketplace including the eight-day Financial Institutions Directors' Education (FIDE) Programme which promotes high-impact Boards by strengthening Board competencies in dealing with corporate governance, risk management and strategic issues faced by the financial services industry.

As at 31 March 2014, all the Directors have completed the Mandatory Accreditation Programme and pursuant to the requirement of Bursa Securities, they have attended various training programmes during the financial year. All Directors have also attended the eight-day FIDE Programme.

During the financial year, all the Directors have attended seminars, conferences and courses on various topics covering accounting, tax, corporate governance, finance, management and risk management. Some of the Directors have also contributed by being speakers and panellists at seminars, conferences and courses. The seminars, conferences and courses attended by Directors are:

- FIDE: Audit Committee Program
- FIDE: Dialogue on Financial Services Act 2013 and Islamic Financial Services Act 2013
- FIDE: Advanced Risk Governance & Risk Management
- FIDE: Managing Talent at Board and Management
- FIDE: Leadership Energy Summit Asia
- FIDE: The Personal Data Protection Act 2010: Issues and Implications
- FIDE: Leading a learning organisation in an age of change
- FIDE: Governance in Groups
- FIDE: Human Capital Management in the Boardroom & "C" suite Programme Tools and Techniques for Nominating and Remuneration Committees
- BNM-FIDE Forum Dialogue with the Governor: "Economic & Financial Services Sector: Trends & Challenges Moving Forward"
- Risk Management Forum: Embracing Risks For Long-Term Corporate Success-Boosting Your Risk Governance.

- The Future of Banking
- 2014 Budget Seminar
- Quantitative Easing
- MASB Roundtable on Financial Reporting
- International Corporate Governance Seminar 2013
- Special Dialogue & Presentation Session on Asean Corporate Governance Scorecard 2013
- Managing Stakeholders Expectations
- Advocacy session on Corporate Disclosure for Directors of Listed Issuers
- The World Capital Markets Symposium
- Board Chairman Series: The Role of the Chairman
- AIF International Symposium 2013
- PwC Board Agenda Series
- 10th APEC-SME Financing Conference
- Change Your Culture, Change Your Results
- The Seven Demands of Leadership Workshop
- Khazanah Megatrends Forum 2013: Finding Harmony in Paradox
- The Shape of Change
- Enhancing Board Stewardship

The Nomination Committee has undertaken an assessment of the training attended by the Directors during the financial year and was satisfied that each of the Directors have attended continuous training to keep abreast with the latest developments in the industry and to further enhance their skills and knowledge to better discharge their responsibilities as Directors of the Company.

### 1.11 Board Committees

The Board has established various Board Committees to assist and complement the Board in the execution of its responsibilities. Each Board Committee operates within its terms of reference, which clearly define its functions and authority. The Board Committees of the Company are as follows:

#### a) **Audit Committee**

The Terms of Reference and the composition of the Audit Committee are presented in the Audit Committee Report on pages 63 to 66 of this Annual Report.

#### b) **Nomination Committee**

The salient Terms of Reference of the Nomination Committee are as follows:

- to establish minimum requirements for the Board i.e. required mix of skills, experience, qualification and other core competencies required of a Director. The Committee is also responsible for establishing minimum requirements for the Chief Executive Officer (CEO). The requirements and criteria should be approved by the full Board;
- to recommend and assess the nominees for directorship, Board committee members as well as nominees for the CEO. This includes assessing Directors for re-appointment, before an application for approval is submitted to BNM. The actual decision as to who shall be nominated should be the responsibility of the full Board;
- to oversee the overall composition of the Board, in terms of the appropriate size and skills, and the balance between Executive Directors, Non-Executive Directors and Independent Directors through annual review;
- to recommend to the Board the removal of a Director/CEO from the Board/management if the Director/CEO is ineffective, errant and negligent in discharging his responsibilities;
- to establish a mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board, the contribution of the Board's various committees and the performance of the CEO and other key senior management officers. Annual assessment is conducted based on an objective performance criterion. Such performance criteria are approved by the full Board;
- to ensure that all Directors continue to receive appropriate training in order to keep abreast with the latest development in the industry;
- to oversee the appointment, management succession planning and performance evaluation of key senior management officers;
- to recommend to the Board the removal of key senior management officers if they are ineffective, errant and negligent in discharging their responsibilities; and
- to assess, on an annual basis, to ensure that the Directors and key senior management officers are not disqualified under Section 59 of the Financial Services Act 2013.

## Statement on Corporate Governance (cont'd)

The Nomination Committee comprises entirely of Non-Executive Directors with the majority being independent. In FY2014, a total of three meetings were held by the Nomination Committee. The members of the Nomination Committee and the details of attendance during the financial year are as follows:

Committee Members	Attendance
Datuk Oh Chong Peng ( <i>Chairman</i> )	3/3
Dato' Thomas Mun Lung Lee	3/3
Stephen Geh Sim Whye	3/3
Megat Dziauddin bin Megat Mahmud	3/3
Lee Ah Boon	3/3
Kung Beng Hong	3/3

**c) Remuneration Committee**

The salient Terms of Reference of the Remuneration Committee are as follows:

- to recommend a framework of remuneration for Directors, CEO and key senior management officers of the Company for the full Board's approval. The remuneration framework should support the Company's culture, objectives and strategy and should reflect the responsibility and commitment, which goes with the Board membership and responsibilities of the CEO and senior management officers. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain the employees and/or directors of calibre, and yet not excessive to the extent of the Company's funds are used to subsidise the excessive remuneration. This framework should cover all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind;
- to provide oversight on remuneration matters of operating subsidiaries and to recommend specific remuneration packages for Executive Director(s) and CEO. The remuneration package should be structured such that it is competitive and consistent with the Company's culture, objectives and strategy. Salary scales drawn up should be within the scope of the general business policy and not be dependant on short-term performance to avoid incentives for excessive risk-taking. As for Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board. In addition, the remuneration of each Board member may differ based on their level of expertise, knowledge and experience;

- to review annually the Group Policy on remuneration of Non-Executive Directors of the Group and to recommend the remuneration of the Non-Executive Directors for the Board's approval;
- to approve new key senior management appointments and remuneration package, transfers and promotions of senior management officers and assessing the performance of key senior management officers of the Company; and
- to review and approve annual salary increment and performance bonus for employees of the Company.

The Remuneration Committee comprises entirely of Non-Executive Directors with the majority being independent. In FY2014, one meeting was held by the Remuneration Committee. The members of the Remuneration Committee and the details of attendance during the financial year are as follows:

Committee Members	Attendance
Datuk Oh Chong Peng ( <i>Chairman</i> )	1/1
Dato' Thomas Mun Lung Lee	1/1
Megat Dziauddin bin Megat Mahmud	1/1
Lee Ah Boon	1/1
Ou Shian Waei	1/1
Kung Beng Hong	1/1

**d) Employees' Share Participating Scheme Committee**

The Employees' Share Participating Scheme Committee (ESPS Committee) is a sub-committee of the Remuneration Committee established to implement and administer the AFG Employees' Share Scheme (ESS) in accordance with the Bye-Laws approved by the shareholders of the Company on 28 August 2007.

The members of the ESPS Committee and the details of attendance during the financial year are as follows:

Committee Members	Attendance
Datuk Oh Chong Peng ( <i>Chairman</i> )	2/2
Dato' Thomas Mun Lung Lee	2/2
Megat Dziauddin bin Megat Mahmud	2/2
Lee Ah Boon	2/2
Ou Shian Waei	2/2
Kung Beng Hong	2/2

The minutes of all Board Committees are circulated to the Board for notation.

## 1.12 Directors' Remuneration

The objective of the Company's policy on Directors' remuneration is to attract and retain Directors needed to steer the Company towards achieving its goal effectively. The determination of the Non-Executive Directors' remuneration is a matter for the Board as a whole.

The level of remuneration of Non-Executive Directors is linked to their level of responsibilities.

Non-Executive Directors are paid annual Directors' fees and sitting allowances for attending Board/Board Committee meetings. The members of Board Committees are also paid allowances for additional responsibilities undertaken. Directors of the Company who are employees within the Group are remunerated separately in accordance with their employment contracts.

Details of the Company's Directors' Remuneration (including benefits-in-kind) for each Director in the Company and the Group for FY2014 are set out below:

	COMPANY			SUBSIDIARIES		
	Fees RM'000	Salary, Allowances, Benefits-in-kind and others RM'000	COMPANY Total RM'000	Fees RM'000	Salary, Allowances, Benefits-in-kind and others RM'000	GROUP Total RM'000
<b>Executive Directors</b>	-	-	-	-	-	-
<b>Non-Executive Directors</b>						
Datuk Oh Chong Peng ( <i>Chairman</i> )	160	77	237	-	-	237
Dato' Thomas Mun Lung Lee	60	40	100	270	87	457
Stephen Geh Sim Whye	80	53	133	-	-	133
Tan Yuen Fah	60	31	91	72	43	206
Megat Dziauddin bin Megat Mahmud	60	49	109	252	95	456
Lee Ah Boon	60	32	92	72	66	230
Ou Shian Waei	60	38	98	72	116	286
Kung Beng Hong	60	50	110	132	182	424
Sng Seow Wah	-	-	-	-	* 7,838	* 7,838
<b>Total</b>	<b>600</b>	<b>370</b>	<b>970</b>	<b>870</b>	<b>8,427</b>	<b>10,267</b>

\* This includes the fair value of share options and share grants offered/awarded to Sng Seow Wah under the Employees' Share Scheme amounting to RM1,924,000.

## 2. Accountability and Audit

### 2.1 Financial Reporting

The annual financial statements and quarterly results are reviewed by the Audit Committee and approved by the Board of Directors for BNM's clearance prior to public release. A statement by the Directors explaining the Board's responsibility for preparing the annual financial statements is set out on page 74 of this Annual Report.

### 2.2 Risk Management Framework

A Risk Management report, which provides an overview of the risk management framework within the Group, is disclosed on pages 68 to 71 of this Annual Report.

### 2.3 Internal Control

A Statement on Risk Management and Internal Control, which provides an overview of the state of internal control within the Group, is disclosed on page 67 of this Annual Report.



## Statement on Corporate Governance (cont'd)

### 2.4 Policy against Fraud

All employees are entrusted with the responsibility to stay alert to risk of fraud and assist in the combat against fraud. The Group has in place reporting procedures with regards to fraud, robbery/burglary and including breach of the Code of Ethics.

The Group also has in place a Whistleblower Policy which is designed to provide an avenue for staff to report any possible financial improprieties such as manipulation of financial results, misappropriation of assets, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, or other improprieties. The Whistleblower Policy is also an avenue for employees to raise concerns in relation to the specific issues which are in the interest of integrity and justice, and which fall outside the scope of other Group policies and procedures.

### 2.5 Anti-Money Laundering and Counter-Financing of Terrorism

The Anti-Money Laundering and Anti-Terrorism Financing Act 2001 provides the legal framework to counter money laundering and terrorism financing in reporting institutions. In order to reduce the likelihood of any of the entities within the Group becoming vehicles for money laundering, terrorism financing and other unlawful activities, the Group has a policy on anti-money laundering and counter-financing of terrorism setting out the minimum standards that are to be adopted and implemented by the entities within the Group.

The key features of the policy are:

- a customer acceptance policy which requires, amongst others, establishment of a business relationship only after satisfactory verification and due diligence of a new customer or persons acting on their behalf;
- ongoing monitoring of transactions to detect unusual and suspicious patterns of activity and intensified monitoring for higher risk customers;
- clear enunciation of the roles and responsibilities of various persons within the Group, including the Board of Directors and Senior Management;
- requirement for reporting of suspicious transactions and prohibition against disclosure of suspicious transaction reports made;
- co-operation with the Financial Intelligence & Enforcement Department, BNM and other regulatory authorities with no compromise on confidentiality of customer information;
- proper retention of records for the prescribed retention period; and
- ensuring staff awareness and training.

The standards expected by the Group are upheld and reinforced by periodic training programmes on anti-money laundering and counter-financing of terrorism.

### 2.6 Relationship with the Auditors

Through the Audit Committee, the Company has established a formal and transparent relationship with the auditors, both internal and external. The External Auditors are invited to discuss the annual financial statements, their audit plan, audit findings and other special matters that require the Board's attention. The Audit Committee meets with the External Auditors and Internal Auditors twice a year, without the presence of the Management.

The Company has established a policy to assess and monitor the suitability and independence of External Auditors and governs the circumstances under which engagement for the provision of non audit-related services can be entered into.

The Audit Committee undertakes assessment of the performance, suitability and independence of the External Auditors and recommends to the Board for their re-appointment on an annual basis.

## 3. Company Secretary

The Directors have full access to the services of the Company Secretary, whose role includes ensuring that Board procedures, applicable rules and regulations, and relevant laws are complied with. The Company Secretary provides effective support to the Chairman of the Board/Board Committee(s) and facilitates the communication of decisions and policies made by the Board/Board Committees to the Management.

The Board assesses the fitness and propriety of the Company Secretary annually in accordance with the Group's Policy on Fit and Proper and it is satisfied with the performance and support rendered by the Company Secretary.

## 4. Corporate Responsibility

In terms of Corporate Responsibility, the Board has adopted the best practices in accordance with corporate governance in all its activities to ensure that we achieve business prosperity for the benefit of all stakeholders. Whilst we are committed to achieving our business and financial goals in an ethical, responsible and sustainable manner, we are also mindful of the need to fulfil our responsibilities to the marketplace, workplace, community and the environment in which we operate.

## 5. Investor Relations and Shareholders Communication

The Company acknowledges the importance of regular communication with shareholders and investors. The Company endeavours to maintain constant and effective communication with shareholders through timely and comprehensive announcements. The Board regards the AGM as an opportunity to communicate directly with shareholders and encourages attendance and participation. The notice of AGM is despatched to shareholders, together with explanatory notes or circulars on items of special business, at least 21 days prior to the meeting date. At the forthcoming 48th AGM to be held on 18 July 2014, no substantive resolutions or resolutions on related party transactions will be put forth for shareholders' approval.

The Investor Relations team engages the financial community, stakeholders and other key constituencies of the Group to provide consistent, accurate, transparent and timely information. Briefings for analysts are conducted every quarter in conjunction with the release of the quarterly financial results to provide consistent dialogue between the Group's Senior Management and the investment community. During the last 12 months, the Group has participated at roadshows and dialogues to share with the investment community, the latest updates and pertinent information on the Group's progress.

These platforms enabled the investment community to express their views on the Group's performance and in turn, the Group had the opportunity to manage investors' expectations and strengthen their understanding of the Group.

Shareholders, potential investors and members of the public can access the Company's website at [www.alliancefg.com](http://www.alliancefg.com) for information of the Group. There is a dedicated section for corporate governance in the Company's website where information such as Code of Conduct, Board Charter and Annual Reports are made available to the public. Under the Investor Relations section, all announcements made by the Company to Bursa Securities including quarterly results, dividend information, presentation slides for analyst briefings are also available in the website for the benefits of the investing public. They can also convey their concerns and queries to the Senior Independent Non-Executive Director of the Company, Dato' Thomas Mun Lung Lee. The Senior Independent Non-Executive Director serves as the point of contact between the Independent Directors and the Chairman on sensitive issues and act as a designated contact to shareholders' concerns or queries that may be raised, as an alternative to the formal channel of communication with shareholders.

All correspondence to the Senior Independent Non-Executive Director can be faxed to 03-2694 6200 or sent via e-mail to [leetmll@yahoo.com](mailto:leetmll@yahoo.com), or by mail to the registered office of the Company at 3rd Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia.

## 6. Corporate Disclosure

The Company has in place Corporate Disclosure Policies and Procedures for the Group (CDPP) which provides timely, consistent and fair disclosure of corporate information to enable informed decisions by investors.

The objectives of the CDPP are:

- a) raising awareness of Directors, management and employees on disclosure requirements and practices;
- b) providing guidance in disseminating corporate information to, and in dealing with investors, analysts, media representatives and the public; and
- c) ensuring compliance with the disclosure obligations under the Main Market Listing Requirements of Bursa Securities and other applicable laws.

The Group Company Secretary being the Corporate Disclosure Manager (CDM), serves as the primary contact person for matters referenced in the CDPP. He oversees and co-ordinates disclosure of material information to Bursa Securities. The CDM also ensures compliance with the CDPP and undertakes reviews of any violations, including assessment and implementation of appropriate consequences and remedial action.

Certain designated senior management staff of the Group are authorised to communicate Group information to the investing public. The authorised spokespersons are regularly reminded of their responsibility to exercise due diligence in making sure that the information to be disseminated to the investing public is accurate, clear, timely and complete, and that due care is observed when responding to analysts, the media and the investing public.

## 7. Dealings in Securities

The Group has in place an internal procedure governing dealings in securities by the Directors and employees to prevent contravention of applicable rules and requirements, including the provisions of the Main Market Listing Requirements of Bursa Securities and insider trading laws.

"Watch List" and "Restricted List" are circulated regularly to Directors of Alliance Investment Bank Berhad and relevant employees reminding them to refrain from dealing with relevant securities. Directors and principal officers of the Group are also reminded on a quarterly basis in relation to restriction in dealings in securities of the Company during Closed Periods.

This Statement on Corporate Governance is made in accordance with a resolution of the Board of Directors dated 12 May 2014.