

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 1724  
**COMPANY NAME** : Paramount Corporation Berhad  
**FINANCIAL YEAR** : December 31, 2023

## 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><b>Board Responsibilities</b></p> <p>The Board is collectively responsible for the overall corporate governance of the Company and the strategic direction of the Group. Although the Board confers some of its authorities to the Board Committees and delegates the day-to-day management of the Group's business operations to the management team, it reserves for its decision significant matters, such as the following, to ensure that the direction and control of the Group is firmly in its hand:</p> <ul style="list-style-type: none"><li>• Strategic planning</li><li>• Annual budgets and performance reviews</li><li>• Financial reporting</li><li>• Material acquisition and disposal of assets</li><li>• Major capital expenditure and material investments</li><li>• Fund raising activities</li><li>• Corporate governance policies</li><li>• Announcements to Bursa Malaysia Securities Berhad (<b>Bursa Securities</b>)</li><li>• Dividend payments</li><li>• Changes in the Board composition and principal officers</li><li>• Board remuneration and succession plan</li></ul> <p><b>Activities of the Board in the financial year ended 31 December 2023 (FY2023)</b></p> <p>In discharging its fiduciary duties and leadership function, the Board exercised oversight on the Group's businesses and affairs through the following activities, amongst others, that were carried out by the Board in FY2023:</p> <ul style="list-style-type: none"><li>• Provided strategic guidance to management</li></ul>

	<ul style="list-style-type: none"> <li>• Monitored the implementation of strategic initiatives and management’s performance in meeting the growth targets set out in the Group’s Strategic Plan for 2020 to 2025</li> <li>• Approved the Group’s 2023 Budget and Business Plan, and monitored operational performance against the budget</li> <li>• Reviewed and approved management’s business proposal on the disposal by Paramount Property (Utara) Sdn Bhd, a wholly-owned subsidiary of the Company, of a three-storey and a double-storey shop offices in Bandar Laguna Merbok, Sungai Petani, Kedah for a total cash consideration of RM3,750,000/- to unlock the value of the former office of Paramount Property Northern Region</li> <li>• Approved the award and vesting of new Paramount shares to eligible employees of the Group pursuant to the Long Term Incentive Plan for eligible employees and executive directors of the Company and its subsidiaries (<b>LTIP</b>)</li> <li>• Adopted the Sustainability Policy</li> <li>• Reviewed and updated the Terms of Reference (<b>TOR</b>) of the three Board Committees, namely, (1) Board Risk Management Committee (<b>BRMC</b>); (2) Nominating Committee (<b>NC</b>); and (3) Remuneration Committee (<b>RC</b>) mainly to update the consistency in wordings amongst the Board Committees</li> <li>• Reviewed and updated the Group’s Anti-Bribery and Corruption (<b>ABC</b>) Policy to allow ABC declarations to be made in digital format, and the Directors’ Code of Ethics mainly to reflect compliance with the Main Market Listing Requirements (<b>MMLR</b>) of Bursa Securities on conflict of interest (<b>COI</b>)</li> <li>• Approved an Incentive Plan for selected key employees of the Group in place of the LTIP that expired on 16 September 2023</li> <li>• Appointed Dato’ Ong Eng Bin as an Independent Non-Executive Director (<b>INED</b>) on 1 July 2023</li> <li>• Revised the composition of the Board Committees for rotation of duties among the Directors following the appointment of Dato’ Ong Eng Bin as an INED</li> <li>• Approved the disposal of a four-storey shop office in Bandar Sri Damansara, Kuala Lumpur for a total cash consideration of RM1,900,000/- to unlock the value of the asset</li> <li>• Approved the payment of a single-tier special interim dividend of 12.0 sen per share and a single-tier final dividend of 3.5 sen per share for the financial year ended 31 December 2022 (<b>FY2022</b>), and a single-tier interim dividend of 3.0 sen per share for FY2023</li> <li>• Monitored the progress of the following corporate and business proposals carried forward to FY2023: <ul style="list-style-type: none"> <li>○ Expiry of the LTIP on 16 September 2023.</li> <li>○ Disposal of 5% equity interest each in UOW Malaysia KDU University College Sdn Bhd (formerly known as KDU University College Sdn Bhd) and UOW Malaysia KDU Penang University College Sdn Bhd (formerly known as KDU University College (Penang) Sdn Bhd) to UOWM Sdn Bhd (<b>UOWM</b>) for a total cash consideration of RM5,659,304/- pursuant to the Share Purchase Agreement dated 19 November 2018 entered into between UOWM and the Company.</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>• Tracked the Company’s level of conformance to the Malaysian Code on Corporate Governance (<b>MCCG</b>)</li> <li>• Tracked the environmental, social and governance (<b>ESG</b>) sustainability activities of the Group</li> <li>• Took note of the activities of the four Board Committees from reports and briefings received from the chairpersons of the respective board committees at the board meetings held after each committee meeting</li> <li>• The INEDs met amongst themselves separately without the presence of the EDs, during one of the five Board meetings, to discuss strategic, governance and operational matters relating to the Group</li> </ul> <p>Before arriving at its decision on each of the above proposals and exercises, the Board had challenged the reasonableness, accuracy, competitiveness, completeness and feasibility of the assumptions, rationale and justifications presented by management. It had also provided guidance and set parameters within which the proposals should be acted upon by management to ensure the prevalence of good corporate governance for the best interest of the Company.</p> <p><b>Succession Planning</b></p> <p>The Board takes a pivotal role in ensuring continuity in leadership at the board and senior management level. For board succession, the Board, through the NC, conducts a yearly analysis of the skills matrix of the Directors to ensure that the Board continues to be well-equipped with skills and expertise that are aligned with the Group’s strategic direction. The procedural guide for this yearly board succession planning exercise is disclosed in Practice 5.5 of this report.</p> <p>For employees, the Board had, since 2016 and through the Group Human Resource Department, developed a group-wide management succession plan which entails the identification of three levels of successors at different levels of readiness for chief executive officers (<b>CEOs</b>) and senior management positions. The identified successors are required to participate in the STARS (Sustainable Talent Acceleration and Retention Strategy) and LEAP (Leading with Energy and Passion) programmes that are designed to develop the management capabilities and leadership skills of the candidates, and to prepare them for CEOs and senior management roles.</p> <p>In addition, the Group CEO (<b>GCEO</b>) has taken up the scope of mentoring a group of younger senior management staff who are potential key business drivers of the Group, moving forward.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

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

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

### Intended Outcome

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><b>Chairman</b></p> <p>The Board has stipulated in the Board Charter that the Chairman is responsible for the effective leadership, operation and governance of the Board and its relations to shareholders and other stakeholders. To this end, the Chairman of the Board works with the GCEO, Mr Jeffrey Chew Sun Teong and the Company Secretary to set the agenda for Board meetings, and he ensures timely provision of accurate and relevant information to all Directors prior to the meetings. He leads the Board in all Board discussions, and ensures that all members of the Board continue to contribute effectively to the development of the Company's strategies and policies. He also acts as a facilitator to ensure that no Board member dominates the board discussions at the Board meetings.</p> <p>The Chairman is primarily responsible for representing the Board to shareholders and ensuring appropriate steps to provide effective communication with stakeholders so that their views are communicated to the Board as a whole.</p> <p>To further instil the adoption and implementation of good corporate governance, Mr Quah Chek Tin, the Chairman of the Board, stays independent of the decision-making process of the four Board Committees by not being a member of any of these committees nor attend any of the Board Committee meetings. He also ensures that all meetings of the Board and Board Committees are held separately and independently in accordance with the Board Charter and the Terms of Reference of the respective Board Committees. He meets with the chairperson of the four Board Committees at least two times a year to exchange views, knowledge and experiences on the governance of the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

## Intended Outcome

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><b>Chairman</b></p> <p>To ensure separation of powers between the Chairman and the GCEO, the position of Chairman is held by Mr Quah Chek Tin, an Independent Non-Executive Chairman, who is not a member of any of the four Board Committees, namely, the AC, BRMC, NC and RC. The role and responsibilities of the Chairman are set out in Practice 1.2 of this report.</p> <p><b>GCEO</b></p> <p>The position of GCEO is held by Mr Jeffrey Chew Sun Teong who is responsible for the management of the Group's businesses, formulating strategy proposals including annual and medium-term plans on the delivery of such strategies for the Board's consideration. He keeps the Board apprised of the Group's financial and operational performance, and all matters that materially affect the Group.</p> <p>The GCEO leads the management team in ensuring that the Group's businesses deliver shareholders value and supports the Group's ESG sustainability agenda. It is also the responsibility of the GCEO to ensure that adequate, well-motivated and incentivised management resources are available, and succession plans for CEOs and senior management as well as business processes are put in place.</p> <p>The GCEO is supported by the Deputy GCEO (<b>DGCEO</b>), who is also an ED of the Company, the Chief Financial Officer (<b>CFO</b>), the Group Human Resource Director (<b>GHRD</b>), CEO of the Property Division (<b>Paramount Property</b>), heads of the strategic business units (<b>SBUs</b>) and other senior management personnel in the management of the day-to-day business operations of the Group.</p> <p>The CGEO also takes on the leadership role to instil the practice of good corporate governance by the Company's subsidiaries and at the management level. He chairs all board meetings of the subsidiaries and the meetings of the five management committees which are held on a quarterly basis or as and when the need arises, with proper minutes recorded on the meeting proceedings.</p>



## **Management Committees**

To promote a holistic adoption of good corporate governance within the Group, five management committees have been established to monitor adherence to the Group's internal control and risk management framework as well as to provide dedicated focus to manage the Group's information technology (IT) infrastructure and sustainability material matters strategically. They are the Executive Risk Management Committee (**ERMC**), the Finance Committee (**FC**), the Sustainability Steering Committee (**SSC**), the Tender Committee (**TC**) and the IT Committee (**ITC**). Their functions, as set out in their respective TORs, are as follows:

- **ERMC**

The ERMC comprises the GCEO, DGCEO, CFO, GHRD, CEO of Paramount Property and Chief Operating Officer (**COO**) of Paramount Property as well as heads of SBUs. Its primary function is to monitor adherence to the Group's risk management and internal control frameworks, implementation of the risk management action plans identified based on the ISO31000 Enterprise Risk Management methodology, and the business continuity plan for the Group. The ERMC meets on a quarterly basis to review and monitor risk management status reports submitted by the SBUs and head office corporate functions. Thereafter, it submits its report to the BRMC on a half-yearly basis.

- **FC**

The FC comprises the GCEO, DGCEO, CFO and finance managers of the SBUs. Its primary function is to monitor the Group's progress in meeting its financial targets (including financial key performance indicators) and business plans, and query the reasons for major deviation, if any, from those targets. It is also the scope of the FC to review and monitor the Group's cash flow, tax position, loan covenant compliances, asset impairment triggers, accounting policies and practices affecting the Group, related party transactions, and the impact of new business transactions and investments on the financial performance of the Group. The FC meets quarterly prior to the tabling of the respective company's financial results to their board of directors. It also convenes separate annual meetings to review annual budgets for the next financial year prior to the submission thereof to the respective company's board for approval.

- **SSC**

The SSC comprises the GCEO, DGCEO, CFO, GHRD and CEO of Paramount Property. The objective of the SSC is to provide collective focus to drive the Group's sustainability matters

	<p>strategically. Its key functions are (1) to evaluate the Group’s sustainability risks and opportunities; (2) to formulate sustainability strategies, identify sustainability priorities and commitments, and set sustainability goals and/or targets for the Group; (3) to allocate resources for the execution of sustainability strategies and implementation of sustainability initiatives/projects; and (4) to monitor the progress of those initiatives/projects, and report their effectiveness to the Board. The SSC meets on a quarterly basis to review and monitor reports submitted by the Sustainability Working Group (<b>SWG</b>) which is led by the DGCEO as the designated officer to provide dedicated focus to manage the Group’s sustainability agenda, and submits its report to the Board on a yearly basis.</p> <ul style="list-style-type: none"> <li>• <b>TC</b></li> </ul> <p>The TC comprises the GCEO, DGCEO, CFO, and CEO of Paramount Property. Its primary function is to evaluate and decide on the award of tenders primarily for the purchase and procurement of goods and services that are necessary for the day-to-day business operations of the Group. It is also the responsibility of the TC to develop and continuously improve the tender processes and procedures for the Group. With experience gained from years of operating in different property cycles and economic trends, the TC has put in place a comprehensive and robust set of tender procedures which set out detailed steps for compliance at four stages of the tender process, i.e. (1) pre-tender, (2) tender, (3) evaluation, and (4) approval of award. Authority limits at different stages of the tender process, and selection criteria, based on the tenderers’ pricing, product/service quality, delivery timeliness, financial and manpower capacity, safety and health track record as well as good business conduct are also set out in the tender procedures. The TC meets as and when the operational needs arise, and the frequency ranges between one and two meetings per month.</p> <ul style="list-style-type: none"> <li>• <b>ITC</b></li> </ul> <p>The ITC comprises the GCEO, DGCEO, CFO, GHRD, CEO of Paramount Property. Its primary function is to oversee the establishment of appropriate governance to ensure that the application, management and review of the Group’s IT strategies are consistent with the goals and objectives of the Group. The ITC meets on a quarterly basis to review the development and execution of IT strategies as well as budgets for IT projects.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

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

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

### Intended Outcome

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 Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	Mr Quah Chek Tin, the Independent Non-Executive Chairman of the Board, is not a member of any of the four Board Committees of Paramount, namely, the AC, BRMC, NC and RC. He does not and did not attend any meeting of the four Board Committees since his appointment to the Board to enable independent deliberation by the Board Committees on matters brought for their review. This is to ensure there is check and balance as well as objective review by the Board when the same matters are recommended by the Board Committees to the Board for consideration.
<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

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><b>Company Secretary</b></p> <p>All Directors have unrestricted access to the Company Secretary, who plays an advisory role to the Board in relation to the Board policies and procedures, compliance with applicable laws, rules and regulations and codes. The Secretary, who is duly certified by the Companies Commission of Malaysia pursuant to the requirements of the Companies Act, 2016, and an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators, supports the Board and Board Committees in the discharge of their duties by monitoring the status of adherence to the relevant laws and regulations and conformance with corporate governance best practices. It is also the responsibility of the Secretary to ensure that all information and materials that are required for consideration by the Board and Board Committees are provided to the Directors expeditiously (i.e. at least five business days in advance of the meetings), and that all Board deliberations and decisions are well captured in the minutes and resolutions, and communicated to the respective members of the management team for their necessary action. The duties of the Secretary also include managing the processes pertaining to the Company's Annual General Meetings (<b>AGM</b>) and maintenance of the Group's statutory records. Additionally, the Secretary keeps the Directors updated on new statutory and regulatory requirements, and attends to the sourcing of training programmes for the Directors.</p> <p>The Secretary also assists management in the drafting of internal policies, proposal papers and general announcements to Bursa Securities for Board approval.</p> <p>The Secretary keeps herself abreast of changes or updates to the relevant laws, rules, regulations and corporate governance codes and practices by attending continuous professional training and through self-study and research. She also attends training programmes that are attended by or organised for the Directors for better understanding of the Directors' expectations and concerns, if any.</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 1.6

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><b>Board Operations</b></p> <p>The Board's activities were mostly conducted at the Board and Board Committee meetings held during the year. The meetings were scheduled in advance before the end of the preceding year to enable the Board members to plan ahead for the meetings. In the intervals between the meetings, matters that required urgent decisions from the Board or the Board Committees were sought through circular resolutions, which were supported by information and explanations required for informed decisions to be made.</p> <p>Formal agendas together with a comprehensive set of meeting papers, consisting of the minutes of the previous meeting, management reports and proposals, were forwarded to the Directors five business days prior to the meetings. Except when abstention from deliberation is required, the Chairman chaired all Board meetings held in the year, and meeting of the Board Committees were chaired by their respective chairpersons who updated the Board on the activities of the committees at the nearest Board meeting. Except when abstention from deliberation is required, all Directors participated actively in the Board deliberations, with no individual or group of individuals dominating the decision-making process of the Board or Board Committees. Deliberations and decisions made at such meetings were recorded in the minutes of the meetings, which were then tabled for confirmation at the next Board or Board Committee meeting.</p> <p>There were five (four scheduled and one ad-hoc) Board meetings held in FY2023 and the Directors' attendance at the Board and Board Committees meeting held in FY2023 were as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Director</th> <th style="text-align: center;">Board</th> <th style="text-align: center;">AC</th> <th style="text-align: center;">NC</th> <th style="text-align: center;">RC</th> <th style="text-align: center;">BRMC</th> </tr> </thead> <tbody> <tr> <td>Quah Chek Tin</td> <td style="text-align: center;">5/5</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Jeffrey Chew Sun Teong</td> <td style="text-align: center;">5/5<sup>#</sup></td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Benjamin Teo Jong Hian</td> <td style="text-align: center;">4/5<sup>#</sup></td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Ong Keng Siew</td> <td style="text-align: center;">5/5</td> <td style="text-align: center;">-</td> <td style="text-align: center;">2/2</td> <td style="text-align: center;">2/2</td> <td style="text-align: center;">2/2</td> </tr> <tr> <td>Quah Poh Keat</td> <td style="text-align: center;">5/5</td> <td style="text-align: center;">5/5</td> <td style="text-align: center;">2/2</td> <td></td> <td style="text-align: center;">-</td> </tr> <tr> <td>Fatimah Merican<sup>(1)</sup></td> <td style="text-align: center;">5/5</td> <td style="text-align: center;">5/5</td> <td style="text-align: center;">2/2</td> <td style="text-align: center;">2/2</td> <td style="text-align: center;">2/2</td> </tr> <tr> <td>Foong Pik Yee</td> <td style="text-align: center;">5/5</td> <td style="text-align: center;">5/5</td> <td style="text-align: center;">-</td> <td></td> <td style="text-align: center;">2/2</td> </tr> <tr> <td>Dato' Ong Eng Bin<sup>(2)</sup></td> <td style="text-align: center;">3/3</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>	Director	Board	AC	NC	RC	BRMC	Quah Chek Tin	5/5	-	-	-	-	Jeffrey Chew Sun Teong	5/5 <sup>#</sup>	-	-	-	-	Benjamin Teo Jong Hian	4/5 <sup>#</sup>	-	-	-	-	Ong Keng Siew	5/5	-	2/2	2/2	2/2	Quah Poh Keat	5/5	5/5	2/2		-	Fatimah Merican <sup>(1)</sup>	5/5	5/5	2/2	2/2	2/2	Foong Pik Yee	5/5	5/5	-		2/2	Dato' Ong Eng Bin <sup>(2)</sup>	3/3	-	-	-	-
Director	Board	AC	NC	RC	BRMC																																																		
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	<p>Notes:</p> <p>(1) ceased to be a member of the BRMC on 1 October 2023</p> <p>(2) appointed as a member of the Board on 1 July 2023 and as a member of the RC and BRMC on 1 October 2023</p> <p># excluding the separate meeting held among the INEDs without EDs</p> <p>The INEDs met amongst themselves separately without the presence of the EDs, during one of the five Board meetings, to discuss strategic, governance and operational matters relating to the Group.</p>	
<p><b>Explanation for departure</b> :</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><b>Timeframe</b> :</p>		



### 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><b>Demarcation of Responsibilities</b></p> <p>In addition to outlining the role and duties of individual Directors, the Board Charter, which was adopted by the Board in 2013 and reviewed once in every three years, provides clear demarcation of responsibilities between the Board, the Board Committees, the Senior INED, the Chairman, and the GCEO. The Board Charter was reviewed and updated by the Board in FY2022 to include new requirements of Bursa Securities and new best practices in the MCCG mainly relating to appointment of directors, independence of the chairman from board committees, and application of the directors' fit and proper policy in the nomination and election of directors, as well as ESG matters.</p> <p><b>Board</b></p> <p>The responsibilities and activities of the Board in FY2023, and the decisions reserved for the Board are set out in Practice 1.1 of this report.</p> <p><b>Board Committees</b></p> <p>The four Board Committees are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective TORs as determined by the Board and set out in the Board Charter. Although specific powers are delegated to the Board Committees, the Board continues to keep itself abreast of the actions and decisions taken by each Board Committee through reports by the chairperson of each of the Board Committees at Board meetings.</p> <p>The composition of the Board Committees, their functions and activities in FY2023 are reported below:</p>

- **AC**

Currently, the AC comprises exclusively INEDs, namely Mr Quah Poh Keat (as Chairman since 18 May 2017), Ms Foong Pik Yee and Puan Fatimah Merican.

The primary objective of the AC is to assist the Board in the effective discharge of its fiduciary responsibilities for timely and accurate financial reporting and the development of sound internal controls. The AC Report in Paramount's Annual Report 2023 provides a detailed account of the activities of the AC in FY2023.

- **NC**

Currently, the NC comprises exclusively INEDs, namely Mr Ong Keng Siew who is the Senior INED (as Chairman since 3 August 2022), Mr Quah Poh Keat and Puan Fatimah Merican.

The primary function of the NC is to consider and recommend to the Board new nominees for appointment to the Board, the re-election of Directors, and to assess the independence of INEDs. It also conducts yearly assessment of the effectiveness of the Directors, the Board, the Board Committees, the Chairman and the GCEO in fulfilling their respective duties.

The following activities were carried out by the NC in FY2023:

- Reviewed the outcome of the 2022 Directors' Self and Peer Assessment to assess the performance of individual Directors, the Board, the four Board Committees, the Chairman and the GCEO
- Reviewed the training programmes attended by the Directors, and discussed the Directors' training needs for the ensuing year
- Reviewed the Declaration of Independence signed by all INEDs to reaffirm their status of independence
- Assessed the eligibility of Directors for re-election at the 53<sup>rd</sup> AGM of the Company, taking into consideration compliance with the Directors' Fit and Proper Policy (**DFPP**) of the Company
- Reviewed the composition of the Board Committees to ensure even distribution of duties amongst the Directors
- Conducted a yearly analysis of the skills matrix of the Directors to ensure that the Board continues to be well-equipped with skills and expertise that are aligned with the Group's strategic direction and for Board succession purpose
- Conducted a yearly review of its TOR and recommended an update to the Board for the purpose of consistency in wordings with the TORs of the other Board Committees
- Reviewed the succession plans for the Board, GCEO and other key senior management
- Revamped the 2023 Directors' Self and Peer Assessment questionnaire to include areas on Fit and Proper and ESG, and

to align the assessment to some of the best practices prescribed in Bursa Securities' CG Guide (4<sup>th</sup> Edition)

- **RC**

Currently, the RC comprises exclusively INEDs, namely Puan Fatimah Merican (as Chairman since 3 August 2022), Mr Ong Keng Siew and Dato' Ong Eng Bin.

The primary function of the RC is to assess and recommend to the Board the remuneration packages of EDs as well as to assess and approve the remuneration packages of the other C-Suite executives to ensure that their remuneration commensurate with their responsibilities and contribution to the Group's performance, and are adequately competitive to retain these key personnel for the future growth of the Group. The RC also recommends to the Board the policy and framework for determining Directors' fees and benefits, and had, since March 2015, assumed the role as the committee to implement and administer the Company's LTIP which had come to an end on 16 September 2023.

The following activities were carried out by the RC in FY2023:

- Reviewed and recommended to the Board for approval the overall salary increment for FY2023 and staff bonus for FY2022 performance
- Reviewed and recommended to the Board for approval the FY2023 salary increment and FY2022 bonus payment to the EDs
- Reviewed and approved the FY2023 salary increment and FY2022 bonus payment to the C-Suite officers (excluding the GCEO and DGCEO)
- Conducted a yearly review of its TOR, and recommended an update for the consistency in wordings with the TORs of the other Board Committees
- Reviewed the vesting of Paramount shares pursuant to the 2020 LTIP Awards
- Reviewed and recommended to the Board for approval of the incentive plan for selected key employees to replace the Company's LTIP after its expiry on 16 September 2023

- **BRMC**

Currently, the BRMC comprises exclusively INEDs, namely Ms Foong Pik Yee (as Chairman since 1 March 2024 i.e., after the 2023 year-end), Mr Ong Keng Siew and Dato' Ong Eng Bin.

The primary function of the BRMC is to assist the Board in fulfilling its duty to ensure that adequate measures are put in place to address and manage the principal risks of the Group.

The following activities were carried out by the BRMC (chaired by Mr Ong Keng Siew) in FY2023:

- Reviewed the Top Key Risks of the Group and monitored the effectiveness of the risk management plans identified by the ERM
- Monitored the implementation progress of the COSO Internal Control Integrated Framework by the Group
- Conducted a yearly review of its TOR, and recommended an update for the consistency in wordings with the TORs of the other Board Committees

#### **Chairman**

The duties and responsibilities of the Chairman are set out in Practice 1.2 of this report.

#### **Senior INED**

The role of the Senior INED as a sounding board for the Chairman, an intermediary for other Directors, and as the point of contact for shareholders and other stakeholders is defined in the Board Charter. In addition, the Senior INED of Paramount currently holds the position as Chairman of the NC.

#### **GCEO**

The duties and responsibilities of the GCEO are set out in Practice 1.3 of this report.

#### **DGCEO**

The DGCEO shall be responsible for the planning, implementation, management and administration of the business activities of Paramount Property, Co-labs Coworking and Dewakan, and the operational as well as financial performance of these businesses. The DGCEO is also the designated officer within management to provide dedicated focus to drive and manage the Group's ESG sustainability agenda.

#### **Directors' Continuing Development Programme**

The Board Charter also requires all Directors to attend continuing development programmes to keep themselves abreast of regulatory changes pertaining to the functions of the Board as well as to be updated on relevant technical and industry related matters.

The Secretary, acting under the instruction of the NC, compiles training programmes that are available to the Directors for their selection. The Secretary also attends to internally organised training programmes whereby industry and subject matter experts are invited to update the

Directors on industry related matters and share insights about the latest economic and industry outlook as well as market trends. In addition, the Secretary, the CFO and the external auditors update the Board on changes and amendments to legislative and regulatory provisions, where applicable.

In FY2023, all Directors of Paramount have attended training programmes on a wide range of topics, which included but were not limited to the following:

#### Corporate Governance/Legal & Regulatory Updates

- Special Voluntary Disclosure Programme 2.0 - Are you ready to come forward? by KPMG Board Leadership Center (**KPMG**)
- Advocacy Sessions for Directors and CEOs for Main Market Listed Issuers by Bursa Malaysia Berhad (**Bursa**)\*
- 2023 Board and Audit Committee Priorities by Asia Pacific Board Leadership Centre\*
- 2023 Board and Audit Committee Priorities by KPMG\*
- What amounts to a conflict of interest by directors by Asia School of Business (**ASB**)\*
- Bursa's Mandatory Accreditation Programme by Institute of Corporate Directors Malaysia (**ICDM**)

#### Finance and Risk Management

- Sales Tax and Service Tax: Principle & A Window of Opportunity by KPMG
- Pillar Two of Base Erosion and Profit Shifting 2.0 – Global Minimum Tax by Deloitte Tax Services Sdn Bhd (**Deloitte**)\*
- The 2023 Budget seminar by Deloitte
- Management of Cyber Risk Programme by Ernst & Young Consulting Sdn Bhd (**EY**)
- Emerging Risks - How Can Malaysia Steer Ahead? by RAM Ratings Services Bhd
- Digital Finance Forum - jointly by Sunline, Huawei and Cloud Point
- 2023 Budget by PricewaterhouseCoopers (**PwC**)
- 2024 Budget by PwC
- Security Awareness by FIRMUS Sdn Bhd
- Cyber Security - What Directors need to know by Minority Shareholders Watch Group\*
- Climate Risk Workshop (Part 1 - Risk Identification) and (Part 2- Risk Prioritisation) - by Marsh Advisory, Asia\*
- Transfer Pricing Talk: Getting it wrong can be costly by KPMG\*
- Management of Cyber Risks for Board of Directors (**BOD**) and Senior Management by Bursa\*
- ICDM PowerTalk Series: Advancing Cyber Resilience: Board's Top 3 Must-Knows by ICDM \*
- Asian Economy Impact – Climate Change Risk by Moody's \*
- Bank Negara Malaysia (**BNM**) Climate Risk Management and Scenario Policy Document by KPMG \*
- Board Oversight of Climate Risks and Opportunities by ASB\*

	<ul style="list-style-type: none"> <li>○ Risk, Resilience and Recovery: Lessons from the Global Banking Crisis by the Asian Institute of Chartered Bankers (<b>AICB</b>)*</li> <li>○ Climate Risk Management briefing and update by Moodys*</li> <li>○ Data Breach and Cyber Fraud Prevention by Malaysian Institute of Corporate Governance *</li> <li>○ ICDM PowerTalk Series: Generative AI - An Opportunity or Risk? By ICDM*</li> <li>○ Cybersecurity Awareness by LGMS Berhad*</li> </ul> <p><u>Leadership and Strategy Management</u></p> <ul style="list-style-type: none"> <li>○ Managing a Multi-Generation Workforce by Pak J.Amri Daulay</li> <li>○ Board and C-Suite Series - Session 8: Defining a Winning Strategy for Southeast Asia’s Conglomerates by EY – Parthenon*</li> <li>○ Leadership for Enterprise Sustainability Asia by ASB *</li> <li>○ Board of Director Leadership - Effective Climate Governance by Malaysian Institute of Accountants (<b>MIA</b>)*</li> <li>○ ICDM PowerTalk Series: Rebuilding the Board for Innovation by ICDM*</li> </ul> <p><u>ESG</u></p> <ul style="list-style-type: none"> <li>○ State of Sustainability Reporting in Asia Pacific - PwC’s Sustainability Counts II by PwC Singapore &amp; The National University of Singapore*</li> <li>○ Bursa’s Mandatory Accreditation Programme Part II – Leading For Impact (LIP) by ICDM*</li> <li>○ Integrating ESG into organization Financial Reporting Framework by MIA</li> <li>○ Introduction to ESG: “What BODs need to know” by Galaxy Tech Solutions (KL) Sdn Bhd *</li> <li>○ Iclif Executive Education Centre (<b>ICLIF</b>) - Board Oversight of Climate Risks and Opportunities by Professor Mak Yuen Teen and Dr Khoo Guan Seng</li> <li>○ ESG - Bursa Malaysia’s Enhanced Sustainability Reporting Requirements by Bursa*</li> <li>○ Remaking Corporate Governance for an ESG World by ICLIF*</li> <li>○ Sustainability Awareness Programme by Moody’s*</li> <li>○ Navigating ESG Data into Decisions by ICDM *</li> <li>○ Joint Committee on Climate Change (JC3) by BNM *</li> </ul> <p><u>Economic, Industry and Market Trends</u></p> <ul style="list-style-type: none"> <li>○ Economic Outlook 2023 Redefined by Securities Industry Development Corporation (<b>SIDC</b>) *</li> <li>○ 15<sup>th</sup> Malaysia Property Summit 2023 by Persatuan Penilai, Pengurus Harta, Ejen Harta &amp; Perunding Harta Swasta Malaysia</li> <li>○ Industrial Sharing: Future Trend of Property Development by Inspire Entertainment</li> <li>○ Can America stop China’s rise? Will ASEAN be damaged? by Financial Institutions Directors Education (<b>FIDE</b>) *</li> <li>○ Why Act Now The World in 2050 by Global Institute for Tomorrow*</li> </ul>
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	<ul style="list-style-type: none"> <li>○ Ethical Finance ASEAN 2023 by AICB &amp; Global Ethical Finance Initiative *</li> <li>○ ICDM PowerTalk Series: Advancing Cyber Resilience: Board’s Top 3 Must-Knows by ICDM*</li> <li>○ Breakfast Talk on AI with Prof Sanjay Sarma by FIDE Forum*</li> <li>○ Unlock Success at BFF2023: Explore the Path to Revolutionary Business Growth by SIDC *</li> <li>○ Learning @ work: Human Learning in the Age of Machine Learning by ASB</li> <li>○ Retirement reimagined by The Edge</li> <li>○ Empowering Change Thru Diversity, Equity and Inclusion by ASB</li> </ul> <p>In assessing the training needs of the Directors, the NC had agreed that the above topics were all relevant and useful in providing the Board with a broad range of information to facilitate informed decision-making.</p> <p>The Board Charter and the TORs of all four Board Committee are available on Paramount’s website at <a href="http://www.pcb.my">www.pcb.my</a>.</p> <p>Note: * refers to training programmes attended by members of the AC in conformance with Practice 9.5 of this report.</p>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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><b>Promotion of Good Business Conduct</b></p> <ul style="list-style-type: none"><li><b>Directors' Code of Ethics and Code of Business Conduct &amp; Ethics</b></li></ul> <p>Paramount has adopted a Directors' Code of Ethics and a Code of Business Conduct &amp; Ethics to ensure that high standards of governance, ethical, prudent and professional behaviour are embedded in the Board's activities and management practices across the Group. The Directors' Code of Ethics was updated in FY2023 mainly to reflect amendments to the MMLR in relation to COI and some minor amendments for consistency in wordings with the other policies of the Company.</p> <ul style="list-style-type: none"><li><b>Related Party Transactions (RPT)</b></li></ul> <p>The Directors also adhere to the practice of declaring their interests, if any, in transactions that are submitted to the Board or Board Committees for approval, and abstaining from deliberation and voting on all transactions in which they have an interest.</p> <p>All RPTs are subject to the prior approval of the AC, and the Internal Audit Department (<b>IAD</b>) has been tasked to verify whether the terms of the RPTs are fair and at arm's length before any submission thereof to the AC for its consideration. IAD is also required to highlight to the AC should there be any non-adherence to the procedure put in place to monitor RPTs. All on-going recurrent RPTs are submitted to the AC for its review on a quarterly basis.</p> <p>Except as disclosed in Note 38 to the audited financial statements of the Company for FY2023, there were no RPTs involving the Directors in FY2023 and during the period from 1 January 2024 up to the last practical date for the publication of this report. The procedure by which RPTs are conducted and monitored is disclosed in the Board Policies section of the Company's website at <a href="http://www.pcb.my">www.pcb.my</a>.</p>



- **COI**

A comprehensive framework to identify, evaluate, approve, report and monitor COIs was established in August 2023 for better governance and accountability in relation to COI situations. All directors, key senior management as well as staff who are involved in the tender evaluation process of the Group are required to sign, at the beginning of each financial year, a confirmation on avoidance of COI and commitment to declare immediately to the Board if there are any COIs or potential COIs involving them. The IAD has been tasked to verify the status of COIs and report to the AC on a quarterly basis. The AC had reviewed the joint report on COIs from the Secretary and IAD, and noted from the report that the Group had not come across any incidence of COI in FY2023.

The NC also takes into account COI considerations when evaluating the eligibility of directors standing for election/re-election at AGMs as well as the nomination of new directors to the Board.

- **ABC Policy**

To reinforce Paramount's zero tolerance approach to bribery and corruption, the Board had adopted an ABC Policy in 2020. A set of ABC Guidelines was also disseminated to all Directors and employees, and training is provided across the Group since 2020 to create awareness of Paramount's stance on bribery and corruption. The ABC Policy was updated in February 2023 to allow the ABC declaration by all directors and employees of the Group to be made in digital form.

The ABC Policy and an ABC educational multi-media are disseminated to all employees by Group HR via the Employee Awareness Tool platform once a year as a reminder of Paramount's zero tolerance to bribery and corruption, and updates, if any, will be disseminated to the employees via email. Employees who are responsible for the selection of suppliers, contractors, agents and consultants for the Group's businesses are required to extend a copy of the ABC Policy to those stakeholders for acknowledgement of Paramount's stance on bribery and corruption.

- **Insider Dealing Policy**

In efforts to prevent insider trading in the listed securities of Paramount and to maintain the confidentiality of price sensitive information, the Board has adopted an Insider Dealing Policy, providing better clarity to the definition of 'insider trading' and setting the steps that must be taken by all Directors and employees to ensure that full disclosure is made pre and post the act of trading during a closed period. The Board is not aware of any incidence of 'insider trading' in FY2023 and during the period from 1 January 2024 to the last practical date for the publication of this report.

	The Code of Business Conduct & Ethics, the ABC Policy, and an excerpt of the Directors' Code of Ethics and the Insider Dealing Policy are available in the Board Policies section of the Company's website at <a href="http://www.pcb.my">www.pcb.my</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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>	:	<b>Whistleblowing Policy</b>  In promoting a culture of high integrity and greater transparency, the Board has adopted a Whistleblowing Policy which is reviewed once in every three years. It was reviewed and updated in FY2022 with some minor amendments for consistency in wordings with the other Board Policies. This policy provides employees of the Group and stakeholders an avenue to raise concerns regarding suspected fraud, wrongdoings and malpractices without being subject to victimization, harassment or discriminatory treatment.  The Whistleblowing Policy, examples of 'reportable activities' under the policy, and the mechanism by which employees and any member of the public can confidently and anonymously voice concerns to the Chairman of the AC at <a href="mailto:pkquah@pcb.my">pkquah@pcb.my</a> or the Head of IAD at <a href="mailto:whistleblower@pcb.my">whistleblower@pcb.my</a> are all disclosed in the Board Policies section of the Company's website at <a href="http://www.pcb.my">www.pcb.my</a> . The whistleblowing channel did not receive any information on 'reportable activities' in FY2023 and during the period from 1 January 2024 up to the last practical date for the publication of this report.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of integrating sustainability considerations into the development of the Group's strategic and business plans. The Board had adopted a Sustainability Policy on 31 March 2023, which is published on the Company's website, to give more guidance on its expectations of management's performance in advancing the Company's sustainability agenda.</p> <p>The policy sets out:</p> <ul style="list-style-type: none"><li>a) the roles and responsibilities of the following internal stakeholders for stewardship of the Group's sustainability agenda, namely:<ul style="list-style-type: none"><li>i) The Board, which is the governing body, to provide effective leadership in requiring the integration of sustainability considerations into the business strategies, business plans and decision-making process of the Group. To this end, the Board sets yearly key performance indicator (<b>KPI</b>) targets on ESG for the EDs starting from FY2023.</li><li>ii) The SSC as the driving force to ensure that appropriate sustainability considerations are embedded in the long-term strategic plans and mid to immediate term business plans of the Group.</li><li>iii) The Designated Sustainability Officer (<b>DSO</b>) as the dedicated leader of the SWG, which comprises the DSO and C-Suite officers in the Group's SBUs, to execute the sustainability strategies/plans, and to ensure that sustainability considerations are embedded in the day-to-day business activities of the Group.</li></ul></li><li>b) the core pillars of ESG upon which Paramount's sustainability strategies should be anchored.</li></ul>

	c) the code of conduct for the execution and reporting of the Group's sustainability strategies/plans, initiatives and projects.	
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company’s Sustainability Statement for FY2023 was reviewed by the IAD, and submitted to the SSC for endorsement prior to publication in the Company’s Annual Report 2023. A more detailed report is available on the Company’s website at <a href="http://www.pcb.my">www.pcb.my</a>.</p> <p>For effective and timely communication of the Group’s progress in advancing its sustainability agenda to all internal and external stakeholders, a dedicated “Sustainability” section has been created on the Company’s website where all sustainability statements issued by the Company, including updates, are posted.</p> <p>External articles on topics that are relevant to the Group’s sustainability core pillars are sourced by the SWG for sharing with internal stakeholders on the Paramount TRIBE Community portal. The objective is to educate and instil the culture of embracing sustainability considerations at work, and to encourage the creation of innovative products that contribute to the reduction of greenhouse gas emission.</p> <p>Efforts are also in progress to set feasible and realistic ESG targets for implementation in FY2024 and beyond.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board had, in FY2023, attended training programmes on ESG (as listed under Practice 2.1 in this report), and had commissioned an ESG consultant to brief the Board, in a more dedicated manner, on measuring carbon emissions towards a net zero position.	
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board had since 2022 required sustainability KPIs to be included in the performance appraisal of the two EDs of the Company from FY2023 onwards.	
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board had identified Mr Benjamin Teo Jong Hian, the DGCEO, as the DSO since 2022 to provide dedicated leadership to the SWG, which comprises the DSO and C-Suite officers in the Group's SBUs, to execute the sustainability strategies/plans, and to ensure that sustainability considerations are embedded in the day-to-day business activities of the Group.</p> <p>The key functions of the SWG, led by the DSO, are as follows:</p> <ul style="list-style-type: none"><li>i) Identify material sustainability areas, and recommend priorities to the SSC for the formulation of sustainability strategies.</li><li>ii) Conduct feasibility assessment of sustainability initiatives/projects, and make recommendations to the SSC for consideration.</li><li>iii) Implement the duly approved sustainability initiatives/projects.</li><li>iv) Maintain regular communication with external and internal stakeholders to update the Group's sustainability strategies, priorities and targets, where necessary.</li><li>v) Compile all relevant data for reporting to the authorities and governing bodies, where necessary.</li></ul>

### Intended Outcome

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

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b>Board Assessment</b></p> <p>The Directors conducted their yearly Self and Peer Assessment in November 2023 based on a revamped set of questions proposed by the NC, and the results were reviewed by the NC in January 2024. The assessment was based on the performance of each of the Directors, the Board as a whole, the four Board Committees, the Chairman and the GCEO. In addition, a separate detailed assessment for the AC was drawn up to evaluate the effectiveness of the AC as a whole and individual AC members in carrying out their duties in accordance with the TOR.</p> <p>Adequacy of the Board mix and composition, the quality of information and decision making, efficiency and integrity of the Board's operations based on the quality of information and decision-making, the Board's working relationship with management, and the Board's efforts on ESG issues were key criteria in the assessment of the Board and Board Committees.</p> <p>The individual Directors were assessed based on the fit and proper criteria, their contribution and performance as well as their calibre and personality.</p> <p>The Chairman was assessed based on his leadership role and his impartiality in overseeing the deliberation and decision-making process of the Board.</p> <p>The assessment of the GCEO was based on his integrity and co-related to the execution of the Group's strategic plans by management and the achievement of performance targets set by the Board including the development of a succession plan for key roles.</p> <p>All Directors, the Board, the Board Committees, the Chairman and the GCEO attained above average ratings in the 2023 Directors' Self and Peer Assessment exercise that was based on the new enhanced set of questionnaires. In addition to this assessment, all INEDs were required to sign a Declaration of Independence to re-confirm their status of independence.</p>

	<p>The NC had conducted its evaluation of the eligibility of three Directors, namely, Mr Jeffrey Chew Sun Teong, Mr Quah Poh Keat and Dato’ Ong Eng Bin, for re-election at the forthcoming 54<sup>th</sup> AGM. The NC had also conducted its evaluation of the eligibility of Mr Ong Keng Siew, who has served as an INED for a term of more than nine years, to continue to act as an INED of the Company until the conclusion of the next AGM, where Mr Ong Keng Siew being the Chairman of the NC had abstained from deliberation and voting on his own evaluation.</p> <p>The NC was satisfied with the evaluation results, and has recommended the abovementioned three Directors for re-election at the AGM, and for Mr Ong Keng Siew, the Senior INED, to continue to act to continue to act as an INED of the Company until the conclusion of the next AGM.</p> <p>The evaluation had taken into account (a) the Self and Peer Assessment results of the three Directors, namely, Mr Jeffrey Chew Sun Teong, Mr Quah Poh Keat and Mr Ong Keng Siew (who had attained above average ratings) save for Dato’ Ong Eng Bin who was exempted from the first-year Self and Peer Assessment in 2023 after his appointment on 1 July 2023; and (b) the time commitment of all the four Directors to discharge their duties effectively on the Board and Board Committees on which they serve. In addition, all of the abovementioned Directors had declared their compliance with the Company’s DFPP, as part of the assessment of their eligibility for re-election as a Director of the Company at the AGM.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 5.2**

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><b>Percentage of INEDs</b></p> <p>The current composition of 75% INEDs (i.e. six INEDs out of a total of eight Directors) on the Board of Paramount provides independent judgement to the Board’s decisions.</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 5.3

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 provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<b>Tenure of INEDs</b>  The Board has, as stipulated in the Board Charter, adopted the approach of seeking shareholders' approval (without any two-tier voting) at the Company's AGMs for all INEDs who have served the Company for more than nine years to remain in office as an INED on an annual basis up to the 12 <sup>th</sup> year, after which time, they will not be eligible for re-election and their tenure shall expire at the nearest AGM.  The Board has adopted the alternative approach of limiting the tenure of directorship for INEDs to 12 years, after which time, they will not be eligible for re-election and their tenure shall expire as the nearest AGM.  The above approach is simpler and more straight forward without any ambiguity or uncertainty on the position of INEDs in the Company.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

**Intended Outcome**

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

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond 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 5.5

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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b>Board Diversity</b></p> <p>The current Board composition of Paramount reflects diversity in expertise, experience and background, and this provides objectivity to the Board's decision-making process. The wealth of experience of the Board members in property development, finance, banking, marketing, IT, and management allows for effective oversight of the Group's businesses based on diverse perspectives and insights. The profiles of the current Board members are set out in the Company's Annual Report 2023.</p> <p>A copy of the Boardroom Diversity Policy is available in the Board Policies section of the Company's website at <a href="http://www.pcb.my">www.pcb.my</a>.</p> <p><b>Board Assessment</b></p> <p>Paramount Group also adheres to the practice of non-discrimination, and ensures that the selection of a candidate for directorship or employment is based on merit, in the context of skills and experience. In assessing and selecting new candidates, attributes such as character, integrity, competence, experience and a commitment to serve the Group with diligence are highly regarded by Paramount.</p> <p>For the position of ED, further consideration will be given to the candidate's skills, knowledge and expertise whilst an INED will be evaluated based on the 'independent' test, as stipulated in the MMLR of Bursa Securities, and the candidate's ability to discharge such responsibilities including time commitment as are expected of an independent director. In making its recommendations to the Board, the NC also assesses the Board structure, as a whole, to ensure that the desired skills and diversity matrix is relevant to the Group's strategic direction.</p>

For FY2023, the NC was satisfied with the outcome of its assessment of the current Directors based on the above parameters as well as the time commitment of the Directors based on their attendance at the Board and Board Committee meetings held in the year.

**Board Appointment**

The NC is entrusted with the duty of identifying, assessing and nominating candidates to fill Board vacancies as and when they arise and for succession planning. To perform this duty, the NC has formulated a procedural guide for the identification, assessment and selection of Board candidates, the details of which are as follows:

Step	To be conducted by the NC on a yearly basis
1.	Identify the key responsibilities of the Board over a five-year horizon.
2.	Identify the talent needs of the Board in order to fulfil those key responsibilities.
3.	Match the existing talent-mix of the Board against the above talent needs.
4.	Identify the talent gaps. If there are gaps, proceed to the next Step. If there are no gaps, conclude the exercise with a report to the Board that no further action is needed during the year for board succession.
5.	Identify talent sources (both internal and external) to fill those gaps.
6.	Consider whether other areas of diversity such as gender, age, nationality or ethnicity are needed.
7.	Submit a recruitment proposal to the Board for its approval. Ensure that the proposal is in line with the Board Charter.
8.	Upon receipt of the Board’s approval, proceed to engage with the talent source(s) for the identification, assessment and selection of suitable candidates.
9.	Upon completion of the selection process, nominate suitable candidates to the Board for its consideration.
Allocate a reasonable timeline of six months for the completion of Step 1 to Step 9.	

Further details on the Self and Peer Assessment of Directors are also set out in Practice 6.1 of this report.

**Explanation for departure** :

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



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

## Intended Outcome

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

## Practice 5.6

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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b>Appointment of new Directors</b></p> <p>The NC leverages on the Directors' wide network of professional and business contacts as well as external talent consultants as the main sources for Board candidacies, and its recommendations are generally based on its assessment of the expertise, skills and attributes of the current Board members and the needs of the Board, taking into account the diversity approaches set out in the Boardroom Diversity Policy, the Group's future business direction, the tenure of service, contribution and the commitment of each Board member whilst supporting healthy Board rejuvenation.</p> <p>The nomination process would involve the following stages:</p> <ul style="list-style-type: none"><li>• Identifying the candidates</li><li>• Evaluate the suitability of the candidates</li><li>• Get to know the candidates via interviews</li><li>• Final deliberation by the NC</li><li>• Recommendation to the Board</li></ul> <p>In its assessment of the candidates, the NC engages in conversations with the candidates, during the interviews, to evaluate the candidates' understanding of the duties of a director and knowledge of the MCCG, their level of practical wisdom and good judgement in knowing the fine line between governance and management oversight, and whether they have any potential conflict of interest with the Paramount Group.</p> <p>Since the adoption of the DFPP in June 2022, the NC had required that new Board candidates be subject to a fit and proper screening by an external service provider prior to any appointment to the Board.</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 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	A statement to support (a) the proposed re-election of Mr Jeffrey Chew Sun Teong, Mr Quah Poh Keat and Dato' Ong Eng Bin as Directors of the Company at the 54 <sup>th</sup> AGM; and (b) the proposal of Mr Ong Keng Siew, the Senior INED, to continue to act as an INED of the Company until the conclusion of the next AGM is stated in the Re-election of Directors section of the Corporate Governance Overview Statement in Paramount's Annual Report 2023.
<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 5.8**

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><b>Chairman of the NC</b></p> <p>The NC is chaired by Mr Ong Keng Siew who is the Senior INED of Paramount, and he is entrusted to:</p> <ul style="list-style-type: none"> <li>• lead the succession planning and appointment of Directors, and oversee the development of a diverse pipeline for Board and management succession; and</li> <li>• lead the annual review of Board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed.</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**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company had 33.3% women directors from 1 July 2020 to 31 August 2022. The percentage had reduced to 25% after the departure of a woman director on 1 September 2022 to pursue a full-time career.</p> <p>The Board will continue its efforts to identify suitable female candidates to reinstate the representation to 30%.</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 5.10**

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p><b>Gender Diversity</b></p> <p>The Paramount Group adheres to the practice of non-discrimination with regard to gender, and ensures that the selection of a candidate for directorship or employment is based on merit, in the context of skills and experience.</p> <p>As at 31 March 2024, women constituted approximately 47.5% of the Group's total workforce of 512 employees, and 51.2% of managerial positions were held by women employees.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

*Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b>Yearly Self and Peer Assessment of Directors</b></p> <p>The Directors conducted their yearly Self and Peer Assessment in November 2023 based on a revamped set of questions proposed by the NC, and the results were reviewed by the NC in January 2024. The assessment was based on the performance of each of the Directors, the Board as a whole, the four Board Committees, the Chairman and the GCEO. In addition, a separate detailed assessment for the AC was drawn up to evaluate the effectiveness of the AC as a whole and individual AC members in carrying out their duties in accordance with the TOR.</p> <p>Adequacy of the Board mix and composition, the quality of information and decision making, efficiency and integrity of the Board's operations based on the quality of information and decision-making, the Board's working relationship with management, and the Board's efforts on ESG issues were key criteria in the assessment of the Board and Board Committees.</p> <p>The individual Directors were assessed based on the fit and proper criteria, their contribution and performance as well as their calibre and personality.</p> <p>The Chairman was assessed based on his leadership role and his impartiality in overseeing the deliberation and decision-making process of the Board.</p> <p>The assessment of the GCEO was based on his integrity and co-related to the execution of the Group's strategic plans by management and the achievement of performance targets set by the Board including the development of a succession plan for key roles.</p>



	All Directors, the Board, the Board Committees, the Chairman and the GCEO attained above average ratings in the 2023 Directors' Self and Peer Assessment exercise that was based on the new enhanced set of questionnaires. In addition to this assessment, all INEDs were required to sign a Declaration of Independence to re-confirm their status of independence.	
<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 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. 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><b>Remuneration of Directors</b></p> <p>The Board had, since 2014, adopted a Board Remuneration Policy that sets out the manner in which the remuneration of Directors is determined. The policy is reviewed by the RC and the Board once in every three years. An excerpt of the Remuneration Policy is available in the Board Policies section of the Company's website at <a href="http://www.pcb.my">www.pcb.my</a>.</p> <p>The Directors are entitled to Directors' fees and Board Committee fees (where applicable), which are benchmarked, once in every three years, against fees paid by comparable public listed companies in Malaysia.</p> <p>Paramount also adopts the practice of seeking shareholders' prior approval, at the AGMs, for the payment of Directors and Board Committee fees up to a certain amount for a 12-month period after the AGM. An aggregate amount of fees not exceeding RM1,500,000.00 for the 12-month period from 1 July 2024 to 30 June 2025 had been proposed for shareholders' approval at the forthcoming 54<sup>th</sup> AGM. A detailed disclosure of the Directors' current remuneration on a named basis is reported in Practice 8.1 of this report.</p> <p><b>Remuneration of Key Senior Management (KSM)</b></p> <p>The Group also has in place an established procedure to determine and approve the remuneration of EDs and C-Suite executives. This procedure includes the Board's approval of salary increments and bonus payments to EDs as well as the overall average salary increments and bonus payments of the Group based on the recommendation of the RC, which is tasked to review management's</p>

	<p>proposals on increments and bonuses. The Group's performance, prevailing market conditions, the level of responsibility, performance and contribution of the employees to the Group's performance and long-term objectives are key considerations in the determination of salary increments and bonuses.</p> <p>Salary increments of the KSM are also benchmarked against market and industry trends whilst bonuses are designed to encourage and reward them for their achievement and betterment of challenging financial and business targets, set in the annual budget adopted by the Board at the beginning of each financial year.</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>	
<p><b>Timeframe</b></p>	<p>:</p>	

### 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 7.2

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><b>RC's role in matters relating to remuneration</b></p> <p>The Board has established the RC to implement the Board Remuneration Policy, and to assess as well as recommend to the Board on matters relating to the remuneration of Directors. The Board has delegated this power to the RC to decide on the remuneration of C-Suite senior managers (excluding EDs). The Company's EDs play no part in any decision on their own remuneration.</p> <p>Details of the RC's functions and activities in FY2023 are provided in Practice 2.1 of this report.</p> <p>The TOR of the RC is attached to the Board Charter that is available in the Corporate Governance section of the Company's website at <a href="http://www.pcb.my">www.pcb.my</a>.</p>	
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 8.1

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

<b>Application</b>	: Applied																																
<b>Explanation on application of the practice</b>	<p><b>Remuneration of Directors</b></p> <p>The remuneration of the Company's Directors for FY2023 with breakdown according to fees, salary, bonus, benefits in-kind and other emoluments are disclosed in the table annexed hereto.</p> <p>The Directors' fees were paid based on the following fee structure:</p> <table border="1"><thead><tr><th><b>Board</b></th><th><b>Fee Structure for FY2023 (RM)</b></th></tr></thead><tbody><tr><td>Chairman</td><td>168,000.00</td></tr><tr><td>Other Directors</td><td>84,000.00</td></tr><tr><td><b>Board Committee</b></td><td></td></tr><tr><td><u>AC</u></td><td></td></tr><tr><td>Chairman</td><td>27,000.00</td></tr><tr><td>Member</td><td>18,000.00</td></tr><tr><td><u>NC</u></td><td></td></tr><tr><td>Chairman</td><td>18,000.00</td></tr><tr><td>Member</td><td>12,000.00</td></tr><tr><td><u>RC</u></td><td></td></tr><tr><td>Chairman</td><td>18,000.00</td></tr><tr><td>Member</td><td>12,000.00</td></tr><tr><td><u>BRMC</u></td><td></td></tr><tr><td>Chairman</td><td>18,000.00</td></tr><tr><td>Member</td><td>12,000.00</td></tr></tbody></table> <p>In addition to the above, the Directors have the benefit of a RM15.0 million Directors and Officers Liability Insurance (<b>D&amp;O Insurance</b>) coverage in respect of liabilities arising from civil claims against the Directors for alleged wrongful acts committed in their capacity as Directors of the Company during the period from 3 January 2023 to 2 January 2024. The D&amp;O Insurance, however, does not indemnify a Director if it is established, in the final adjudication, that the Director had committed a criminal act or had obtained any profit or personal gain from the transaction or event.</p>	<b>Board</b>	<b>Fee Structure for FY2023 (RM)</b>	Chairman	168,000.00	Other Directors	84,000.00	<b>Board Committee</b>		<u>AC</u>		Chairman	27,000.00	Member	18,000.00	<u>NC</u>		Chairman	18,000.00	Member	12,000.00	<u>RC</u>		Chairman	18,000.00	Member	12,000.00	<u>BRMC</u>		Chairman	18,000.00	Member	12,000.00
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Member	12,000.00																																

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Quah Chek Tin	Independent Director	168	5	0	0	0	0	173	168	5	0	0	0	0	173
2	Jeffrey Chew Sun Teong	Executive Director	84	0	1946	1456	120	299	3905	84	0	1946	1456	120	299	3905
3	Benjamin Teo Jong Hian	Executive Director	84	0	734	728	127	117	1790	84	0	734	728	127	117	1790
4	Ong Keng Siew	Independent Director	132	11	0	0	0	0	143	132	11	0	0	0	0	143
5	Quah Poh Keat	Independent Director	123	12	0	0	0	0	135	123	12	0	0	0	0	135
6	Fatimah Merican	Independent Director	141	16	0	0	0	0	157	141	16	0	0	0	0	157
7	Foong Pik Yee	Independent Director	114	12	0	0	0	0	126	114	12	0	0	0	0	126
8	Dato' Ong Eng Bin	Independent Director	48	2	0	0	0	0	50	48	2	0	0	0	0	50
9	Input info here	Independent Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### 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 8.2

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><b>Remuneration of the top five KSM</b></p> <p>The remuneration of the top five KSM are disclosed on an aggregate basis rather than on a named basis due to the commercial sensitivity of such information for some KSM positions that may give rise to recruitment and talent retention issues.</p> <p>As an alternative, the salaries, bonuses and benefits in-kind of the Group's top five KSM are disclosed herein on an aggregate basis:</p> <table border="1"> <thead> <tr> <th>KSM</th> <th>Salary (RM)</th> <th>Bonus (RM)</th> <th>Benefits in kind (RM)</th> <th>Other emoluments (RM)</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>GROUP</b></td> </tr> <tr> <td>In aggregate (including the two EDs whose detailed disclosure is provided in Practice 8.1 of this report)</td> <td>4,682,208</td> <td>3,760,736</td> <td>247,200</td> <td>684,653.80</td> </tr> </tbody> </table> <p>Salary increments of the KSM are benchmarked against market and industry trends whilst bonuses are designed to encourage and reward them for their achievement and betterment of challenging financial and business targets, set in the annual budget adopted by the Board at the beginning of each financial year.</p>				KSM	Salary (RM)	Bonus (RM)	Benefits in kind (RM)	Other emoluments (RM)	<b>GROUP</b>					In aggregate (including the two EDs whose detailed disclosure is provided in Practice 8.1 of this report)	4,682,208	3,760,736	247,200	684,653.80
KSM	Salary (RM)	Bonus (RM)	Benefits in kind (RM)	Other emoluments (RM)																
<b>GROUP</b>																				
In aggregate (including the two EDs whose detailed disclosure is provided in Practice 8.1 of this report)	4,682,208	3,760,736	247,200	684,653.80																

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

<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	



No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

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

**Practice 8.3 - 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>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**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 9.1**

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>	:	<b>Independence of the AC</b> The AC of Paramount comprises entirely INEDs, and is led by Mr Quah Poh Keat who is not a Chairman of the Board or any other Board Committee. This composition reinforces the independence of the AC.	
<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 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<b>Independence of the AC</b> Paramount has never appointed any former audit partner of its external auditors as a Director of the Company. The TOR of the AC also require a former key audit partner of the Company's external auditors to observe a cooling-off period of at least three years before being appointed to the AC, should there be any such appointment.	
<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 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b>Evaluation of external auditors by the AC</b></p> <p>The AC conducts a yearly assessment of the suitability, objectivity and independence of the external auditors, prior to the submission of any recommendation to the Board on the re-appointment of the auditors for the ensuing year. The suitability of the external auditors is conducted through a questionnaire with feedback from the CFO and the finance teams within the Group on the professional conduct, performance, skills, knowledge, experience, manpower strength, quality control in audit reviews and timeliness of the auditors in conducting the audit of the Group. The external auditors are also required to present the firm's Annual Transparency Report and apprised the AC on issues highlighted in the Audit Oversight Board report on the firm as well as pending remedial actions, if any. In assessing the independence of the external auditors, a written confirmation is required from the external auditors on their independence and their assurance that no incidence of COI will arise from their provision of any non-audit services to the Group to safeguard the quality and reliability of audited financial statements. The AC also considers whether the fees payable to the external auditors commensurate with the extent of the audit and non-audit services rendered to the Group.</p> <p>The AC also discusses with the external auditors before the commencement of each audit, the scope of the audit, the areas of audit emphasis with reference to compliance with the applicable accounting standards in Malaysia, the resource capacity of the auditors, the terms of engagement of the auditors, and the proposed audit fees for the year. Upon conclusion of the audit, the AC meets with the external auditors together with management to review the Company's financial statements and to discuss the key audit matters highlighted by the auditors. Another two meetings are held in a year without the presence of executive Board members and management to discuss concerns that the external auditors may have arising from the audit. Significant concerns are communicated to management for remedial actions and highlighted to the Board for its attention.</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 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<b>Independence of the AC</b>  The AC of Paramount comprises entirely INEDs, and is led by Mr Quah Poh Keat who is not a Chairman of the Board or any other Board Committee. This composition reinforces the independence of the AC.



## 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 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent 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><b>Composition &amp; Effectiveness of the AC</b></p> <p>A majority of the members of the AC, namely Mr Quah Poh Keat and Ms Foong Pik Yee, are members of professional accounting bodies and Mr Quah is a member of the Malaysian Institute of Accountants. Their qualifications and extensive experience in the area of financial reporting and the management of internal controls provide assurance to the Board that the committee is well equipped with the necessary expertise and skills to oversee the financial reporting processes of the Company and the internal control governance of the Group. In addition, the re-appointment of Puan Fatimah Merican in FY2022 (whose key competency is in IT) as a member of the AC provides diversity of views to strengthen the quality of deliberations at the AC meetings.</p> <p>In FY2023, all members of the AC attended a wide range of training programmes (as indicated with an asterisk* in Practice 2.1 of this report) to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as well as in other relevant areas.</p> <p><b>AC's Review of Financial Reporting by Management</b></p> <p>The Group's quarterly reports to Bursa Securities and the Company's financial statements for each financial year are reviewed by the AC before submission to the Board for approval. The AC requires management to disclose all relevant financial and operational information that is needed by the committee to facilitate this review. The AC also assists the Board in monitoring management's performance through a set of financial KPIs that are tabled for review and deliberation at the quarterly AC meetings held in a year. The external</p>

	auditors are invited to attend all such meetings to ensure that the auditors are kept informed of the committee's views and concerns, if any, with regard to the Group's financial matters.	
<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 10.1

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><b>Risk Management and Internal Control Framework</b></p> <p>In 2015, the Group upgraded its risk management framework by adopting the ISO 31000:2009 Enterprise Risk Management (<b>ERM</b>) methodology. The initial stage of the upgrade involved the formulation of a set of Risk Parameters and a Risk Appetite Statement that define Paramount's approach in mitigating the various risks that are inherent to the Group's businesses. Subsequently in 2017, Key Risk Indicators were introduced for better tracking of the effectiveness of the control measures and risk management plans that were identified and implemented by management.</p> <p>During the year under review, the Board, through the BRMC, continued to monitor the Group's risk exposure, and was regularly updated on the implementation progress of the risk management plans to mitigate those risks based on the ISO 31000:2018 ERM methodology. The reporting process involves the monthly monitoring of the risk status by the risk owners in the SBUs, who submit their findings to the ERMIC on a quarterly basis. The ERMIC, in turn, submits its report to the BRMC on a half-yearly basis.</p> <p>The identified key risks were grouped into eight categories, namely strategic, operational, finance-related, compliance, reputational, cyber security, bribery and corruption, and sustainability. A detailed account of such risks is provided in the Statement on Risk Management and Internal Control in the Company's Annual Report 2023.</p> <p>To further enhance the Group's system of internal controls, the Board had, since 2019, based on the recommendation of the AC, upgraded the Group's internal control framework by adopting the methodologies prescribed in the COSO Internal Control Integrated Framework. The reporting process involves annual monitoring of the implementation progress of the framework by the ERMIC which, in turn, submits its report to the BRMC.</p>

	<p><b>IT Governance</b></p> <p>Although the Group does not have a high degree of dependence on IT for its day-to-day business activities, the Board recognises the need to put in place an IT governance structure to address risks that are IT-related. Hence, the ITC, set up at the management level since 2019, continues to monitor the Group’s IT infrastructure and cyber security measures. The IT team reports its findings and recommendations to the ITC on a quarterly basis, and to the Board on an annual basis.</p>	
<p><b>Explanation for departure</b></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><b>Timeframe</b></p>		

### 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 10.2

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>	:	<b>Risk Management and Internal Control Framework</b> The features of the Group's risk management and internal control framework, and the adequacy and effectiveness of the framework are disclosed in the Statement on Risk Management and Internal Control in the Company's Annual Report 2023.	
<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 10.3 - 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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<b>Composition and functions of the BRMC</b>  The Board has established the BRMC, which currently comprises exclusively INEDs, to oversee the Company's risk management framework and policies. The functions of the BRMC are set out in its TOR and summarised in Practice 2.1 of this report. The TOR of the BRMC is attached to the Board Charter that is available in the Board Policies section of the Company's website at <a href="http://www.pcb.my">www.pcb.my</a> .

### 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 11.1

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>	:	<b>Oversight of the internal audit function by the AC</b>  The AC has direct and full access to the IAD to ensure effective oversight of the Company's internal audit function, which plays an important role in testing the adequacy and integrity of the Group's internal control system. The Head of IAD reports functionally to the AC, and administratively to the GCEO. His/her appointment to or removal from the said position is subject to the approval of the AC. The performance of IAD is also evaluated by the AC annually. The AC also reviews the internal audit plans and approves the budget for the internal audit function to ensure that IAD has adequate and quality resources to execute its plans effectively. Internal audit reports are submitted by IAD to the AC for review on a quarterly basis, and management is required to ensure that corrective measures are taken to address the internal audit issues within the agreed timeline.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 11.2

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><b>Independence and strength of IAD</b></p> <p>Paramount’s IAD is independent of operations and reports functionally to the AC and administratively to the GCEO. It is led by Mr Wong Ket Keong who is a Certified Internal Auditor of the Institute of Internal Auditors (USA), a member of the Malaysia Institute of Accountants, and a fellow of the Association of Chartered Certified Accountants (UK), and supported by four staff who are members of relevant professional bodies. The internal auditors are encouraged to continuously enhance their knowledge, skills and competencies through a combination of external and in-house training.</p> <p>The primary responsibility of IAD is to provide reasonable assurance to the AC on the effectiveness of the governance, risk management and internal control processes within the Group. Effective from FY2023, the IAD has also expanded its scope of work to include performing internal review of the Company’s Sustainability Statement before publication.</p> <p>All internal audit activities of the Group are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors, the Internal Audit Charter as well as policies and procedures of the Group. An annual risk-based internal audit plan is presented by IAD to the AC for approval after having reviewed the adequacy of the scope, functions and resources of IAD as well as the competency of the internal auditors. IAD adopts a risk-based approach and prepares its plan based on the risk profiles of the auditable units in alignment with the strategic objectives of the Group.</p>
<b>Explanation for departure</b>	:	



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

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

### Intended Outcome

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 12.1

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><b>Communication with stakeholders</b></p> <p>The Company is committed to maintaining on-going communication across its entire shareholder base, whether institutional investors, private or employee shareholders. This is achieved principally through annual and quarterly reports to Bursa Securities, the Company's AGM and timely dissemination of information on significant company developments and price sensitive information in accordance with the MMLR.</p> <p>All general announcements and quarterly results released to Bursa Securities, and presentation slides presented at Investor Relations (<b>IR</b>) and Media Briefing sessions are also available on the Company's website. The Company's website is constantly updated with information pertaining to the Group's business activities and corporate affairs for dissemination to all stakeholders in a timely manner.</p> <p>Additionally, the Company holds scheduled IR and Media Briefings, coinciding with the release of the half-year and full-year results of the Group to Bursa Securities to investment analysts, fund managers and the media. Media briefing is held upon the conclusion of the Company's AGMs for the benefit of potential investors as well as shareholders who are unable to attend the meeting. The Company also obliges the requests of analysts, fund managers and the media for company visits, briefings and interviews. More details on the Company's IR activities and briefing schedules are available on the Company's website.</p> <p>Stakeholders are welcomed to provide their views, feedback or complaints to the IR Department at <a href="mailto:ir@pcb.my">ir@pcb.my</a>.</p> <p><b>Conduct of General Meetings</b></p> <p>The Company's AGM, in addition to dealing with the formal business of the Company, represents the principal forum for dialogue and interaction with shareholders, providing an opportunity for the Board</p>

	<p>to communicate directly with shareholders and vice versa. Furthermore, barring any unforeseen circumstances, notice of 28 clear days is given to all shareholders for the convening of all AGMs.</p> <p>An overview of the Group’s performance for the financial year ended 31 December 2022 was presented to shareholders at the 53<sup>rd</sup> AGM that was held at the Company’s hotel, Mercure Kuala Lumpur Glenmarie, on 15 June 2023. Shareholders were invited to raise queries, and in this respect, the Board is pleased to report that all questions raised by shareholders at the 53<sup>rd</sup> AGM were adequately attended to by the Board. All resolutions proposed were duly approved by the shareholders present at the meeting, and the minutes of the said AGM was made available on the Company’s website within 30 business days after the conclusion of the AGM.</p> <p>Voting on all resolutions proposed in the Notice of the forthcoming 54<sup>th</sup> AGM, also to be held physically at the Company’s hotel, Mercure Kuala Lumpur Glenmarie, will be by poll, and Paramount has appointed Tricor Investor &amp; Issuing House Services Sdn Bhd as the Poll Administrator whilst Asia Securities Sdn Bhd shall be the Scrutineer to validate the votes cast at the meeting.</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>	
<p><b>Timeframe</b></p>	<p>:</p>	

**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 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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>	:	<b>Notice of general meetings</b> The notice of Paramount's 54 <sup>th</sup> AGM dated 30 April 2024 was issued at least 28 clear days prior to the 54 <sup>th</sup> AGM scheduled to be convened on 6 June 2024.	
<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 13.2

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>	:	<b>General meetings</b>  Paramount's 53 <sup>rd</sup> AGM, held physically on 15 June 2023, was attended by all Directors of the Company.  An overview of the Group's performance for the financial year ended 31 December 2022 was presented to shareholders at the 53 <sup>rd</sup> AGM that was held at the Company's hotel, Mercure Kuala Lumpur Glenmarie, on 15 June 2023. Shareholders were invited to raise queries, and in this respect, the Board is pleased to report that all questions raised by shareholders at the 53 <sup>rd</sup> AGM were adequately attended to by the Board. All resolutions proposed were duly approved by the shareholders present at the meeting, and the minutes of the said AGM was made available on the Company's website within 30 business days after the conclusion of the AGM.
<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 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company, after having conducted a post-event evaluation of the two virtual AGMs held in 2020 and 2021, found that physical meetings are more effective for interactive engagement and robust discussion with shareholders on a face-to-face basis without the technical constraints of a virtual meeting. The Company do encourage voting in absentia by providing shareholders with an online platform to submit their proxy forms with voting instructions to the Company's Share Registrar 24 hours prior to the meetings.	
		The Company provides an online platform for shareholders to submit their proxy forms with voting instructions (voting in absentia) to the Company's 24 hours prior to the 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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

### Intended Outcome

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

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Shareholders who attended Paramount's 53 <sup>rd</sup> AGM were encouraged to interact directly with the Board to gain insights on the Company's businesses, performance and strategies.  The Chairman also ensured that shareholders who attended the 53 <sup>rd</sup> AGM were given the opportunity to comment or raise questions relating to the agenda items of the meeting, the annual report 2022, the performance of the Group as well as the business growth direction for 2023 and beyond.  In this respect, the Board is pleased to report that questions raised by the Minority Shareholders Watch Group prior to the 53 <sup>rd</sup> AGM and all questions raised by the shareholders at the 53 <sup>rd</sup> AGM were adequately attended to by the Board. All resolutions proposed were duly approved by the shareholders present at the meeting, and the minutes of the said AGM was made available on the Company's website within 30 business days after the conclusion of the AGM.
<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 13.5**

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Not applicable – only physical general meetings were conducted in the financial year	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Minutes of the 53 <sup>rd</sup> AGM was made available to shareholders on Paramount’s website at <a href="http://www.pcb.my">www.pcb.my</a> no later than 30 business days after the conclusion of the 53 <sup>rd</sup> AGM.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

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

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

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