

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5171
COMPANY NAME : KIMLUN CORPORATION BERHAD
FINANCIAL YEAR : December 31, 2020

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 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.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is accountable and responsible for the performance and affairs of the Company, including practising a high level of good governance and setting the strategic direction of the Company. All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. To this end, the Board implements the principles and practices of the Malaysian Code on Corporate Governance (the "MCCG") towards achieving corporate excellence.</p> <p>The Board adopted a Board Charter which sets out the authority, role, responsibilities, membership and operation of the Board.</p> <p>The responsibilities of the Board include:</p> <ul style="list-style-type: none">(a) Formulating the Group's strategic plans and strategies with economic, environmental and social considerations in line with sustainability practices for the Group;(b) Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed with good corporate governance;(c) Establishing an effective risk management and internal control framework which includes identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;(d) Succession planning including assessing that all candidates for senior management position are of sufficient calibre;(e) Developing and implementing an investor relation programme and shareholder communication policy for the Company;(f) Together with senior management, promote good corporate governance culture which reinforces ethical, prudent and professional behaviour;

	<p>(g) Reviewing the adequacy and the integrity of the Group's risk management framework and internal control systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and</p> <p>(h) Ensuring the integrity of the Company's financial and non-financial reporting.</p> <p>Matters which shall be reserved for decision by the Board, supported by any recommendation as may be made from time to time by the Board Committees (as appropriate) include:</p> <p>(a) Approval of corporate plans and programmes;</p> <p>(b) Approval of annual budgets;</p> <p>(c) Approval of new ventures;</p> <p>(d) Approval of material acquisitions and disposals of undertakings and properties;</p> <p>(e) Approval of the annual financial statements and interim reports; and</p> <p>(f) Any matters or transactions that fall within the ambit of the Board pursuant to the Companies Act 2016 ("the Act"), Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company's Constitution or any other applicable laws and regulations.</p> <p>The Board, in discharging its fiduciary duties, may from time to time establish Committees as it considers necessary to assist it in carrying out its responsibilities.</p> <p>The Board has established 3 Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee, each entrusted with specific tasks and operates within clearly defined terms of reference approved by the Board. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.</p> <p>The Board delegates responsibility for the day-to-day operation of the Group's business to the Executive Directors and recognises its responsibility for ensuring that the Group operates within a framework of prudent and effective control.</p> <p>The Board Charter and the respective committees' terms of reference are available for reference at the Company's website at http://www.kimlun.com.</p>
Explanation for departure	:

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Mr Pang Tin @ Pang Yon Tin is the Chairman of the Company. His profile can be viewed on page 6 of the Company's Annual Report 2020. He provides leadership to the Board so that the Board can perform its responsibilities effectively.</p> <p>The responsibilities of the Chairman include:</p> <ul style="list-style-type: none">(a) leading the Board in its responsibilities for the business and affairs of the Company and its oversight of management;(b) overseeing the Board in the effective discharge of its supervisory role;(c) ensuring the integrity and effectiveness of the governance process of the Board;(d) facilitating the effective contribution of all Directors and ensuring constructive relations be maintained between the Board and management;(e) ensuring that there is regular and effective evaluation of the Board's performance; and(f) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and Chief Executive Officer ("CEO") are held by different individuals.</p> <p>The Chairman is Mr Pang Tin @ Pang Yon Tin whilst the CEO is Mr Sim Tian Liang.</p> <p>The Chairman is primarily responsible for the orderly conduct and working of the Board by ensuring that all its required functions and responsibilities are met whilst the CEO has the overall responsibility for the day-to-day running of the Group's business operations and implementation of Board policies and decisions. The separation of power seeks to facilitate an appropriate balance of power to prevent any single individual from dominating deliberations and the decision-making process.</p> <p>The respective duties and responsibilities of the Chairman and the CEO are contained in the Board Charter which is available at the Company's website at http://www.kimlun.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>All the Company Secretaries of the Company are qualified to act as Company Secretary under Section 235(2) of the Act.</p> <p>The Company Secretary plays an important advisory role and is a source of information and advice to the Board and Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.</p> <p>The Company Secretaries provide support to the Board as follows:</p> <ul style="list-style-type: none">(a) manage all Board and Board Committee meeting logistics, attend and record minutes of all board and committee meetings and facilitate Board communication;(b) advise the Board on its roles and responsibilities;(c) facilitate the orientation of new directors and assists in directors training and development;(d) advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;(e) manage processes pertaining to the annual shareholder meeting;(f) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectation; and(g) serve as a focal point for stakeholders' communication and engagement on corporate governance issues. <p>In order to contribute and function effectively, the Company Secretaries keep themselves abreast with developments on the MMLR of Bursa Securities, related statutory obligations and corporate governance practices by undertaking continuous professional development.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of information supply in promoting informed Board discussions and deliberations. The Chairman, together with Management and Company Secretary, are responsible for ensuring Directors receive adequate and timely information prior to Board or Board Committee meetings.</p> <p>The Board meets regularly during the year and the schedule for the annual meetings are tentatively made in advance to facilitate Directors' planning. There is a formal agenda of matters to be discussed including quarterly financial results, strategic business issues and risks, material sustainability matters and annual budget reserved for discussion at the scheduled Board meetings.</p> <p>The Directors are supplied with Board papers and meeting materials with necessary information that are accurate, clear and comprehensive to enable informed decision making at the Board meetings. In addition, Board members can seek further advice or clarification from Management when required. Board papers and meeting materials, are made available at least five (5) business days in advance to the Board to facilitate well-informed Board deliberation and decision-making.</p> <p>The summary of Written Resolutions which have been passed since the last Board meeting, is circulated for notation of the Board and recorded in the minutes of meetings.</p> <p>Minutes of meeting are circulated and confirmed as a correct record by the Board and Board Committees at the subsequent meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adopted a Board Charter which sets out the authority, role, responsibilities, membership and operation of the Board as well as issues reserved for the Board. In discharging its duties effectively, the Board is guided by its Board Charter.</p> <p>The Board reviews the Board Charter from time to time and makes any necessary amendments to ensure it complies with relevant laws, regulations and practices, and remain relevant and effective in the light of the Board's objectives. The last review of the Board Charter was on 29 April 2021.</p> <p>The Board Charter is accessible on our website at http://www.kimlun.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place a Corporate Code of Conduct ("the Code"). The Directors, officers and employees of the Group are required to observe the Code.</p> <p>The core areas of conduct under the Code include the following:-</p> <ul style="list-style-type: none">(a) conflict of interest;(b) confidential information;(c) fair dealing;(d) protection of company assets and property;(e) knowledge and information;(f) Fighting corruption and unethical practices;(g) employment practices; and(h) reporting of illegal and/or unethical behaviour <p>The Board reviews the Code regularly to ensure that it continues to remain relevant and appropriate. The last review of the Code was on 27 November 2020.</p> <p>The Code is published on the Company's website at http://www.kimlun.com.</p> <p>In line with Paragraph 15.29 of the MMLR and the Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Company has developed an Anti-Bribery and Corruption Policy ("ABC Policy") to set out the responsibilities of the Group to comply with laws against bribery and corruption and provide guidance to the Directors, employees and business associates on standard of behaviour to which they must adhere to and how to recognise and deal with bribery and corruption issues, to ensure that the Group's business is conducted in an ethical manner with integrity and honesty.</p>

	The ABC Policy which complements the Code will be reviewed periodically by the Board and is published on the Company's website at http://www.kimlun.com .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to achieving and maintaining the highest standards of integrity, openness, probity and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.</p> <p>The Company has established the Whistle Blowing Policy (“Policy”) with the objective of enabling an individual, whether employee or otherwise, to report or disclose through established channels, concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/ has taken place/ may take place in the future, without fear of reprisal or victimization, in a responsible and effective manner.</p> <p>The Policy addresses the following areas:</p> <ul style="list-style-type: none">• Policy Statement;• Scope of Policy;• Reporting Procedure;• Investigation Procedure;• Protection and Confidentiality; and• Acknowledgement and Recognition <p>The Policy also provides the contact details of the CEO and the Chairman of Audit Committee, should the reporting individual is in doubt of the Management’s independence and objectivity on the concerns raised.</p> <p>The Board reviews the Policy from time to time to ensure that it continues to remain relevant and appropriate. The last review of the Policy was on 27 November 2020.</p> <p>The Policy is published on the Company’s website at http://www.kimlun.com.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During the year, the Company has taken efforts to identify and interview suitably qualified candidates for the position as independent director. As a result, the Company has identified and appointed DATUK WOON SEE CHIN, whose profile can be viewed on page 9 of the Company's Annual Report 2020, as an independent director.</p> <p>After the appointment of Datuk Woon See Chin as an additional independent director on 1 October 2020, the Board comprises nine (9) Directors, with four (4) Directors being Independent, i.e. approximately 44.4% of our Board comprises of Independent Directors, in compliance with Paragraph 15.02 of the MMLR of Bursa Securities.</p> <p>The size and composition of the current Board is well balanced with a good and appropriate mix of knowledge, skills, attributes and core competencies. The Board which currently comprises of four (4) Independent Non-Executive Directors and five (5) Executive Directors has been able to discharge its duties professionally and effectively, uphold good governance standards in their conduct and that of the Board. The Independent Non-Executive Directors are able to exercise strong independent judgement and provide balance to the Board with their unbiased and independent views, advice and judgement to all Board deliberations. All Independent Non-Executive Directors fulfill the criteria of independence as defined under Paragraph 1.01 and Practice Note 13 of the MMLR of Bursa Securities and they impartially provide check and balance to the Board. The Executive Chairman has demonstrated strong commitment and judgement in overseeing the management function, looking after the best interest of all shareholders and ensuring that contributions by all Directors were forthcoming on matters being deliberated and that no particular Board member dominated in any of the discussions. This ensures the balance of power and authority within the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	The Board and the Nomination Committee will review the current composition of the Board and identify suitable candidate(s) for appointment of independent director(s).	
Timeframe	:	Within 1 year	

Intended Outcome

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

Practice 4.2

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

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

Application	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years
Explanation on application of the practice	:	<p>3 of the Independent Non-Executive Directors have served as independent directors of the Company for a cumulative term of eleven (11) years on 23 October 2020. In the 11th Annual General Meeting held on 15 September 2020, shareholders of the Company approved the resolutions for all the Independent Non-Executive Directors to continue serving as independent directors from 24 October 2020 to 23 October 2021.</p> <p>The Board through the Nomination Committee assesses the independence of each Independent Director annually, and uses the criteria specified in the Paragraph 1.01 and Practice Note 13 of the MMLR of Bursa Securities to determine whether the Director is independent from management and free of any business and other relationship that could materially interfere with or could be perceived to materially interfere with the exercise of the Directors unfettered or independent judgement.</p> <p>The Nomination Committee had assessed the independence of all Independent Non-Executive Directors during FY2020, and has determined and informed the Board that all Independent Non-Executive Directors remain objective and independent. The Board concurred with the findings of the Nomination Committee, and considered the suitability of each of the Independent Non-Executive Directors to continue to act as independent directors of the Company. The Board resolved to seek shareholders' approval for all the Independent Non-Executive Directors to continue serving as independent directors from 24 October 2021 to 23 October 2022 based on the following justifications:</p> <ul style="list-style-type: none">(i) each of them have fulfilled the criteria under the definition of independent as set out in the MMLR of Bursa Securities;(ii) each of them have during their present tenure as Independent Non-Executive Director developed valuable insight of the Group

	<p>and its business. Their experience enables them to discharge their duties and responsibilities independently, objectively and effectively in the decision-making processes of the Board;</p> <p>(iii) each of them has vast experience, knowledge and skills in a diverse range of business and therefore provide constructive opinion, counsel, oversight and guidance as directors; and</p> <p>(iv) each of them has devoted sufficient time and attention to his professional obligations to the Company for informed and balanced decision making.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensuring directors and senior management of the Company possess diverse sets of skills, knowledge and experience. In addition, the Directors of the Company must have the ability to devote sufficient time and attention to the Company, and are independent taking into account the candidate's character, integrity and professionalism.</p> <p>On boardroom diversity, the current composition of the Board is diverse in terms of skills, experiences, gender, age and nationality. The background of each Director can be found on pages 6 to 9 of the Annual Report 2020.</p> <p>In assessing the suitability of candidates for appointment of directors, the Nomination Committee shall consider the candidates' age, characters, experiences, competencies, integrity, time commitment and other qualities, and board diversity and the mix of skills, qualifications, expertise and experience, knowledge, professionalism and integrity which would contribute to the overall desired composition of the Board.</p> <p>The Group practices equal employment opportunity, there are no barriers to employment or development in our Group by reason of an individual's gender. The recruitment or promotion of a candidate to the position of senior management is dependent on our organisational needs, the candidate's skills, experience, core competencies and other qualities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The disclosure of the Company's policies on gender diversity, its targets can be found on page 37 of the Annual Report 2020.</p> <p>Despite of the Group is operating mainly in the construction industry which is male-dominant whereby males made up of 89% of the Group's work force, the Board is supportive of the boardroom gender diversity recommended by MCCG as the Board currently has a female member (i.e. 11.1% of the Board). The Board is committed to have at least one female Director on the Board. Underpinning the Company's boardroom gender diversity is the commitment to ensure that all Directors are appointed on merit, in line with the standards as set out in Paragraph 2.20A of the MMLR of Bursa Securities. The Board through the Nomination Committee will review the proportion of the female to male board members during the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience and characteristics required in the context of the needs of the Group. At the subsidiary companies' level, 40% of the directors (other than those Directors(s) who also serve on the board of subsidiary companies) appointed by the Company to represent its interest in the subsidiary companies are female.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The guiding principle upon which the Nomination Committee acts will be to ensure the best quality candidates, taking into consideration inter-alia the current and future needs of the Group, and the candidates' character, experiences, competencies, integrity, time commitment and other qualities, are appointed as Board member.</p> <p>To this end, the Nomination Committee will rely on varied sources from recommendation from existing Board member, management and major shareholder as well as independent sources.</p> <p>The Nomination Committee is also entitled to obtain independent professional advice at the Company's expense, if necessary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Dato’ Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah, an Independent Non-Executive Director. His profile can be viewed on page 8 of the Annual Report 2020.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee evaluates the effectiveness and performance of the Board as a whole, the Board Committees and the individual Director on an annual basis. The process is internally facilitated and conducted through questionnaires covering a variety of assessment criteria.</p> <p>The criteria on which assessment is made is developed, maintained and reviewed by the Nomination Committee taking into consideration of the Corporate Governance Guide issued by Bursa Securities. The assessment criteria include the mix of skills, experience, competency, time commitment, character, integrity, independence, ability to constructively challenge and contribute to the development of strategy, diversity and other qualities required to meet the needs of the Group and to comply with the provisions of the MMLR of Bursa Securities. The Nomination Committee, upon discussion of the results, will present the findings to the Board.</p> <p>Based on the evaluation conducted in FY2020, the Nomination Committee found that the Board as a whole, the Board Committees and the individual Directors are effective and possess the criteria required to discharge their duties professionally and effectively, and uphold good governance standards in their conduct. The Nomination Committee presented their findings to the Board, and the Board concurred with the findings of the Nomination Committee.</p> <p>The assessment was last performed on 27 November 2020.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 6.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a Remuneration Policy to attract, motivate, retain and reward Directors and key management through a competitive remuneration package, and to ensure the remuneration is commensurate with the relevant experience, expertise, reflects the level of responsibilities undertaken, and contribution made by the Directors and senior management.</p> <p>The Remuneration Committee shall recommend to the Board of Directors, the remuneration of the Executive Directors, whom are also the senior management of the Group, drawing from outside advice as necessary.</p> <p>Remuneration packages of Non-Executive Directors should be determined by the Board of Directors as a whole.</p> <p>On an annual basis, the Remuneration Committee considers market competitiveness, business results and individual performance in evaluating the Executive Directors' remuneration. The Remuneration Committee will then recommend to the Board, the remuneration package for the Directors. The Board, as a whole, will determine the level of remuneration paid to its Directors, taking into consideration the recommendation of the Remuneration Committee. The Board will then propose the Directors' fees and benefits for the shareholders' approval at the Company's Annual General Meeting.</p> <p>The level and make-up of remuneration should be effective and sufficient enough to:</p> <ul style="list-style-type: none">• attract and retain the Directors needed to run the Group successfully; and• motivate and create incentives for Directors to perform at their best,

	<p>whilst taking into account the interests of other stakeholders, including shareholders and employees.</p> <p>The remuneration package for Executive Directors comprises of a number of separate elements such as basic salary, allowances, performance based bonuses and benefits-in-kind. The level of remuneration of the Executive Directors takes into consideration the Directors' experience, responsibilities, qualifications, level of skills, contribution and commitment to the Group, the performance of the Group, the compensation levels for comparable positions among other similar Malaysian public listed companies that are in the construction industry and prevailing economic and market condition.</p> <p>In the case of Non-Executive Directors, the level of remuneration is reflective of the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned. Non-Executive Directors will be paid a fixed basic fee as ordinary remuneration, a sum based on their responsibilities in Board committees and allowance for their attendances at the meetings. The quantum of Non-Executive Directors' remuneration shall not be based on commission, percentage of profits and/or turnover of the Group. The fee is subject to the approval of the shareholders.</p> <p>No Board member, whether executive or non-executive, will be involved in deciding his own remuneration.</p> <p>The Board reviews the Remuneration Policy of Directors and Senior Management from time to time to ensure that it continues to remain relevant and appropriate.</p> <p>The Remuneration Policy is available on the Company's website at http://www.kimlun.com.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established a Remuneration Committee which is authorised by the Board to implement policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and senior management.</p> <p>Currently, the Remuneration Committee comprises exclusively Independent Non-Executive Directors to foster objectivity in the deliberations and decision-making of the Remuneration Committee.</p> <p>Directors who are shareholders shall abstain from voting at general meetings on the resolution to approve their fees, if applicable.</p> <p>The Terms of Reference of the Remuneration Committee are accessible on our website at http://www.kimlun.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	The detailed disclosure on named basis for the remuneration of individual directors is set out in page 42 of the Annual Report 2020.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 7.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Groups’ top five Senior Management are the five Executive Directors of the Company. Their respective remuneration is disclosed in page 42 of the Annual Report 2020.</p> <p>During FY2020, the RC had reviewed the remuneration of the Directors taken into consideration the respective Director’s experience, level of responsibility, contribution and commitment to the Company, the performance of the Group, the compensation levels for comparable positions among other similar Malaysian public listed companies and market condition.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Groups' top five Senior Management are the five Executive Directors of the Company. Their respective remuneration is disclosed in page 42 of the Annual Report 2020.</p> <p>During FY2020, the RC had reviewed the remuneration of the Directors taken into consideration the respective Director's experience, level of responsibility, contribution and commitment to the Company, the performance of the Group, the compensation levels for comparable positions among other similar Malaysian public listed companies and market condition.</p>

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee is Mr Kek Chin Wu whilst the Chairman of the Board is Mr Pang Tin @ Pang Yon Tin. The profile of Mr Kek Chin Wu can be viewed on page 8 of the Company’s Annual Report 2020.</p> <p>The work done by the Chairman of the Audit Committee and the Audit Committee are disclosed in pages 49 to 51 of the Company’s Annual Report 2020.</p> <p>The Terms of Reference of the Audit Committee are accessible on our website at http://www.kimlun.com</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	This practice has been incorporated into the Terms of Reference of Audit Committee. No former key audit partners of the external auditors have been appointed to the Board thus far.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the year, the Audit Committee met with the external auditors three (3) times without the presence of Executive Directors and Management to discuss their audit plan and audit findings.</p> <p>The Audit Committee assesses the effectiveness of external audit as well as the suitability, independence and objectivity of the external auditors annually. The assessment criteria include adequacy of experience and resources of the firm, the professional staff assigned to the audit, technical competency and audit independence. Written assurance is obtained from the external auditors yearly, confirming their independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.</p> <p>The Audit Committee performed an annual evaluation on the performance of the external auditors and undertook follow-up measures thereafter. The most recent assessment of the Company's external auditors was carried out by the Audit Committee on 29 April 2021.</p> <p>Pursuant to the assessment on the suitability, objectivity and independence of the external auditor, the Audit Committee made its recommendation to the Board on the re-appointment of the external auditor alongside the accompanying audit fees.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee comprises solely Independent Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Collectively, the Audit Committee possesses a wide range of necessary skills to discharge its duties. All members of the Audit Committee are financially literate, whilst the Chairman of the Audit Committee is a member of Malaysian Institute of Accountants, and thus, fulfilling paragraph 15.09(1)(c) of MMLR of Bursa Securities, which calls for one member of the Audit Committee to be a member of a professional accountancy body.</p> <p>Further, the members have experience and sufficient understanding that is relevant to the business and the industries the Group operates in.</p> <p>The Company is committed to ensure that its Audit Committee members keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p> <p>The external auditors briefed the Audit Committee on any changes to the Malaysian Financial Reporting Standards that would affect the Group’s financial statements and the implication therefrom.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established an effective risk management and internal control framework to identify and assess the risks faced by the Group, and design, implement and monitor appropriate internal controls to control and mitigate those risks.</p> <p>The Statement on Risk Management and Internal Control in pages 52 to 55 of the Annual Report 2020 provides an overview of the state of risk management and internal control within the Group governed by the Risk Management Framework.</p> <p>The Group's system of internal control covers risk management and financial, operational and compliance controls. The Board continually reviews the system of internal control to ensure that it provides a reasonable but not absolute assurance against material misstatement of financial information and records, or against financial losses or fraud.</p> <p>The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board discloses the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework in the Statement on Risk Management and Internal Control in pages 52 to 55 of the Company’s Annual Report 2020.</p> <p>A risk management report is tabled for the review of the Audit Committee and the Board discussion annually or at shorter interval where necessary. The report identifies principal risks affecting or are likely to affect the Group, and the appropriate systems or actions to manage the risks.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>To ensure that the responsibilities of internal auditors are fully discharged, the Audit Committee review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work and to decide on among others the appointment and removal, scope of work, performance evaluation and budget for internal audit function.</p> <p>The most recent assessment of the Company’s internal auditors was carried out by the Audit Committee on 27 August 2020.</p> <p>Further, the Audit Committee also review the internal audit plan, processes and results of the audit process works and, where applicable, ensure that the appropriate actions are taken on the recommendations of the internal audit function.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 10.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has outsourced its internal audit function to Tricor Axcelasia Sdn Bhd (the succeeding company of NGL Tricor Governance Sdn Bhd), a professional service company (“Outsourced IA”). The internal audit personnel assigned by the Outsourced IA were free from any relationships or conflicts of interest, which could impair their objectivity and independence pursuant to the written declaration made by them.</p> <p>The Outsourced IA has assigned four staff to provide internal audit services to the Group during FY2020, and Mr. Chang Ming Chew, an executive director of the Outsourced IA, is responsible for the outsourced internal audit function of the Group. Mr. Chang holds the certifications of Certified Internal Auditor, Certification in Risk Management Assurance and Certified Information System Auditor; and is a professional member of the Institute of Internal Auditors Malaysia, member of the Association of Chartered Certified Accountants (UK), and member with the Malaysian Institute of Accountants.</p> <p>The work of the Outsourced IA is guided by, in all material respect, the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors. The internal audit function has been mandated to continually assess and monitor the Group’s system of internal control. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business unit of the Group. These plans are updated periodically and approved by the Audit Committee.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board places great importance in ensuring the high standards of transparency and accountability in its communication to shareholders, analysts and the public.</p> <p>The channels of communication, amongst others, are as follows:</p> <ul style="list-style-type: none">(i) timely announcements made to Bursa Securities, which includes quarterly financial results, material contracts awarded, changes in the composition of the Group and any other material information that may affect investors' decision making;(ii) conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests;(iii) conducts investors and financial analysts briefings semi-annually;(iv) The Company's website which provides easy access to corporate information pertaining to the Company and its activities and is continuously updated. All announcements made to Bursa Securities are updated on the Company's website as soon as practical; and(v) The Annual General Meeting ("AGM"), which is the principal forum for dialogue with shareholders. At each AGM, a presentation is conducted to explain the Group's strategy, performance and major developments to shareholders. The Board also encourages shareholders to participate in the question and answer session at the AGM. <p>The Board is mindful on the importance of maintaining proper corporate disclosure procedures with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis. Personnel and working team for preparing the disclosure</p>

	will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public. The Company also ensures that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is a not under the category of large companies as defined in the MCCG.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company issues its notice of AGM to shareholders at least twenty-eight (28) days before the AGM, to allow shareholders to have sufficient time to consider the resolutions that will be tabled at the AGM and make the necessary attendance and voting arrangements.</p> <p>The Company's 11th AGM was held on 15 September 2020 and the Notice of the 11th AGM was issued on 17 August 2020.</p> <p>The notice provides further explanation beyond the minimum content stipulated in the MMLR of Bursa Securities for the resolutions proposed to enable the shareholders to make an informed decision in exercising their voting rights. Furthermore, each item of special business included in the notice of meeting will be accompanied by a detailed explanation on the details and effects of a proposed resolution.</p> <p>The Company also distributed Administrative Guide along with the Notice of the 11th AGM, which provided information to the shareholders regarding the details of the AGM, their entitlement to attend the AGM and their right to appoint a proxy.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All the Directors attended the 11th AGM which was conducted entirely through live streaming from the broadcast venue on 15 September 2020. The Chief Executive Officer, Finance Director and Chairman of the Audit Committee were physically present at the broadcast venue whilst the remaining Directors attended the 11th AGM via video conferencing.</p> <p>The Chairman of the Audit Committee, Nominating Committee and Remuneration Committee provide meaningful response if there are any questions addressed to them.</p> <p>During the 11th AGM, the Chairman of the meeting encouraged shareholders to actively participate by submitting their questions in real time via the Query Box. All questions raised by shareholders and proxies via the Query Box were attended to accordingly.</p> <p>The key matters raised at the AGM and the Company's responses were published on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>With the outbreak of COVID-19 pandemic and as part of the measures to curb its spread, the Company conducted its 11th AGM fully virtual through live streaming and online remote voting via Remote Participation and Voting Facilities ("RPV").</p> <p>With the RPV facilities, shareholders are able to exercise their right as members of the Company to participate (including posing questions to the Board of the Company before or during the AGM) and vote by registering themselves via TIIH Online before the closing date set out in the Administrative Guide.</p> <p>Members who were unable to attend the 11th AGM, appointed a proxy or the Chairman of the meeting as his proxy to attend the 11th AGM via RPV.</p> <p>The Administrative Guide for the 11th AGM as well as the guide on registration and voting procedures were provided to the shareholders and a copy of the said Administrative Guide was also published on the Company's website at http://www.kimlun.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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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