

CORPORATE GOVERNANCE REPORT

STOCK CODE : 9474
COMPANY NAME : Brahim's Holdings 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 of Brahim's recognises the importance of practicing the high standards of Corporate Governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value with corporate accountability and transparency. As such, the Board continues to affirm its commitment in adhering to the Principles and Best Practices set out in the Malaysian Code on Corporate Governance 2017 ("the Code"). Set out below is a description of how the Group has applied the Principles of the Code and how the Board has complied with the Best Practices set out in the Code throughout the financial year ended 31 December 2020.</p> <p>An experienced and effective Board consisting of mainly non-Executive members with a wide range of skills and experience from financial and business background to lead and control the Group. The directors bring depth and diverse expertise to the leadership of the challenging and highly competitive inflight catering, restaurant operations, logistics and warehousing businesses. The Board continues to give close consideration to its size, composition, spread of experience and expertise. No individual or group of individuals dominates the Board's decision making. This is to ensure that issues of strategy, performance and resources are fully discussed and examined to take into account the long-term interests of stakeholders of the Company.</p> <p>The Board owes the fiduciary duties to the Company and, while discharging its duties and responsibilities, shall individually and collectively exercise reasonable care, skill and diligence at all times.</p> <p>The principal responsibilities of the Board of Directors of the Company are as follows:</p> <ul style="list-style-type: none">• Approval of financial results• Dividend policy• Issuance of new securities• Annual business plan• Annual financial budget• Acquisition or disposal of material fixed assets• Acquisition or disposal of group companies

	<p>To ensure the effective discharge of its function and responsibilities, the Board delegates some of the Board's authorities and discretion on the Board Committees and Management.</p> <p>The Board Members, in carrying out their duties and responsibilities, are firmly committed to ensuring that the highest standards of corporate governance and corporate conduct are adhered to, in order that the Company achieves strong financial performance for each financial year, and more importantly delivers long-term and sustainable value to stakeholders.</p> <p>The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective Terms of References.</p> <p>The Board additionally provides stewardship to the Group's strategic direction and operations, and ultimately the enhancement of long-term shareholder's value.</p> <p>The Board is primarily responsible for:</p> <ul style="list-style-type: none"> • adopting and monitoring progress of the Company's strategies, budgets, plan and policies; • overseeing the conduct of the Company's business to evaluate whether the business is being properly managed; • considering management recommendations on key issues including acquisitions and divestments, restructuring, funding and significant capital expenditure; • succession planning including appointing and reviewing the compensation of the top management; • identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; and • reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. • should there be a vacancy in the Board, it is a guideline to replace and appoint a suitable and qualified candidate, within an acceptable time frame. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	The Executive Chairman, Dato' Seri Ibrahim bin Haji Ahmad is primarily responsible for the orderly conduct and workings of the Board, and for the overall operations of the business and the implementation of Board strategy and policy.
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	:	The position of Executive Chairman and CEO are held by two different individuals. The Chairman, Dato' Seri Ibrahim bin Haji Ahmad leads and manages the Boards by focusing on strategy, governance and compliance whereas the acting CEO, Mohd Fadhli bin Abdul Rahman manages the business and operations of the company.
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 directors of the Company whether in full Board or in their individual capacity, have access to all information within the Company and are able to seek independent professional advice where necessary and, in appropriate circumstances, in furtherance of their duties.</p> <p>The Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its functions. The Company Secretary plays an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary supports the Board in managing the Company's governance model, ensuring it is effective and relevant. The Company Secretary also ensures that deliberations at the Board meetings are well captured and minuted.</p> <p>During the financial year ended 31 December 2020, four (4) Board of Directors' meetings were convened. All proceedings, deliberations and conclusions of the Board and Board Committees Meetings are clearly recorded in the minutes of meetings by the Company Secretaries, confirmed by the Board and signed as correct record by the Chairman of the Meeting. The Board also exercises control on routine matters that require the Board's approval through the circulation of Directors' Resolutions in Writing as allowed under the Constitution of the Company.</p> <p>During the financial year ended 31 December 2020, the Company Secretaries undertaken continuous professional development by attending the relevant conferences, trainings and seminars to keep abreast of the regulatory changes and development in Corporate Governance, Companies Act 2016 and the Listing Requirements of Bursa Malaysia Securities Berhad.</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 1.5

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>To facilitate the Directors' time planning, the annual tentative meeting calendar is prepared and circulated in advance of each new year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees and the Annual General Meeting hosted by Brahim's, as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results.</p> <p>The Notice of Board meeting are sent to the Directors via email at least seven (7) working days prior to a meeting. All proceedings, deliberations and conclusions of the Board and Board Committees Meetings are clearly recorded in the minutes of meetings by the Company Secretaries, confirmed by the Board and signed as correct record by the Chairman of the Meeting. The Board also exercises control on routine matters that require the Board's approval through the circulation of Directors' Resolutions in Writing as allowed under the Constitution of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter adopted in 2012 sets out the role, composition and responsibilities of the Board of Directors ("the Board") of Brahim's Holdings Berhad.</p> <p>The Board would review and update the board charter periodically in accordance with the needs of the Company.</p> <p>The board charter is published in the Company's website at http://brahimsgroup.com/board-charter/</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

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Code of Ethics is published on the Company's website at http://brahimsgroup.com/code-of-ethics/ which covers all aspects of the Company's business operations, such as confidentiality of information, conflict of interest, gifts, gratuities or bribes, dishonest conduct and assault. The Code is expected to govern the standards of ethics and good conduct expected of Directors and employees of the Group.
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>All employees are urged to promptly report illegal or unethical behaviour including financial misconduct and other violations of the code of ethics. All concerns or complaints made by the employees will be kept confidential and their identity will be kept anonymous, though they may be required by law to reveal this information in some circumstances. The group will not allow any retaliation against employees if they report misconduct of other in good faith.</p> <p>The whistle-blowing policy is available on the Company's website at http://brahmsgroup.com/whistle-blowing-policy/.</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	:	Applied
Explanation on application of the practice	:	The company is eventually leveraging the composition of the Board of Directors by independent directors. The Board of Brahim's Holdings Berhad, comprises six (6) Directors i.e. three (3) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors, one (1) Executive Chairman.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

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

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Adopted				
Explanation on adoption of the practice	:	The Board has adopted a 9-years policy for Independent Non- Executive Directors (“NEDs”) and taking into account the need for progressive refreshing of the Board. All Independent NEDs have served the Board for less than nine (9) years. Their length of service as at 28 May 2021 is set out in the Board of Directors’ profiles in the Annual Report, and summarised as follows:				
		Years of Service (#)	0 < # ≤ 1	1 < # ≤ 3	3 < # ≤ 6	6 < # ≤ 9
		Number of Directors	1	0	1	0

Intended Outcome

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

15

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, Nomination Committee and Remuneration Committee take into account the current diversity in skills, experience, age, cultural background and gender.</p> <p>The terms of reference of the Nomination Committee include:</p> <ul style="list-style-type: none">• annual review of the composition and required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should possess.• assess on an annual basis, the effectiveness of the Board and assessing the contribution of each individual Director, including Independent Non-Executive Directors.• to review the term of office and performance of the audit committee and each of its members annually and to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.• to recommend to the Board Suitable Directors to fill the seats of various Board Committees.• be entitled to the services of the Company Secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own record and for the purposes of meeting statutory obligations, as well as obligations arising from the Bursa Malaysia Securities Berhad Main Market Listing Requirements or other regulatory requirements.
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.

16

Practice 4.5

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board recognizes the importance of gender diversity, female on Board increase board effectiveness by contributing to better and more constructive discussions, leading to a better decision-making process during board meetings.</p> <p>The Board continually keeps in view the need to appoint suitable female Directors to the Board.</p> <p>The Board is of the view that while it is important to promote diversity, the normal selection criteria of a Director, based on effective blend of competencies, skills, experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on capabilities, experience and qualification.</p> <p>The Board is putting its efforts in getting other suitable women who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background to join the Board.</p> <p>However, the female company's director is currently only one (1) out of all six (6) which only 17% instead of 30% as required by the Malaysian Code of Corporate Governance 2017.</p>
<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.

17

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 Board, Nomination Committee together with the senior management will search for appropriate candidates to fulfil any position require from various sources, including independent sources if relevant.</p> <p>The Nomination Committee would assess and recommend suitably qualified candidates for any appointment to the Board which fits the prescribed criteria.</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 comprises 2 Independent Non-Executive Directors and is chaired by Kamil Bin Dato' Haji Abdul Rahman who is an Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Formal and objective evaluation as to determine the effectiveness of the board, its committees and individuals' director are done annual basis.</p> <p>The company also Initiate a Board self-evaluation programme and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programmes as the Board judges as appropriate.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not have a specific remuneration policies and procedures for the directors and senior management. However, the Company structures the remuneration package for each individual Director and Senior Management to be aligned with the Company’s business strategy and objectives, to reflect his or her experience, performance as well as scope of responsibilities. The Remuneration Committee is authorised by the Board to reviews and propose the remuneration package for Directors yearly and recommends to the Board for approval.	
		The Board views that its current practice of determining the remuneration package for directors is sufficient and reasonable and independent as it is deliberated in the Remuneration Committee.	
<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 Malaysian Code on Corporate Governance states that remuneration for directors should be determined so as to ensure that the Company attracts and retains the directors needed to run the Company successfully. In the case of Non-Executive Directors, the level of remuneration should reflect the level of experience and responsibilities undertaken.</p> <p>The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year 2020 can be found on the following:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">(RM'000)</th> </tr> <tr> <th>Chairman</th> <th>Other Directors</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Fees</td> <td>72</td> <td>249</td> <td>321</td> </tr> <tr> <td>Salary & Other emoluments</td> <td>1,449</td> <td>-</td> <td>1,449</td> </tr> <tr> <td>Benefit in-kind ("BIK")</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>1,521</td> <td>249</td> <td>1,770</td> </tr> </tbody> </table> <p>The Term of Reference of the Remuneration Committee is published in the Company's website at http://brahimsgroup.com/terms-of-reference/</p>				(RM'000)			Chairman	Other Directors	Total	Fees	72	249	321	Salary & Other emoluments	1,449	-	1,449	Benefit in-kind ("BIK")				Total	1,521	249	1,770
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Intended Outcome

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

Practice 7.1

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

Application	:	Applied																																												
Explanation on application of the practice	:	<p>The remuneration received by each Directors and Executive Chairman in 2020 is set out in table below:</p> <p>Executive Chairman:</p> <table border="1"> <thead> <tr> <th></th> <th>Directors' Fee (RM'000)</th> <th>Salary (RM'000)</th> <th>Other Allowances (RM'000)</th> <th>Benefit-in-kind (RM'000)</th> <th>Total (RM'000)</th> </tr> </thead> <tbody> <tr> <td>Dato' Seri Ibrahim bin Haji Ahmad</td> <td>72</td> <td>1,449</td> <td>-</td> <td>-</td> <td>1,521</td> </tr> </tbody> </table> <p>Other Directors:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Names of All Current Directors</th> <th>Directors' Fees for FY 2020 (RM'000)</th> <th>Other Allowances (RM'000)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tan Sri Dato' Mohd Ibrahim bin Mohd Zain (Resigned on 22 Oct 2020)</td> <td>48.55</td> <td>-</td> </tr> <tr> <td>2</td> <td>Dato' Choo Kah Hoe</td> <td>60</td> <td>-</td> </tr> <tr> <td>3</td> <td>Kamil bin Dato' Haji Abdul Rahman</td> <td>60</td> <td>-</td> </tr> <tr> <td>4</td> <td>Professor Dr. Jinap binti Salamet</td> <td>60</td> <td>-</td> </tr> <tr> <td>5</td> <td>Tay Ben Seng, Benson (Appointed on 22 Oct 2020)</td> <td>11.61</td> <td>-</td> </tr> <tr> <td>6</td> <td>Mejar Dato' Ismail Bin Ahmad (Appointed on 9 Nov 2020)</td> <td>8.67</td> <td>-</td> </tr> <tr> <td>7</td> <td>Ahmad Fahimi bin Ibrahim</td> <td>-</td> <td>-</td> </tr> </tbody> </table>		Directors' Fee (RM'000)	Salary (RM'000)	Other Allowances (RM'000)	Benefit-in-kind (RM'000)	Total (RM'000)	Dato' Seri Ibrahim bin Haji Ahmad	72	1,449	-	-	1,521	No.	Names of All Current Directors	Directors' Fees for FY 2020 (RM'000)	Other Allowances (RM'000)	1	Tan Sri Dato' Mohd Ibrahim bin Mohd Zain (Resigned on 22 Oct 2020)	48.55	-	2	Dato' Choo Kah Hoe	60	-	3	Kamil bin Dato' Haji Abdul Rahman	60	-	4	Professor Dr. Jinap binti Salamet	60	-	5	Tay Ben Seng, Benson (Appointed on 22 Oct 2020)	11.61	-	6	Mejar Dato' Ismail Bin Ahmad (Appointed on 9 Nov 2020)	8.67	-	7	Ahmad Fahimi bin Ibrahim	-	-
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Intended Outcome

Timeframe :		
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Intended Outcome

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

Practice 7.2

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

Application	:	Departure
Explanation on application of the practice	:	:
Explanation for departure	:	<p>The Company is of the view that it would not be in its best interest to make such disclosure on a named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages. The retention of Senior Management is critical to the successful implementation of the Company's strategy plan.</p> <p>The Company is of the view that disclosing the remuneration of Senior Management will be a detriment to the Company as it may lead to other competitor companies attempting to 'poach' our experienced Senior Management as well as putting upward pressure on executive remuneration packages as lesser paid senior executives will demand remuneration comparability.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director with Kamil bin Dato' Haji Abdul Rahman as Chairman of the Committee.</p> <p>Kamil bin Dato' Haji Abdul Rahman is an Independent NED and is appointed as the AC Chairman since 25 February 2016. Dato' Seri Ibrahim bin Haji Ahmad is the Chairman of the Brahim's Holdings Berhad.</p> <p>Whilst this practice has always been adopted by Brahim's Holdings Berhad, to reflect the requirements in Practice 8.1 of the Malaysian Code on Corporate Governance 2017 that "<i>The AC Chairman is not the Chairman of the Board</i>".</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 8.2

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	:	The company has always recognised the need to uphold independence. As included in the Terms of Reference of Audit Committee, a former key audit partner of the Company’s external auditors’ firm is required to observe a cooling-off period of at least two (2) years before being appointed as member of the Audit Committee. None of the members of the Audit Committee were former key audit partners.
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>As part of ongoing good corporate governance initiative, the boards of Brahim's Holdings Berhad ("BHB") are of the view that it would still be relevant to retain the current auditor. Messrs. Baker Tilly Monteiro Heng PLT has only been with the Group for second year and their views and opinion is independent from any influence within the Group.</p> <p>.</p> <p>The current practice of Brahim's is formalised in the Auditor Independence Policy which was approved by the Board. It provides that:</p> <ul style="list-style-type: none">i. Recommend the appointment or re-appointment of the external auditors and audit fee to the Board, after reviewing the suitability, resources, competency and independence of external auditors and the accounting firm.ii. Make appropriate recommendations to the Board on matters of resignation, dismissal or cessation of office of the external auditors and secure the reason of such resignation, dismissal or cessation of office.iii. Review and discuss the nature and scope of the external audit strategy and plan for the year.iv. Review and discuss issues arising from external auditors' interim and final letters of recommendation to management, including management responses and the external auditor's evaluation of the system of internal control and any other matters the external auditor may wish to discuss (in the absence of Management, if required). <p>The Audit Committee has recommended the re-appointment of Messrs. Baker Tilly Monteiro Heng PLT to the Board, upon which the shareholders' approval will be sought at the 39th AGM.</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	:	Not Adopted
Explanation on adoption of the practice	:	The composition of AC is two (2) members are independent NED and only one (1) member is non-independent NED. This is in view of the non-independent director number of years experiences in the business and in the group.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	: Applied
Explanation on application of the practice	<p>The review of the composition of the Audit Committee ("AC") shall be conducted annually in accordance with Paragraph 15.20 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad. The AC members shall be appointed by the Board of Directors for a term of one (1) year, and the AC members may be eligible for re-appointment.</p> <p>The Board reviews the terms of office of the AC members and assesses the performance of the AC and its members through an annual Board Committee effectiveness evaluation.</p> <p>The AC members are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>The Chairman and members of the AC are financially literate, and have carried out their duties in accordance with the Terms of Reference of the AC.</p> <p>Based on the outcome of the AC effectiveness assessment of the Board Effectiveness Evaluation 2019/2020, the Board is satisfied with the AC's performance as its chairman and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC. The AC was involved in the following:</p> <ol style="list-style-type: none">Risk Management & Internal ControlFinancial ReportingExternal AuditInternal AuditRelated Party Transactions <p>Among others, the summary of AC activities are:</p> <ul style="list-style-type: none">Reviewed and discussed the observations, recommendations and Audit Report and the Management's comments in respect of the issues raised by the internal auditor on the evaluation of the system of internal controls.Reviewed the adequacy of the scope, functions and resources

	<p>of the internal audit function and that it has the necessary authority to carry out its work.</p> <ul style="list-style-type: none"> • Reviewed and discussed the internal audit reports. The Committee was briefed by the Head of Internal Auditors that in a few instances, the audit process identified certain control and operational weaknesses which were brought to the attention of the management and that corrective action had been taken to rectify the weaknesses. • Reviewed the quarterly and year-end financial statements and ensured that the financial reporting and disclosure requirements of relevant authorities had been complied with, focusing particularly on: <ul style="list-style-type: none"> - changes in implementation of major accounting policy changes; - the going concern assumptions; - significant adjustments resulting from audit; - major judgmental areas, significant and unusual events; and - compliance with accounting standards and other legal requirements. • Reviewed the related party transactions and conflict of interest situation that may arise within the Company or Group including any transactions, procedures or course of conduct that raise questions of management integrity which were incurred during the financial year, were done in the ordinary course of business. <p>The AC met with the external auditors twice during the year without members of management being present.</p>
<p>Explanation for departure :</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>Measure :</p>	
<p>Timeframe :</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 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 recognises and upholds its overall responsibility for the sound system of the Group's risk management and internal controls practices for good corporate governance. The Board, through its various committees, continuously review the adequacy and effectiveness of the system in particular the financial, operational, as well as compliance aspects of the Group throughout the financial year.</p> <p>There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The process has been in place during the year up to the date of approval of this statement and is subject to review by the Board. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives.</p> <p>In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.</p> <p>In 2020, the adequacy and effectiveness of internal controls were reviewed by the Audit Committee ("AC") in relation to the internal controls matters highlighted by the internal auditors. AC has decided to set reliance on an audit exercise which was undertaken by VAERSA Internal Audit ("IA") team on the effectiveness of internal control and enterprise risk management of Brahim's SATS Food Services Sdn Bhd ("BSFS"). The report tabled by the BSFS Management to the AC in November 2020 was presented for the consideration by the Board.</p> <p>The Board is assisted by Senior Management in implementing the Board approved policies and procedures on risk and control by identifying and analysing risk information; designing, operating suitable internal controls to manage and control these risks; and monitoring effectiveness of risk management and control activities.</p> <p>The Board had reviewed the risk management and internal control systems of its subsidiaries. The management of the subsidiary companies provides the board with information for timely decision-making on the continuity of the Group's investments based on the performance and critical business decision contemplated.</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's review of risk management and internal control effectiveness is based on information from:</p> <ul style="list-style-type: none">• Senior management within organisation responsible for the development and maintenance of the risk management and internal control system; and <p>The work by the management team function to highlight and submit any updates on controls to the Audit Committee together with the assessment of the internal controls systems relating to key risks and recommendations for improvement for a subsidiary.</p> <p>The Board considers the system of internal controls described in this statement to be satisfactory and the risk to be at an acceptable level within the context of the Group's business environment.</p> <p>The Board and Senior Management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.</p> <p>The Board also received assurances from Senior Management that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects based on the risk management and internal control system of the Group.</p> <p>As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.</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

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.

36**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	:	In ensuring the independency of the Internal Audit ("IA") function and to allow this function to be effective, the Company has in-house IA function. The IA reports directly to the AC of the Company and the internal audit function is independent of the activities or operations of other operating units. The IA performed its duties in accordance with its annual audit plan covering management, operational and system audit of the Companies within the Group.	
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	:	The Internal Auditors provided the audit strategy and audit planning to the board via AC at least annually. By having the function in-house, the Audit Charter and guidelines has been introduced as to upkeep the same standard and compliance to the respective and recognised framework i.e., Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The company ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure. The company also actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on Brahim's website and engagement through the investor relations function.</p> <p>In 2020, a number of events were held during the year as to maintain an open communication with the issuers, investors, shareholders, intermediaries, regulators, employees and other communities. All of those are as provided in the 2020 annual report under Section 6, Financial and Investor Calendar 2020.</p> <p>Brahim's via its website at http://brahimsgroup.com/about/corporate-information/, includes a Corporate Information section which provides all relevant information on the Company, and it is accessible to the public.</p> <p>The Company's website has a "Contact Us" section via info@brahimsgroup.com where shareholders and potential investors may direct their enquiries to the Company.</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

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

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

Practice 11.2

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

Application	:	Not applicable	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable as the Company is not a large Company as defined by the Malaysian Code on Corporate Governance.	
<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.

40

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	:	It has been the practice of the Company that adequate notice period (at least 28 days) is given to the shareholders prior to the 38 th AGM. In the year 2020, notice is given on 30 June 2020 for the AGM which held on 22 August 2020.
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.

41

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>At the 38th AGM, three (3) out of five (5) Directors were present in person to engage directly with shareholders and be accountable for their stewardship of the Company. The three (3) Directors were the Chairman of the Board, Chairman of the Audit Committee and Nomination Committee and Chairman of Remuneration Committee respectively.</p> <p>The proceedings of the 38th AGM included the Executive Chairman's presentation of the Company's operating and financial performance for 2019, the presentation of the external auditors' qualified report to the shareholders, and a Questions & Answers session during which the Chairman invited shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting, before putting a resolution to vote.</p>
<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

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

42

Practice 12.3

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>It is not feasible as the Company does not have large number of shareholders.</p> <p>The Company holds its past years' General Meetings at venue which is accessible by shareholders and not at remote locations. Despite the Covid-19 outbreak, the Company's 38th Annual General Meeting ("AGM") was held physically on 22 August 2020 but with strict Standard Operating Procedure compliance and Government orders.</p> <p>The Extraordinary General Meeting of the Company held on 21 April 2021 was held on fully virtual and entirely via Remote Participation and Electronic Voting ("RPVP") facilities due to the Covid-19 outbreak in Malaysia.</p> <p>Shareholder who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report and depositing it at the office of the Company's Share Registrar at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.</p> <p>In view of the current COVID-19 pandemic and in the interest of the safety and health of Shareholders, the forthcoming 39th AGM to be held on 30 June 2021 will be conducted fully virtual via live streaming by using RPVP facilities.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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