

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## INTRODUCTION

Sarawak Consolidated Industries Berhad (“**SCIB**” or “**the Company**”) supports high standards of corporate governance as stipulated in the Principles and Recommendations set out in the Malaysian Code on Corporate Governance (“**the Code**”) released in April 2017. SCIB develops and maintains sound policies and practices as a fundamental part of the Board of Directors’ (“**Board**”) responsibility to promote and drive long term sustainable growth. The Board, Management and staff of SCIB remain steadfast and focused in ensuring the highest level of corporate governance taking into account the interests of the investors and all other stakeholders.

The Board is guided by and mindful of the Principles and Recommendations of the Code. The Group will continue to uphold corporate governance practices and endeavor to ensure that the prescriptions of the Principles and Recommendations of the Code are supported and implemented, where applicable and appropriate. The following sections outline the Group’s good governance policies and practices.

## (A) BOARD OF DIRECTORS

### *Board Balance and Independence*

For the financial year ended 31 December 2018, the Board consists of six (6) members, of whom five (5) are Non-Executive Directors and one (1) is an Executive Director. The Company’s Chief Executive Officer, Encik Ariff Abdul Rashid is responsible for all day-to-day management and for leading the development and execution of the Company’s long and short-term plans. He acts as a direct liaison between the Board and the Management and communicates on behalf of the Company to the Board, shareholders, employees, Government Authorities and other stakeholders. For the financial year ended 31 December 2018, the Board comprises the following Directors:

No.	Name	Designation
1	YBhg. Tan Sri Datuk Amar (Dr.) Hamid Bin Bugo	Non-Independent Non-Executive Chairman
2	YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	Independent Non-Executive Director
3	YM. Tunku Dato’ Ahmad Burhanuddin bin Tunku Datuk Seri Adnan *	Non-Independent Non-Executive Director
4	YBhg. Datu Haji Soedirman Bin Haji Aini	Independent Non-Executive Director
5	Encik Shamsul Anuar Bin Ahamad Ibrahim	Independent Non-Executive Director
6	Encik Rewi Hamid Bugo	Non-Independent Non-Executive Director
7	Tuan Haji Zaidi Bin Haji Ahmad **	Executive Director

\*Resigned as Non-Independent Non-Executive Director on 13 November 2018

\*\* Appointed as a Non-Independent Executive Director on 2 March 2018

Tuan Haji Zaidi Bin Haji Ahmad has ceased as the Company’s Executive Director on 1 January 2019 and was re-designated as the Company’s Non-Independent Non-Executive Director on the same day. Currently, the Board consists of Seven (7) Non-Executive Directors with one (1) new director appointed on 1 April 2019, out of which three (3) are Independent Directors.

The members of the Board possess wide-ranging experiences, skills and expertise in accounting, economics, engineering and business management and are persons of high caliber and integrity, which give added strength to the leadership which is necessary for the effective stewardship of the Group.

Three (3) of the Independent Non-Executive Directors fulfill the criterias of independence as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**BMSB**”). Encik

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Shamsul Anuar Bin Ahamad Ibrahim is the Independent Director duly identified by the Board to whom concerns or queries concerning the SCIB Group may be conveyed to.

The Board views that Board membership is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender. The Board does recognize the value of woman member in the Board and will continue to assess the needs to adopt a gender diversity policy or target in due course.

The Group's Independent Non-Executive Directors do not engage in the day-to-day management of the Company and do not participate in any business dealings and are not involved in any other relationship with the Company. This ensures that the Independent Non-Executive Directors remain free of conflict of interest situations and carry out their roles and responsibilities as Independent Directors effectively.

Based on the composition of the Board as at 31 December 2018, one third of the Board consist of independent directors which are in accordance with Paragraph 15.02 of the Listing requirements of the Main Market of Bursa Malaysia Securities Berhad. Although the Company has not met the best practices of having at least half of the board independent, the Remuneration and Nomination Committee have assessed the Board's size and composition and was satisfied that the Board's size is appropriate given the scale of the Group's business and operations and the composition well balanced with the right mix of diverse knowledge, skills and attributes constituting an effective Board able to discharge its duties professionally and efficiently. The Board has in place the Audit Committee, Remuneration and Nomination Committee with clear Terms of References to assist the Board in deliberations and recommendations for check and balance. The Committees comprise majority of independent non-executive Directors which are able to provide diverse perspectives and insights supporting the Board to make decision objectively.

### ***Directors' Code of Ethics***

The Directors observed a code of ethics in accordance with the code of conduct as set out in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

### ***Roles and Responsibilities of the Board***

The Board Members, in discharging their duties are constantly mindful that the interests of our customers, investors and all other stakeholders are well safeguarded.

The Board is responsible for formulating and reviewing the Company's strategic plan and key policies, and to chart the course of the Company's business operations while providing effective oversight of the Management's performance as well as the risk management procedures and key controls.

The principal responsibilities of the Board include the following:

- Formulates the Company's annual business plan and the medium-term and long-term strategic plans;
- Approves the Company's annual budget and carries out periodic review of the progress made by the various operating divisions against their respective business targets;
- Prescribes the minimum standards and establishes policies on the management of credit risks and other key areas of the Company's operations;
- Oversight of the Company's business operations and financial performance;
- Ensures the operating infrastructure, system of controls, systems of risk management, financial controls and operational controls, are in place and properly implemented; and
- Undertakes various functions and responsibilities as required from time to time.

In furtherance, the Board also delegated specific tasks to the Board Committees namely the Audit Committee, Remuneration and Nomination Committee and Risk Management Committee. All the Board Committees have their own terms of reference to deal with particular issues and report back to the Board with the necessary recommendation, if any. The ultimate approval still lies with the entire

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Board. Certain Board functions are also delegated to the Management and the Board ensures Management is of the highest caliber.

The Independent Non-Executive Directors play a significant role in bringing impartiality and scrutiny to the Board's deliberations and decision-making, and also serve to stimulate and challenge the Management in an objective manner. To further enhance the function of the Independent Non-Executive Directors, the Board has also defined their roles and responsibilities to include the following:

- Provides independent and objective views, assessment and suggestions in deliberations of the Board;
- Ensures effective check and balance in the proceedings of the Board;
- Mitigates any possible conflict of interest between the policy-making process and day-to-day management of the Company; and
- Constructively challenge and contribute to the development of the business strategies and direction of the Company.

The Directors are at liberty to seek independent professional advice on matters relating to the discharge of their duties. The cost of securing such professional services will be borne by the Company.

### ***Board Meetings and Supply of Information***

Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year to facilitate the Directors to plan ahead and organise the next year's Board meetings into their respective schedules.

The Board holds meetings of no less than four (4) times a year as soon as the Company's quarterly and annual results are finalised in order to review and approve the results for submission to Bursa Malaysia Securities Berhad and Securities Commission. Special Board meetings may be convened to consider urgent proposals or matters that require the expeditious review or consideration by the Board. Details of the number of Meetings held and the attendance of each Director can be found in the Report on Directors' Profile in this Annual Report.

At the Board meetings, the Board reviews management reports on the business performance of the Company as well as the major subsidiaries, and reviews, inter-alia, the results compared to the preceding month and year-to-date, and also the comparison against pro-rated business targets. As part of the integrated risk management initiatives, the Board also notes the decisions and salient issues deliberated by the Board Committees and main Management Committees through minutes of these Committees' meetings. The Board Members deliberate, and in the process, assess the viability of business propositions and proposals, and the principal risks that may have significant impact on the Company's business or on its financial position, and the mitigating factors. The Board also assesses various types of credit propositions and matters that are required to be submitted to the Board for concurrence or approval, in accordance with the guidelines issued by the Board.

The Chairman of the Audit Committee would inform the Directors at Board meetings, of any salient matters noted by the Audit Committee and which require the Board's notice or direction. To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance to a structured agenda. For effective Board proceedings, the Directors would receive the structured agenda together with comprehensive management reports and proposal papers at least two (2) days before the Board meeting. This is to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or the Company Secretary, or to consult independent advisers, if they deem necessary. Confidential papers or urgent proposals are presented and tabled at the Board meetings under supplemental agenda. The Board meeting papers are prepared and presented in a concise and comprehensive format to ensure that the Directors have a complete and relevant depiction of the issues in order that the Board deliberation and decision-making are performed systematically and in a well-informed manner.

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The directors remain fully committed and dedicated in fulfilling their duties and responsibilities as reflected by their attendance at Board meetings during the financial year.

### ***Training and Development of Directors***

All directors have attended the Mandatory Accreditation Programme (“**MAP**”) assigned by BMSB. The members of the SCIB Board have continued to attend seminars and briefings during the financial year in order to enhance their skills and knowledge, and to keep abreast with changing commercial risks in line with market and economic developments. The Board of Directors are also provided with the Board Policy Manual that contained information including but not limited to the structure of the Group, management and the operation as well as the Directors’ duties and obligations. The Directors also keep up-to-date with market developments and related issues through discussion meetings with the other Senior Management Officers. These provide the platforms to disseminate emergent strategic directions and ideas as well as intellectual interactions which enhance the knowledge and relevance of the Directors. The Company Secretary facilitates the organisation of internal training programmes and Directors’ attendance in external programmes, and keeps a complete record of the training received or attended by the Board of Directors. The details of directors’ training participated during the financial year are highlighted in the Directors’ Profile report herein this Annual report.

### ***Time Commitment of Directors***

Directors are at liberty to accept other board appointments so long as such appointments are not in conflict with the business of the Group and do not adversely affect the Directors’ performance and contributions as a member of the Board and Board Committee.

### ***Re-Appointment and Re-Election of Directors***

The Remuneration and Nomination Committee will consider and recommend to the Board for the continuation in service of those Directors who are due for re-election/re-appointment.

The Articles of Association of SCIB provide that at every annual general meeting of SCIB, one-third of Directors for the time being and those appointed during the financial year shall retire from office and shall be eligible for re-election. The Articles further provide that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. The re-appointment and re-election of Directors at the annual general meeting of SCIB is subject to the prior assessment by the Remuneration and Nomination Committee and the recommendations thereafter submitted to the Board for approval or the Director concerned to continue to hold office.

The Board does not fix a maximum tenure limit for Directors as the Board is of the view that there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and knowledge of the Company’s affairs. The Board is of the view that there is no need to set a time-frame on how long an Independent Director should serve on the Board in view of the following reasons:

- The ability of a Director to serve effectively as an Independent Director is very much a function of his calibre, qualification, experience and personal qualities, and has no compelling relationship to his tenure as an Independent Director; and
- The Board conducts annual assessment of Independent Directors in respect of inter-alia their skills, experience and contributions, and whether the Independent Directors are able to discharge their duties with unbiased judgement.

## **(B) BOARD COMMITTEES**

To assist the Board in discharging its duties, the Board has established several Board Committees whose compositions and terms of reference are in accordance with the best practices prescribed by the Code. The functions and terms of reference of Board Committees and Management Committees,

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as well as authority delegated by the Board to these Committees, have been approved by the Board, and are reviewed from time to time to ensure that they are relevant and up-to-date.

The Board Committees of SCIB are as follows:

- Remuneration & Nomination Committee
- Audit Committee
- Risk Management Committee

Details of the Board members' participation in the various Board Committees are set out below:-

<b>Directors</b>	<b>Audit Committee</b>	<b>Remuneration &amp; Nomination Committee</b>	<b>Risk Management Committee</b>
YBhg. Tan Sri Datuk Amar (Dr.) Hamid Bin Bugo	-	Chairman	-
YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	Member	Member	Member
YM. Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan *	-	-	-
YBhg. Datu Haji Soedirman Bin Haji Aini	-	-	Chairman
Encik Shamsul Anuar Bin Ahamad Ibrahim	Chairman	Member	Member
Encik Rewi Hamid Bugo	Member	-	Member
Tuan Haji Zaidi Bin Haji Ahmad	-	-	-

*\*resigned as a director on 13 November 2018*

All proceedings, matters arising, deliberations in terms of the issue discussed, and recommendations made by the Board Committees at the Committees' meetings are recorded in the minutes by the Company Secretary, confirmed by the Board Committees, signed by the Chairman of the said Committees. At every Board meeting, the Chairman of the respective committee meetings, will provide summary of the reports, deliberation and recommendations made at the respective meetings for the Board's deliberation and recommendation where board decisions are required. Upon invitation, Management representatives were present at the Board Committees' meetings to provide additional insight into matters to be discussed during the said committee meetings, if so required.

All the Board Committees do not have executive powers but to report to the Board on all matters considered and their recommendations thereon. The Board has approved the terms of reference of each Committee, and where applicable, these comply with the Recommendations of the Code.

The salient terms of reference and frequency of meetings of the Board Committees are as follows:

- *Audit Committee*
  - The terms of reference of the Audit Committee are set out under the Audit Committee Report in this Annual Report; and
  - The Audit Committee meets at least four (4) times a year.

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- *Remuneration and Nomination Committee*
  - The terms of reference of the Remuneration and Nomination Committee are set out in the paragraph on “Appointment of Board Members and Terms of Reference of the Remuneration and Nomination Committee” in this Statement on Corporate Governance; and
  - The Remuneration and Nomination Committee meets as and when required, and at least once a year.
- *Risk Management Committee*
  - Oversees the overall management of all risks covering market risk management, liquidity risk management, credit risk management and operational risk management;
  - Reviews and approves risk management policies and risk tolerance limits;
  - Ensures infrastructure, resources, processes and systems are in place for risk management; and
  - The Risk Management Committee holds at least four (4) meetings a year.

### ***Appointment of Board Members and Terms of Reference of Remuneration and Nomination Committee***

The Remuneration and Nomination Committee will recommend candidates for all directorships to be filled to the Board. Any new Director will undergo a familiarisation programme, which includes presentation of an overview of the Group’s profile, products, factories and track records to facilitate the new Directors’ understanding of the SCIB Group. The Company Secretary will ensure that all appointments of new Director are properly carried out and all legal and regulatory obligations are met.

The Remuneration and Nomination Committee comprises three (3) Non-Executive Directors, the majority of whom are independent. Meetings of the Remuneration and Nomination Committee are held as and when required, and at least once a year.

The Remuneration and Nomination Committee will recommend the proposed appointment of a new Director and the re-appointment of Directors upon the expiry of their respective tenures of office for approval of the Board. The Remuneration and Nomination Committee will evaluate the person’s ability to discharge such responsibilities/functions as expected from an Independent Non-Executive Director, and whether a Director is independent as defined in the guidelines issued in the Main Market Listing Requirements of BMSB.

The terms of reference of the Remuneration and Nomination Committee are as follows:

- To establish the minimum requirements on the skills, knowledge, expertise, experience, qualifications and other core competencies of a Director and Senior Management;
- To assess and recommend to the Board technically competent persons of integrity with strong sense of professionalism for appointment as Directors;
- In the case of persons for the position of Independent Non- Executive Director, to evaluate the persons’ ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors;
- To assess and recommend to the Board, the re-appointment of Directors upon the expiry of their respective terms of appointment;
- To oversee the overall composition of the Board in terms of appropriate size, required mix of skills, experience and core competencies, and adequacy of balance between Executive Directors, Non-Executive Directors and Independent Directors through annual review;
- To determine annually whether a Director is independent as may be defined in the guidelines as stated in the Main Market Listing Requirements of BMSB;
- To establish the mechanisms for the formal assessment on the effectiveness of the Board as a whole, the effectiveness and performance of each Director. The annual assessment to be conducted would be based on objective performance criteria as approved by the Board;
- To ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements;

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- To recommend to the Board the removal of a Director if he is ineffective, errant or negligent in discharging his responsibilities;
- To oversee the appointment, management succession planning and performance evaluation of the key Senior Management Officers;
- To recommend to the Board the removal of key Senior Management Officers if they are ineffective, errant or negligent in discharging their responsibilities;
- To assess and recommend to the Board, the terms of reference of Board Committees and to review the adequacy of committee structure of Board Committees;
- To review annually and recommend to the Board the overall remuneration policy for Directors and key Senior Management Officers to ensure that rewards commensurate with their contributions to the Company's growth and profitability, and that the remuneration policy supports the Company's objectives and shareholder value and is consistent with the Company's culture and strategy;
- To review annually the performance of the Executive Directors and recommend to the Board specific adjustments in remuneration and/or reward payments if any, reflecting their contributions for the year; and which are competitive and consistent with the Company's objectives, culture and strategy;
- To ensure that the level of remuneration for Non-Executive Directors and Independent Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board;
- Keeps abreast of the terms and conditions of service of the Executive Directors and key Senior Management Officers including their total remuneration package for market comparability, and reviews and recommends changes to the Board whenever necessary;
- Keeps abreast of the remuneration packages for Members of Board Committees to ensure that they commensurate with the scope of responsibilities held and reviews and recommends changes to the Board whenever necessary; and
- To carry out such other responsibilities as may be specified by or delegated by the Board from time to time.

The Remuneration and Nomination Committee upon its recent annual review carried out, was satisfied that the size of the Board is optimum and that there is appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board. The Remuneration and Nomination Committee was satisfied that all the members of the Board are suitably qualified to hold their positions as Directors in view of their respective academic and professional qualifications, experience and qualities. Furthermore, all the Directors have been assessed as complying with the standards for "fit and proper" criteria. The Independent Directors had also been assessed as complying with the definition of Independent Director as defined in the Main Market Listing Requirements of BMSB.

The Remuneration and Nomination Committee had also reviewed the Board Members' directorships in companies other than SCIB; the number of directorships held are well within the restriction of not more than five (5) directorships in public listed companies as stated in the Main Market Listing Requirements of BMSB.

All assessments and evaluations carried out by the Remuneration and Nomination Committee in the discharge of all its functions shall be properly documented. The Remuneration and Nomination Committee and the Board shall assess the independence of all independent directors annually.

The Remuneration and Nomination Committee carries out the annual review of the overall remuneration policy for Directors and key Senior Management Officers whereupon recommendations are submitted to the Board for approval. The Remuneration and Nomination Committee and the Board ensure that the Company's remuneration policy remains supportive of its corporate objectives and is aligned with the interest of shareholders, and further that the remuneration packages of Directors and key Senior Management Officers are sufficiently attractive to draw in and to retain persons of high calibre. The Remuneration and Nomination Committee reviews annually the performance of the Executive Directors and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which are competitive and are in tandem with the Company's corporate objectives, culture and

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strategy. The Board as a whole determines the remuneration of Non- Executive Directors, and each individual Director abstains from the Board decision on his own remuneration.

The Directors are paid annual fees and attendance/ meeting allowance for each Board meeting that they attend.

The disclosure of the remuneration of individual Directors of the Group on named basis for the financial year ended 31 December 2018 is set out as below:

	Director Salaries	Director Fees RM	Meeting allowances and other emoluments RM	Benefits in Kind	Total remuneration RM
YBhg. Tan Sri Datuk Amar (Dr.) Hamid Bin Bugo	-	96,000	10,900	-	106,900
YBhg. Datu Ir. Haji Mohidden Bin Haji Ishak	-	30,000	6,800	-	36,800
YM. Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan *	-	26,083	-	-	26,083
YBhg. Datu Haji Soedirman Bin Haji Aini	-	30,000	2,700	-	32,700
Encik Shamsul Anuar Bin Ahamad Ibrahim	-	30,000	12,400	-	42,400
Encik Rewi Hamid Bugo	-	30,000	5,600	-	35,600
Tuan Haji Zaidi Bin Haji Ahmad **	360,000	-	70,075	9,900	439,975
<b>Total</b>	<b>360,000</b>	<b>242,083</b>	<b>108,475</b>	<b>9,900</b>	<b>720,458</b>

*\*Resigned on 13 November 2018*

*\*\* Appointed as Executive Director on 2 March 2018 and was re-designated as the Non-Executive Director on 1 January 2019*

### (C) COMPANY SECRETARY

The Company Secretary is qualified secretary as required pursuant to the Malaysian Companies Act 2016. The Company Secretary is a fellow member of the Malaysian Association of Institute of Chartered Secretaries and Administrators (**MAICSA**). She is competent in carrying out her work and plays supporting and advisory roles to the Board with the assistance of the Management. She ensures adherence and compliance to the procedures and regulatory requirements from time to time.

### (D) SHAREHOLDERS AND INVESTORS' RELATIONS

We maintain a regular policy of disseminating information that is material for shareholders' information via announcements made to Bursa Malaysia Securities Berhad ("**BMSB**"). In compliance with the Main Market Listing Requirements of BMSB, the Company also releases timely financial information on a quarterly basis, which includes an overview of the performance of SCIB Group.

In addition, the Company also put in place electronic facility to enable communication with shareholders via its website [www.scib.com.my](http://www.scib.com.my). Shareholders can access to and obtain all information (operational, financial, corporate governance and investor relations aspects) on SCIB Group by accessing this website. All announcements made by the Company and information that are relevant to the shareholders and investors are available in this website.

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The Annual General Meeting (“AGM”) is the principal forum for dialogue with shareholders who are encouraged and given sufficient opportunity to enquire about the Group’s activities and prospects as well as communicate their expectations and concerns. Each item of special business included in the Notice of Annual General Meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate evaluation of the proposed resolution.

Encik Shamsul Anuar Bin Ahamad Ibrahim is the appointed Independent Director to whom concerns may be conveyed to.

Shareholders are encouraged to put forward their questions on the proposed resolutions tabled at the general meetings. Members of the Board, the external auditors, senior management and/or advisers of the Company are present to answer queries raised at the general meetings.

Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of BMSB, the Company is required to ensure that any resolution set out in the notice of general meetings is voted by poll. Hence, all the resolutions tabled at the forthcoming 43<sup>rd</sup> AGM to be held on 30<sup>th</sup> May 2019 will be voted by way of a poll. The shareholders will be briefed on the voting procedures while the results of the poll will be verified by an Independent Scrutineer.

### **(E)ACCOUNTABILITY AND AUDIT**

#### ***Financial Reporting***

The Directors aim to present a clear, balanced and understandable assessment of SCIB Group’s financial position, performance and prospects in presenting its annual financial statements and quarterly announcements to shareholders. These financial statements are drawn-up in accordance with the provisions of the Companies Act 2016, Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards and are reviewed by the Audit Committee prior to approval by the Board. In compliance with statutory requirements, the annual accounts are subjected to audit by an independent external auditor.

#### ***Risk Management and Internal Control***

The Board acknowledges their responsibility for SCIB Group’s system of risk management and internal control, which is designed to identify and manage the risks of the businesses of SCIB Group, in pursuing of its objectives. The system of risk management and internal control spans over financial, operational and compliance aspects, particularly to safeguard SCIB Group’s assets and hence shareholders’ investments. In executing this responsibility, the Board via the Audit Committee, Risk Management Committee and the in-house internal audit department, has adopted procedures to monitor the ongoing adequacy and integrity of the system of risk management and internal control.

Information on SCIB Group’s system of risk management and internal control is presented in the Statement on Risk Management and Internal Control in this Annual Report.

#### ***Relationship with the Auditors***

The external auditors, Messrs. Ernst & Young have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. There have not been any non-audit services that have compromised their independence as external auditors of SCIB.

Messrs. Ernst & Young and the audit team are competent in carrying out their work and they have the necessary audit experience in the industry in which SCIB Group operates. Messrs. Ernst & Young are registered with Audit Oversight Board.

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Through the Audit Committee, SCIB Group has established a formal and transparent relationship with the external auditors.

### **(F)SUSTAINABILITY**

The Group is committed to operate its business in accordance with environmental, social and economic responsibility.

The Company recognizes the importance of environment in which it operates in and place its best effort to become an environmentally responsible corporate citizen. Further details can be found in the Sustainability Statement of this annual report.

*(This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 16 April 2019 )*