

Corporate Governance Statement

COMMITMENT FROM THE BOARD

The Board of Directors (“Board”) of Gamuda Berhad (“Gamuda” or “Company”) recognises the importance of maintaining a high standard of corporate governance practices within Gamuda and its subsidiary companies (“Group”) and devotes considerable effort to identify and formalise best practices. We believe that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholder value.

The Board will continuously evaluate the status of the Group’s corporate governance practices and procedures with a view to adopt and implement the best practices in so far as they are relevant to the Group, bearing in mind the nature of the Group’s businesses and the size of its business operations.

COMPLIANCE

Comprehensive guidelines, policies and procedures have been formulated by the Board in support of the Group’s corporate governance framework including the “Directors’ Handbook”, “Directors’ Code of Conduct”, “Corporate Disclosure Policy”, “Whistleblowing Policy”, Diversity and Inclusion Policy and the terms of reference for various board committees. These documents are reviewed regularly by the Board and the relevant board committees and are updated in line with the amendments of applicable legislations and rules as well as the current market practices.

The Board has adopted an External Auditor Policy on 28 September 2017 which delegates the responsibility to assess the suitability, objectivity and independence of the external auditor to the Audit Committee.

The Board noted that the Securities Commission Malaysia has released a new Malaysian Code on Corporate Governance 2017 (“New Code”) on 26 April 2017. The New Code introduces substantial changes and recommendations with a view of raising the standards of corporate governance of companies in Malaysia. The New Code now employs the CARE approach (abbreviated from the term ‘Comprehend, Apply and Report’) by shifting from the ‘comply or explain’ method in the present Malaysian Code on Corporate Governance 2012 (“Code”) to a ‘apply or explain an alternative’ method. This is believed to allow greater flexibility in the application of the best practices. The first set of companies required to report on conformance with the new Code in their annual reports are companies with financial years ending 31 December 2017.

As the financial year of the Company ends on 31 July 2017, this statement relates to the Malaysian Code on Corporate Governance 2012 (“Code”). The Board is pleased to disclose how the Group has applied the principles set out in the Code to its particular circumstances, having regard to the recommendations stated under each principle and governance standards prescribed and the provisions of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), and the extent to which it has complied with the principles and recommendations under the Code for the financial year ended 31 July 2017, identifies any of the recommendations under the Code which were not followed and provides reasons.