

Statement on Corporate Governance

THE BOARD OF DIRECTORS (“THE BOARD”) CONTINUES TO REINFORCE THE IMPORTANCE OF GOOD CORPORATE GOVERNANCE IN BUILDING A SUSTAINABLE BUSINESS, AND IS COMMITTED TO ENSURING THAT THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE ARE PRACTICED THROUGHOUT IJM PLANTATIONS BERHAD AND ITS SUBSIDIARIES (“THE GROUP”).

THE BOARD IS PLEASED TO PRESENT THIS STATEMENT WHICH DESCRIBES ON HOW THE COMPANY HAS APPLIED THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012 (“THE CODE”) AND THE EXTENT OF ITS COMPLIANCE WITH THE PRINCIPLES. THE REASON FOR NOT APPLYING SPECIFIC PRINCIPLES IN THE CODE IS EXPLAINED IN THIS STATEMENT.

I. BOARD OF DIRECTORS

1. Composition of the Board

Five (5) of the seven (7) Board members are Non-Executive Directors and among the Non-Executive Directors, three (3) are Independent. The Chairman is one (1) of the Independent Non-Executive Directors.

Mr M. Ramachandran A/L V.D. Nair is the Senior Independent Non-Executive Director to whom queries or concerns relating to the Group may be conveyed by shareholders by way of writing to the Company’s registered address or electronic mail to csa@ijm.com or contact via Tel: +603-7985 8131.

The balance between Independent Non-Executive, Non-Executive and Executive Directors, together with the support from Management, is to ensure that there is an effective and fair representation for the shareholders, including minority shareholders. It further ensures that issues of strategy, performance and resources are fully addressed and investigated to take into account the long-term interests of shareholders, relevant stakeholders and the community in which the Group conducts its business.

The Independent Non-Executive Directors are able to provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all stakeholders are taken into account and that the relevant issues are subjected to objective and impartial consideration by the Board.

With the aim of enhancing the overall Board effectiveness, the Nomination & Remuneration Committee (“NRC”) and the Board have always considered the length of service of a Director as a key element in their review of any renewal of a Board position. In line with the recommendation of the Code, the tenure of an Independent Director of the Company shall not exceed a cumulative term of nine (9) years. At the same time, the Board appreciates that a Director’s independence cannot be determined solely on tenure. While remaining committed to the progressive renewal of Board membership and the recommendation of the Code on the tenure of Independent Directors, the Board is mindful that the limitation of term of service may result in a significant loss to the Company by the exit of Board members who are making critical contributions. The Board further recognises that the benefits of experience and stability brought by the longer serving Directors are often in the best interest of the Company and its shareholders. Taking into consideration of the above, the NRC and the Board may, in such circumstances, exercise their discretion to recommend and retain an Independent Non-Executive Director in the same capacity after serving a cumulative term of nine (9) years. In such a situation, the Board would provide the relevant justifications and seek the shareholders’ approval accordingly, as recommended under the Code.

None of the Independent Directors’ tenure has exceeded a cumulative term of nine (9) years, except for Tan Sri Dato’ Wong See Wah, the Independent Non-Executive Chairman of the Company, who will complete the 9-year tenure on 16 August 2015. Based on the annual assessment carried out by the NRC, the Board is of the opinion that despite serving for more than nine (9) years, Tan Sri Wong continues exercising strong independent judgement. He continues to seek clarification, when necessary, and expresses his views and debates issues objectively, besides challenging Management on important issues raised at various formal and informal meetings. Furthermore, the in-depth and up to date knowledge of the Group’s business operations and business environment possessed by Tan Sri Wong has and would continue to enable him to discharge the role as an Independent Director effectively. The NRC and the Board recognise the benefits of the experience and stability brought by Tan Sri Wong due to his long-service on the Board, and as an active participant in the corporate fraternity, which serve the interest of the Company and its shareholders. As such, the NRC and the Board would like to recommend and retain Tan Sri Wong as an Independent Director and Chairman of the Company. The Board will seek the approval of the shareholders at the forthcoming Annual General Meeting for Tan Sri Wong to continue as an Independent Director and Chairman of the Company.

The role of the Independent Non-Executive Chairman and the Chief Executive Officer & Managing Director (“CEO&MD”) are distinct and separate to ensure that there is a balance of power and authority. The Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. The Independent Non-Executive Chairman did not previously hold the position of CEO&MD in the Group.

The CEO&MD has responsibility for the day-to-day management of the business and implementation of the Board’s policies and decisions. The CEO&MD is responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group.

The composition and size of the Board is reviewed from time to time to ensure its appropriateness and effectiveness. The profile of each Director is presented on pages 8 to 11.

2. Duties and Responsibilities of the Board

The Board is primarily responsible for the Group’s overall strategic plans for business performance, overseeing the proper conduct of business, succession planning of key management, risk management, shareholders’ communication, internal control, management information systems and statutory matters; whilst Management is accountable for the execution of the expressed policies and attainment of the Group’s corporate objectives. The demarcation complements and reinforces the supervisory role of the Board. Nevertheless, the Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its duties.

Statement on Corporate Governance (cont'd)

3. Board Charter

All Board members are expected to show good stewardship and act in a professional manner, as well as uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. The Board Charter sets out the role, functions, composition, operation and processes of the Board to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board Charter also acts as a source of reference and primary induction literature in providing insights to Board members and senior management.

The details of the Board Charter are available for reference at www.ijm.com/plantation.

4. Board Diversity

The Directors have a diverse set of skills, experience and knowledge necessary to govern the Group. The Directors are professionals in the field of agriculture, finance, accounting, engineering, property and public administration. Together, they bring a wide range of competencies, capabilities, technical skills and relevant experiences to support the needs of the Group to make it one of the foremost plantation companies in the country.

In evaluating candidates for appointment to the Board, the Nomination & Remuneration Committee ("NRC") and the Board will always evaluate and match the criteria of the candidate based on experience, skill, competency, knowledge, potential contribution and boardroom diversity (including gender, ethnicity and age). The Board is mindful of the Recommendation 2.2 of the Code and women candidates were sought as part of the recruitment exercise of new Directors for the Company. A woman Director will be appointed to the Board as soon as a suitable candidate is identified.

5. Board Meetings

Board meetings (including Board Committees' meetings and Annual General Meeting ("AGM")) are scheduled in advance prior to the new calendar year, to enable the Directors to plan ahead and coordinate their respective schedules and/or events. The Board conducts at least four (4) scheduled meetings annually, with additional meetings convened as and when necessary. However, informal meetings and consultations are frequently and freely held to share expertise and experiences. Directors are also invited to attend Board Committees' meetings, where deemed necessary. During the financial year, four (4) Board meetings were held.

The attendance record of each Director is as follows:

	NUMBER OF MEETINGS ATTENDED	PERCENTAGE
Executive Directors		
Joseph Tek Choon Yee	4/4	100%
Purushothaman a/l Kumaran	3/4	75%
Independent Non-Executive Directors		
Tan Sri Dato' Wong See Wah	4/4	100%
M. Ramachandran a/l V D Nair	4/4	100%
Pushpanathan a/l S A Kanagarayar	4/4	100%
Non-Executive Directors		
Tan Sri Dato' Tan Boon Seng @ Krishnan	4/4	100%
Dato' Teh Kean Ming (<i>Resigned on 5 April 2015</i>)	4/4	100%

Besides these Board meetings, the Directors also attend the annual Senior Management Forum of IJM Corporation Berhad (“IJM”) Group where operational strategies, performance progress and other issues are presented, discussed and communicated to the managers of the Group.

In fostering the commitment of the Board that the Directors devote sufficient time to carry out their responsibilities, the Directors are required to notify the Chairman before accepting any new directorships and such notifications shall include an indication of time that will be spent on the new appointments. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. All Directors hold not more than five (5) directorships each in public listed companies.

6. Access to Information

All Directors are provided with the performance and progress reports on a timely basis prior to the scheduled Board meetings. The Company had moved towards electronic Board and Board Committee papers since August 2011. All Board papers, including those on complicated issues or specific matters and minutes of all Board Committee meetings, are distributed at least seven (7) days in advance electronically to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary, should such a need arise. Where necessary, the services of other senior management or external consultants will be arranged to brief and help the Directors clear any doubt or concern.

The schedule of matters reserved specifically for the Board’s deliberation include the approval of corporate plans, annual budgets (including the Key Performance Indicators under the Corporate Balanced Scorecard), new ventures, acquisitions and disposals of undertakings and properties of a substantial value, and changes to the management and control structure within the Group. Proper minutes of all deliberations of the Board are recorded, including the issues discussed and the conclusions of decisions.

All Directors have access to the advice and services of an experienced Company Secretary especially relating to procedural and regulatory requirements. The profile of the Company Secretary is provided in page 11 of the Profile of Board of Directors & Secretary. The Company Secretary always supports the Board by ensuring adherence to Board policies and procedures. The Directors may seek independent advice, where necessary, at the expense of the Company, so as to ensure they are able to make independent and informed decisions.

7. Committees Established by the Board

In order to assist in the execution of the Board’s responsibilities for the Group, certain functions have been delegated by the Board to Committees. Clear defined terms of reference have been given to these Committees to enable them to operate effectively. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The Chairmen of the respective Committees report to the Board the outcome of the Committee meetings and such reports are included in the Board papers.

Statement on Corporate Governance (cont'd)

The Board Committees of the Company and their composition are as follows:

Audit Committee

Pushpanathan A/L S. A. Kanagarayar – Chairman
Independent Non-Executive Director

M. Ramachandran A/L V. D. Nair
Senior Independent Non-Executive Director

Dato' Soam Heng Choon (*appointed on 6 April 2015*)
Non-Executive Director

Dato' Teh Kean Ming (*ceased on 5 April 2015*)
Non-Executive Director

Nomination & Remuneration Committee

M. Ramachandran A/L V. D. Nair – Chairman
Senior Independent Non-Executive Director

Pushpanathan A/L S. A. Kanagarayar
Independent Non-Executive Director

Dato' Soam Heng Choon (*appointed on 6 April 2015*)
Non-Executive Director

Dato' Teh Kean Ming (*ceased on 5 April 2015*)
Non-Executive Director

Securities and Options Committee

M. Ramachandran A/L V. D. Nair – Chairman
Senior Independent Non-Executive Director

Joseph Tek Choon Yee
CEO&MD

Dato' Soam Heng Choon (*appointed on 6 April 2015*)
Non-Executive Director

Dato' Teh Kean Ming (*ceased on 5 April 2015*)
Non-Executive Director

A. Audit Committee

The Audit Committee was established on 26 April 2003 comprising entirely of Non-Executive Directors, with a majority of them being Independent Directors and their profiles are set out in the Profiles of Board of Directors & Secretary on pages 8 to 11. The details of meetings and activities of the Audit Committee are set out on pages 56 to 59 of the Audit Committee Report. The terms of reference of the Audit Committee are available for reference at www.ijm.com/plantation.

B. Nomination & Remuneration Committee

The NRC which was established on 26 April 2003, comprises exclusively of Non-Executive Directors with a majority of them being Independent Directors. The duties and responsibilities of the NRC are to assist the Board in reviewing and recommending the appropriate remuneration policies applicable to Directors, the CEO&MD and senior management, and the appointment and evaluation of the performance of the Directors (including Board Committees).

The terms of reference of the NRC are available for reference at www.ijm.com/plantation.

The activities of the NRC for the financial year included the following:

- (i) review of the salaries, bonuses & incentives for senior management of the Group;
- (ii) assessment and evaluation of the effectiveness of Directors through the annual Board evaluations (including the CEO&MD and the independence of Independent Non-Executive Directors);
- (iii) review of the ex-gratia payments for key pioneer executives;
- (iv) approval of the purchase of motor vehicles for senior management staff;
- (v) review of the evaluation criteria of the new Audit Committee Assessment form;
- (vi) assessment and evaluation of the effectiveness of the Audit Committee through the annual Audit Committee evaluation; and
- (vii) review of the Balanced Scorecard of the Group.

All recommendations of the NRC are subject to endorsement of the Board.

The NRC meets as required. Two (2) meetings were held during the financial year and the attendance record of each member of the NRC is as follows:

	NUMBER OF MEETINGS ATTENDED	PERCENTAGE
M. Ramachandran a/l V D Nair	2/2	100%
Pushpanathan a/l S A Kanagarayar	2/2	100%
Dato' Teh Kean Ming (<i>Resigned on 5 April 2015</i>)	2/2	100%

C. Securities and Options Committee

The Securities and Options Committee was established on 21 November 2007 combining the roles and responsibilities of the Share Committee and Employee Share Option Scheme Committee which were previously established on 26 April 2003 and 19 August 2003 respectively. The function of the Securities and Options Committee is to regulate the securities transactions of the Company. During the financial year, the Securities and Options Committee administered the exercise of subscription rights by the warrant holders for new ordinary shares in the Company.

The terms of reference of the Securities and Options Committee are available for reference at www.ijm.com/plantation.

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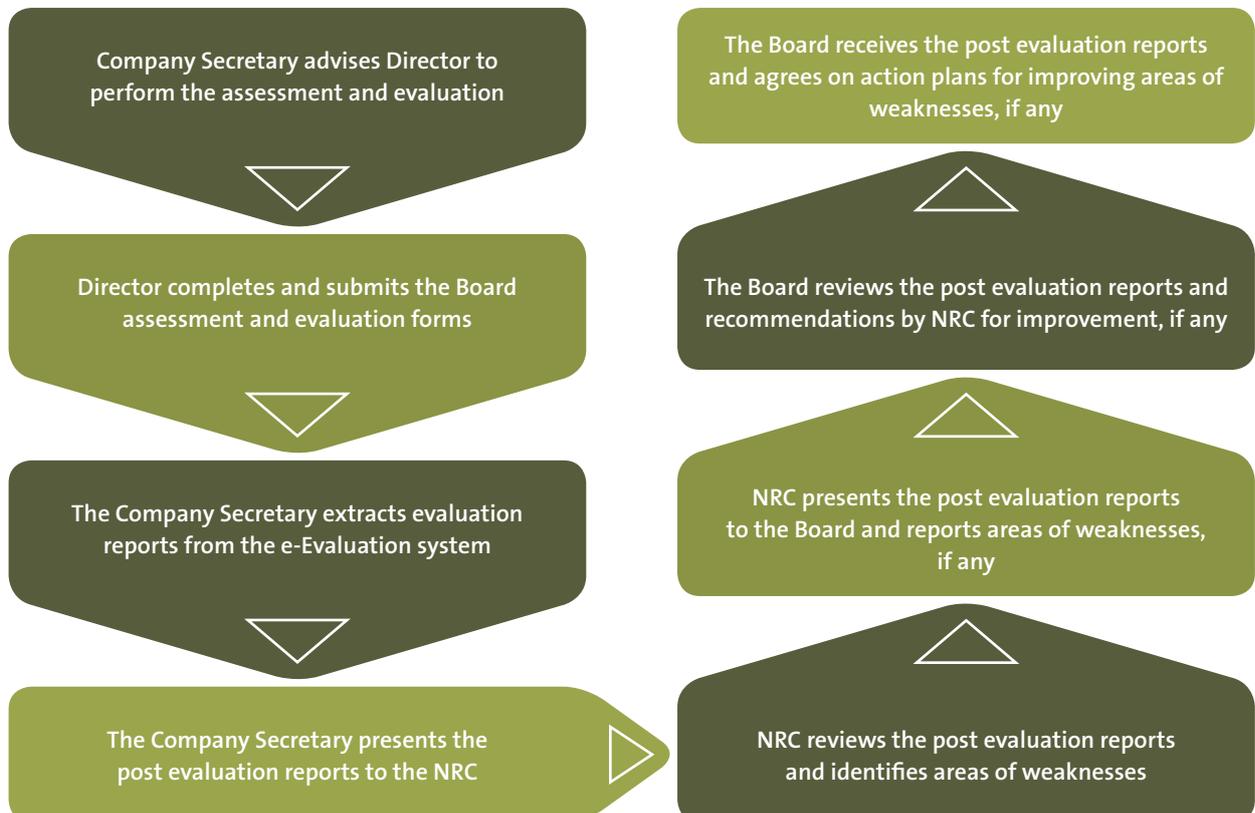
8. Board Evaluation

The NRC was generally satisfied with the performance and effectiveness of the Board and Board Committees. The Board has undertaken a formal and rigorous annual evaluation via an e-Evaluation System of its own performance, the Board as a whole and the Individual Directors. The Board evaluation comprises a Board Assessment by Individual Directors, Self & Peer Assessments and Assessments of Independence of Independent Directors (collectively referred to as “the Assessments”). There were no major concerns from the results of the Assessments.

The assessment of the Board by an individual director is based on specific criteria, covering areas such as the Board composition and structure, principal responsibilities of the Board, the Board process, the CEO&MD’s performance, succession planning and Board governance. For Self & Peer Assessments, the assessment criteria include contributions to interaction, role and duties, knowledge and integrity, governance and independence and risk management. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Group and his involvement in any significant transaction with the Group.

During the financial year, the Board has undertaken an evaluation on the Audit Committee via the e-Evaluation System to review its performance and determine whether the Audit Committee had carried out its duties in accordance with its terms of reference. The assessment criteria include the effectiveness and quality of the internal and external audit, risk management and internal control and financial reporting. The Board was satisfied with the performance and effectiveness of the Audit Committee.

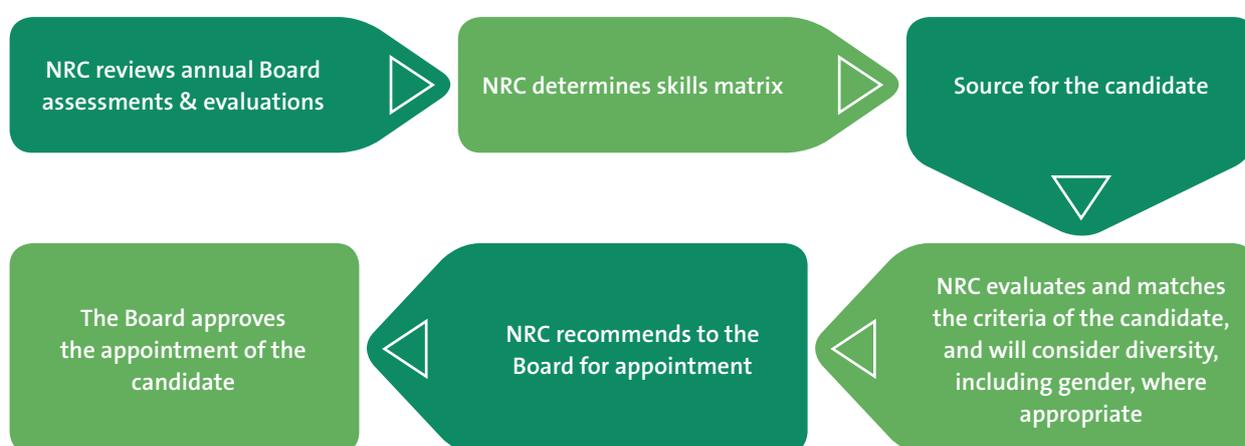
The process of the assessment and evaluation of the Board and Audit Committee is as follows:



9. Appointment to the Board

The NRC is responsible for making recommendations for the appointment of Directors to the Board, including those of subsidiaries and associated companies. In making these recommendations, the NRC considers the required mix of skills and experience, which the Directors bring to the Board.

The process for the appointment of Non-Executive Directors (both the Independent and non-Independent Directors) to the Board is as follows:



The Company, from time to time, uses the services of retired Executive Directors for specific roles in the Company's operations for specific periods. These Directors are paid remuneration for their services accordingly.

10. Re-election

The Articles of Association provides that every new appointed Director be subjected to re-election at the immediate AGM. Furthermore, one third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM, and all the Directors should submit themselves for re-election every three (3) years.

11. Directors' Training

All Directors have attended the Directors' Mandatory Accreditation Programme organised by Bursa Malaysia Securities Berhad ("Bursa Securities"). Our Directors have attended conferences, seminars and training programmes from time to time covering areas such as finance, risk management, regulatory laws, rules and guidelines. An induction briefing is also provided by our Company Secretary and senior executives to newly appointed Directors.

The Company is aware of the importance of continuous training for Directors to enable them to effectively discharge their duties, and will on a continuous basis, evaluate and determine the training needs of its Directors. The Board has undertaken an assessment of the training needs of each Director through the Self & Peer Assessment during the financial year.

During the financial year, all the Directors have attended various in-house and external training programmes, workshops, seminars, briefings and/or conferences. The training attended by the Directors were related to corporate governance, finance, industry knowledge, sustainability and new legislations.

The details of each of the Directors' Training and participation in activities of the Group are available for reference at www.ijm.com/plantation.

Statement on Corporate Governance (cont'd)

Updates on companies and securities legislations, and other relevant rules and regulations, such as amendments to the Main Market Listing Requirements of Bursa Securities (“LR”) together with the summary of enforcement related press releases of the Companies Commission of Malaysia, Bursa Securities and Securities Commission, were provided to the Board, together with the Board papers, in order to acquaint them with the latest developments in these areas.

Where possible and when the opportunity arises, Board meetings will be held at locations within the Group’s operating businesses to enable the Directors to obtain a better perspective of the businesses and enhance their understanding of the Group’s operations. During the financial year, some of the Directors had visited the estates and mill in Indonesia.

II. REMUNERATION

The remuneration policy of the Company is based on the philosophy of giving higher weightage on performance-related bonuses. These are entrenched in the remuneration policy for Executive Directors and senior management, which are reviewed annually by the NRC. The Group also participates in industry specific surveys by independent professional firms to obtain current data in benchmarking the Group.

The performance of Directors is measured by the Directors’ contribution and commitment to both the Board and the Group. The Executive Directors’ and senior management’s remuneration depend on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as Key Performance Indicators (“KPI”) set at the beginning of each year. The strategic initiatives or KPI set for the CEO&MD for the financial year ending 31 March 2016 encompass the four (4) main areas of consideration, namely, Commercial, Stakeholders, Efficiency and Infrastructure.

In the case of Non-Executive Directors, the level of remuneration reflects the contribution and level of responsibilities undertaken by the particular Non-Executive Director.

In addition to the basic salary and bonus & incentives for all its employees, including the Executive Directors, the Group provides benefits-in-kind such as private medical care and cars in accordance with the Human Resource Manual – Scheme and Conditions of Service of the Company.

The eligible employees (including Executive Directors) of the Group are also participating in the Long Term Incentive Plan implemented by IJM, which comprises of the Employee Share Option Scheme and Employee Share Grant Plan.

Directors’ Remuneration

The details of the remuneration of Directors during the financial year are as follows:

- The Directors’ total remuneration consists of different components as shown in the table below:

	SALARIES RM'000	FEES RM'000	BONUS, INCENTIVES & OTHERS RM'000	BENEFITS- IN-KIND RM'000	TOTAL RM'000
Executive Directors	1,415	–	1,281	90	2,786
Non-Executive Directors	–	630	43	–	673
Total	1,415	630	1,324	90	3,459

2. Aggregate remuneration of each Director is:

	RM'000
Executive Directors	
Joseph Tek Choon Yee	1,449
Purushothaman A/L Kumaran	1,337
Non-Executive Directors	
Tan Sri Dato' Wong See Wah	165
M. Ramachandran A/L V.D. Nair	141
Pushpanathan A/L S A Kanagarayar	146
Tan Sri Dato' Tan Boon Seng @ Krishnan	85
Dato' Teh Kean Ming (<i>resigned on 5 April 2015</i>)	136
Total	3,459

III. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

1. Dialogue between the Company and Investors

The Company places great importance in ensuring the highest standards of transparency and accountability in the disclosure of pertinent information to its shareholders as well as to potential investors, analysts and the public.

Timely announcements and disclosures to Bursa Securities are made, including the release of financial results on a quarterly basis, with the view to providing the shareholders and the investing public with an updated overview of the Group's performance and operations.

The Company's full year audited financial results are released within two (2) months after the financial year end. A comprehensive annual report is released within four (4) months after the financial year end.

The Group conducts regular dialogues with financial analysts. At least two (2) scheduled IJM Group Briefings are held each year, usually co-inciding with the release of the IJM Group's second and final quarterly results, to explain the results achieved as well as the strategies going forward.

A press conference is normally held after each AGM and/or Extraordinary General Meeting of the Company to provide the media an opportunity to receive an update from the Board on the proceedings at the meetings and to address any queries or areas of interest.

The Company also participates in several institutional investor forums both locally and outside Malaysia. The summary of the Group's investor relations activities during the financial year and additional corporate information and/or disclosures of the Group are available for reference at www.ijm.com/plantation.

Any information that may be regarded as material would not be given to any single shareholder or shareholder group on a selective basis except to the extent of their representation on the Board.

Statement on Corporate Governance (cont'd)



Annual General Meeting

2. General Meetings

The AGM is the principal forum for dialogue with shareholders. The notices of meeting and the annual reports are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association.

All Directors had attended the AGM held during the financial year. At the AGM, a presentation was given by the CEO&MD to explain the Group's strategy, performance and major developments to shareholders, including the responses to questions raised by the Minority Shareholder Watchdog Group ("MSWG") in relation to the strategy and financial performance of the Group and research and development matters, which were submitted by MSWG prior to the AGM. The Board encourages shareholders to participate in the question and answer session at all general meetings.

Shareholders are encouraged to be aware of their rights with regards to the convening of general meetings, appointment of proxies, demand for poll voting and access to information. The details of the shareholder's rights are available for reference at www.ijm.com/plantation.

The Board had put all the resolutions to vote by poll at the AGM held during the financial year. All shareholders were briefed on the voting procedures by the independent scrutineer prior to the poll voting at the general meetings.

The extract of minutes of general meetings (including the list of attendance of Directors, questions raised by shareholders and the respective responses, and outcome of the voting results) are made available to shareholders and public for reference at www.ijm.com/plantation.

3. Dividend Policy

The Company is committed to the payment of annual dividends. The quantum of dividends is determined after taking into account, inter alia, the level of available funds, the amount of retained earnings, capital expenditure commitments and other investment planning requirements.

The dividends for the current and preceding financial years are set out in the Chairman's Statement on page 27. The details of the dividends (including unclaimed dividends) and other distributions are available for reference at www.ijm.com/plantation.

4. Openness and Transparency

The Group has established a comprehensive website at www.ijm.com/plantation, which includes a dedicated section on Investor Relations, to support its communication with the investment community. In the Investor Relations section, the information available includes the financial information, announcements and securities holdings of the substantial shareholders.

The Group has also included a Corporate Governance section on the website where information such as the Board Charter, Code of Ethics & Conduct, Corporate Disclosure Policy, Diversity and Inclusion Policy and External Auditors Policy are made available to shareholders and the public.

To better serve stakeholders of the Group, a feedback page on the website provides an avenue for stakeholders to suggest improvements to the Group via email: ijmir@ijm.com. In addition, stakeholders who wish to reach the Group can do so through the 'Contact Us' or 'Feedback' page.

Investor queries pertaining to financial performance or company developments may be directed to the Senior Manager (Investor Relations) of IJM, Mr Shane Guha Thakurta (Tel: +603-79858041, Fax: +603-79529388, E-mail: shanethakurta@ijm.com), whereas shareholder and company related queries may be referred to the Company Secretary, Ms Ng Yoke Kian (Tel: +603-7985 8131, Fax: +603-7952 1200, E-mail: csa@ijm.com).

IV. ACCOUNTABILITY AND AUDIT

1. Financial Reporting

The Board takes responsibility for the Company's and Group's announcements of quarterly unaudited and yearly audited financial statements. These reports are submitted to Bursa Securities within the prescribed period. The Board aims to present a balanced assessment of the Group's position and prospects in these reports. This applies to other price sensitive public reports and reports to regulators as well.

2. Directors' Responsibility Statement

The Companies Act 1965 ("the Act") requires the Directors to cause the preparation of the financial statements for each financial year in accordance with the provisions of the Act and applicable approved accounting standards to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

The Directors have ensured that Management, in preparing the financial statements:

- used appropriate accounting policies which were consistently applied;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- considered the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operations for the foreseeable future.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose, with reasonable accuracy, the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the provisions of the Act.

The Directors have also taken such steps as are reasonably available to safeguard the assets of the Group, and to prevent fraud and other irregularities.

3. Risk Management and Internal Control

The Group's Statement on Risk Management and Internal Control which provides an overview of the risk management framework and state of internal control within the Group, is set out on pages 60 to 63.

4. Relationship with the Auditors

Through the Audit Committee, the Board has a direct relationship with the external auditors. The role of the Audit Committee in relation to the external auditors is set out on pages 56 to 59. The external auditors were invited and had attended the Audit Committee meetings and general meetings during the financial year.

The Audit Committee (together with the Chief Financial Officer and Chief Audit Executive) had undertaken an assessment on the suitability of the external auditors for the financial year pursuant to the External Auditors Policy ("the EAP"), which has outlined the guidelines and procedures for the assessment and monitoring of external auditors. The criteria for the External Auditors Assessment include quality of services, sufficiency of resources, communication and interaction, independence, objectivity and professional skepticism. There were no major concerns from the results of the External Auditors Assessment. The Audit Committee was satisfied with the external auditors' technical competency and audit independence.

The details of the EAP are available for reference at www.ijm.com/plantation.

Statement on Corporate Governance (cont'd)

5. Non-Audit Fee

There was no non-audit fee paid to the external auditors of the Company for the financial year ended 31 March 2015.

6. Related Party Transactions

Related party transactions of the Group for the financial year are disclosed in Note 31 to the Financial Statements.

The Audit Committee had reviewed the related party transactions that arose within the Group to ensure that the transactions were fair and reasonable, not detrimental to the minority shareholders and were in the best interest of the Company.

V. CORPORATE RESPONSIBILITY AND SUSTAINABILITY

The Board places great importance on corporate responsibility ("CR") and business sustainability and embraces CR as an integral part of the Group's business philosophy and corporate culture.

The Statement and Report on Corporate Social Responsibility which provides an overview of the CR framework and sustainability practices and activities, is set out on pages 64 to 84. The CR activities of the Group are available for reference at www.ijm.com/plantation under the Nurturing Sustainability section.

VI. CODES AND POLICIES

1. Code of Ethics and Conduct

The Board has made a commitment to create a corporate culture within the Group to operate the businesses in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. The Code of Ethics and Conduct ("the CEC") of the Group which sets out the principles and standards of business ethics and conduct of the Group is applicable to all employees (including full time, probationary, contract and temporary staff) and Directors of the Group.

The CEC states that no Directors or employees shall use price sensitive non-public information, which can affect the prices of the securities of the Company when it becomes publicly known for personal benefit. All the Directors and principal officers are advised on a quarterly basis their obligations to comply with the LR in relation to dealings in the securities of the Company prior to the release of the quarterly financial results.

The CEC also provides that Directors and employees should avoid involving themselves in situations where there are real or apparent conflict of interest between them as individuals and the interest of the Group. In addition, the Directors or employees shall avoid any situation in which they have interest in any entity or matter that may influence their judgment in the discharge of responsibilities. In the event the Directors are interested or deemed interested in any proposal, they will abstain from Board deliberation and also abstain from voting in respect of the resolution relating to the proposal.

The details of the CEC are available for reference at www.ijm.com/plantation.

2. Whistle-Blowing Policy

The Board encourages employees and associates to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Company. The Whistle-Blowing Policy adopted by the Company provides and facilitates a mechanism for any employee and associate to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

The Whistle-Blowing Policy is posted on the Company's website at www.ijm.com/plantation for ease of access for reporting by employees and associates of the Group.

3. Corporate Disclosure Policy

The Board places importance in ensuring disclosures made to shareholders and investors are comprehensive, accurate and on a timely and even basis as they are critical towards building and maintaining corporate credibility and investor confidence. The Corporate Disclosure Policy ("the CDP") of the Group has set out the policies and procedures for disclosure of material information of the Group. The CDP is applicable to all employees (including full time, probationary, contract and temporary staff) and Directors of the Group.

The details of the CDP are available for reference at www.ijm.com/plantation.

4. Diversity and Inclusion Policy

The Board believes that a diverse and inclusive workforce is a source of strength and a market differentiator, and embraces a philosophy of openness in acknowledging differences of opinions, cultures and contributions, and treating everyone with respect. As enshrined in IJM's core values, Respect for Diversity, the Diversity and Inclusion Policy ("the DIP") was formulated during the financial year and is applicable to all the employees and Directors of the Group.

The details of the DIP are available for reference at www.ijm.com/plantation.

This Statement on Corporate Governance was approved by the Board of Directors on 13 July 2015.



Presented by MSWG for Top Corporate Governance