

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0032
COMPANY NAME : REDtone Digital Berhad (formerly known as REDtone International Berhad)
FINANCIAL YEAR : June 30, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the leadership, oversight and the long-term success of the Group. The Board fully understands their collective responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation in order to safeguard shareholders' value.</p> <p>In order to ensure the effective discharge of the Board's functions and responsibilities, the Board has in place a Board Charter, and has delegated certain responsibilities to the Board Committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit Committee, Nomination Committee and Remuneration Committee.</p> <p>As per the Board Charter, matters on vision, mission and company strategy are reserved for the Board. The Board is assisted by the Board Committees and Management to regularly review and monitor the Company's performance to ensure conformity with the overall strategy and vision of the Company.</p> <p>To ensure the effective discharge of its function and duties, the principal responsibilities of the Board include the following specific areas:-</p> <ul style="list-style-type: none">• Strategic business plan and direction of the Group• Promote good corporate governance culture within the Group• Investment and divestment proposals• Approval of financial results• Ensuring integrity of financial and non-financial reporting• Risk management• Succession planning of Board and Senior Management• Board appointments, their fees and remuneration• Dividend policy

	<ul style="list-style-type: none"> • Reviewing the adequacy and integrity of the Group’s internal control systems • Implementing effective public communications and investor relations policies <p>The Board also promotes good corporate governance culture by ensuring critical policies and procedures are in place and updated with the evolving business compliance and requirements. An Anti-Bribery and Anti-Corruption Policy and Guidelines was put in place and staff awareness trainings and periodic briefings were conducted at all levels of the Group during the year. In addition, adequate procedures were in place Group wide to prevent and protect against corruption practices.</p> <p>The Board is kept abreast of the overall business activities of the Company through the updates from the Management at the quarterly Board meetings and in between, on an ad-hoc basis whenever deemed necessary. Any unresolved matter at each meeting will be minuted as a matter arising which is to be followed-up and discussed at the next Board meeting.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.2

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

Application	: Applied
Explanation on application of the practice	<p>The Board is led by YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, the Non-Independent Non-Executive Chairman of the Company. Encik Abdul Jalil Bin Abdul Rasheed was appointed as the Non-Independent Non-Executive Deputy Chairman of the Board on 23 April 2021. The Deputy Chairman will perform the duties of the Chairman during the Chairman's absence. The profile of Her Royal Highness and Encik Abdul Jalil Bin Abdul Rasheed are set out in the Board of Directors' profile in the Company's Annual Report 2021.</p> <p>The Chairman is responsible for representing the Board to shareholders and ensuring the integrity and effectiveness of the governance process of the Board. The Chairman maintains regular dialogue with the Group Chief Executive Officer and the Executive Committee over all operational matters.</p> <p>In addition, the Chairman also acts as the facilitator at Board meetings to ensure that no Board member dominates discussion and healthy discussions take place by fostering free expression of opinions of the Board members, to achieve thorough discussions and optimum decisions.</p> <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in Appendix B of the Board Charter, which is available on REDtone's website at www.redtone.com.</p> <p>The responsibilities of the Chairman include, amongst others;</p> <ul style="list-style-type: none">• Providing leadership to the Board;• Chairing meetings of the Board in such a manner that will stimulate debate on issues before the Board and encourage the most effective contribution from each Board member;• Organising the agenda for Board meetings based on input from other Directors and the Company Secretary;• Acting as liaison between the Board and management;• The point of contact for shareholders and other stakeholders on any queries and concerns regarding REDtone and its group of companies;• Leading the Board in establishing and monitoring good corporate governance practices in 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

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles and responsibilities of the Chairman and Group Chief Executive Officer (“Group CEO”) are separate and clearly segregated. The clear distinction of responsibilities of the Chairman and Group CEO ensures a balance of authority and accountability and to avoid unfettered powers in decision-making.</p> <p>The positions of Chairman and Group CEO are held by two different individuals. The Chairman, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail provides the overall leadership to the Board, without compromising the principle of collective responsibility for Board’s decisions whereas the Group CEO, Mr. Lau Bik Soon, supported by the Executive Committee and Management team, focuses primarily on the formulation and implementation of business strategies, oversees the implementation of the Board’s decision and policies, as well as supervises the day-to-day management and running of the Group.</p> <p>The Group CEO and the Executive Committee remain accountable to the Board for the authority delegated to them and for the overall performance 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	:	

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>The Board is supported by two suitably qualified, experienced and competent Company Secretaries. Both Company Secretaries are qualified to act as Company Secretaries under Section 235(2) of the Companies Act and Administrators (MAICSA).</p> <p>The Company Secretaries are responsible for ensuring that the Board procedures are followed, the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation is in order. The Company Secretaries are also responsible to organise and attend all Board and Board Committees' meetings and ensures the meetings are properly convened while proper records of the deliberations at the Board meetings and resolutions passed are maintained accordingly at the registered office of the Company.</p> <p>All Board members have unrestricted access to the advice and services of the Company Secretaries in relation to the Board's affairs and the business.</p> <p>The Board is satisfied with the performance of the Company Secretaries in that they have provided sound governance advice, ensured adherence to rules and procedures, as well as advocated the adoption of corporate governance best practices by 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

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>Prior to the Board and Board Committee meetings, notice enlisting the agendas are prepared and circulated to the Directors at least five (5) days in advance. The Board members also receive their meeting materials for review within a reasonable period prior to each meeting in order for the Directors to have a constructive and effective discussion during the meetings.</p> <p>The Company Secretary attends meetings of Board and Board Committees and ensures all proceedings of the meetings such as the issues raised, deliberations and decisions of the Board and Committees, including any dissents and abstentions are properly minuted and documented.</p> <p>The minutes of meetings are circulated to all Directors on a timely manner upon conclusion of the meetings for their review and the confirmed Board minutes, being the statutory records of the Company are entered into the minutes book accordingly.</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 which has been formalised and adopted by the Board, serves as a primary reference which clearly sets out the roles, responsibilities, authorities and operation of the Board, Board Committees, Chairman, Executive Directors and Non-Executive Directors. The Board Charter also outlines a schedule of matters reserved for collective decision of the Board, which includes but not limited to, the financial and business matters, Board and directorate issues, public reporting and miscellaneous matters which require Board's collective decision.</p> <p>The Board Charter also outlines, amongst others, the following items:</p> <ul style="list-style-type: none">(i) Board Responsibilities(ii) Board membership guidelines(iii) Board and member evaluations(iv) Directors' remuneration(v) Board structures and procedures(vi) Relationship of the Board with Management(vii) Relationship between the Board and Shareholders, Institutional Investors, Press, Customers and et cetera. <p>The position description of the Chairman, Executive Directors, Non-Executive Directors, and Independent Non-Executive Directors, together with the terms of references of the Board Committees are outlined in the Board Charter.</p> <p>The Board Charter is made available on the Company's website at www.redtone.com. The Board will review the Board Charter from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current law and practices. The Board Charter was last reviewed by the Board in August 2019.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is mindful of its leadership as a key pivot in creating ethical values and observing ethical conducts within the REDtone Group. In ensuring that all Directors set the tone and standards at the top by instilling the culture of sound governance and also in upholding integrity, objectivity, accountability, openness and honesty throughout the Group, the Board is guided by the 'Directors' Code of Best Practice' embedded in the Board Charter.</p> <p>The Company also adopts the 'Code of Conduct and Ethics' to ensure all employees of the Group maintains and upholds a high standard of ethical and professional conduct in the course of performance of their duties and responsibilities.</p> <p>The Code of Conduct and Ethics sets out the rules of conduct and include, amongst others:</p> <ul style="list-style-type: none"> • compliance with rules and regulations; • managing conflicts of interest; • confidentiality; • safeguarding of the Group's intellectual property and assets; • prevention of abuse of power; and • insider trading. <p>The Code of Conduct and Ethics is available on the Company's website at www.redtone.com.</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

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to the highest standards of integrity, transparency and accountability in the conduct of its business and operations and aspires to conduct its affairs in an ethical, responsible and transparent manner. In achieving this, the Board has established and adopted a Whistleblowing Policy which provides an avenue for the employees and members of the public to report any improper conduct or genuine concerns relating to possible improprieties in financial reporting, compliance and other malpractices at the earliest opportunity, in an appropriate manner and without fear of retaliation. The Board had reviewed and approved the revisions to the Whistleblowing Policy on 29 September 2020.</p> <p>The Whistleblowing Policy provides details of the lodgement guidelines and is published on the Company's website at http://www.redtone.com/whistleblower/. The whistle-blower may report directly in writing to a dedicated email address, namely whistleblower@redtone.com or other channels, detailed in the Whistleblowing Policy.</p> <p>There were no whistleblowing reports received for the financial year under review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During the financial year ended 30 June 2021 and at the date of this Report, the Board comprises eight (8) members, of whom three (3) are Independent Non-Executive Directors, one (1) is an Executive Director and four (4) are Non-Independent Non-Executive Directors. The Board complies with Rule 15.02(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad which stipulates that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are independent Directors.</p> <p>Several of our Directors, although they are Non-Independent Non-Executive, are experienced and their willingness to challenge the Management with questions without apprehension and debate constructively during Board meetings helps to reinforce the check and balance of Board's decision-making process. Hence currently, the lack of majority of Independent Directors in terms of delivering 50% of the Board composition does not jeopardise independence of the Board in their deliberations and all decisions are made in the best interest of the Group.</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

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

Practice 4.2

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

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

Application	: Applied - Two Tier Voting
Explanation on application of the practice	<p>Mr. Mathew Thomas A/L Vargis Mathews, the Senior Independent Non-Executive Director of the Company was appointed to the Board on 15 November 2003.</p> <p>The Company had obtained the shareholders' approval through a two-tier voting process, as described in the Guidance to Practice 4.2 of the Malaysian Code on Corporate Governance, at the Eighteenth Annual General Meeting ("AGM") held on 2 December 2020 to retain Mr. Mathew Thomas A/L Vargis Mathews who has served the Board for a cumulative term of more than twelve (12) years, to continue in office as the Senior Independent Non-Executive Director until the conclusion of the next AGM.</p> <p>Mr. Mathew Thomas A/L Vargis Mathews had indicated his intention to retire as an Independent Non-Executive Director of the Company at the forthcoming Nineteenth AGM, and hence Mr. Mathew Thomas A/L Vargis Mathews shall hold office as an Independent Non-Executive Director of the Company until the conclusion of Nineteenth AGM. The Nomination Committee and Board will identify a suitable replacement to fill the vacancy arising from the retirement of Mr. Mathew Thomas A/L Vargis Mathews.</p> <p>Dato' Mohd Zaini Bin Hassan was appointed as an Independent Non-Executive Director of the Company on 23 April 2012.</p> <p>The Company had obtained the shareholders' approval at the Eighteenth AGM held on 2 December 2020 to retain Dato' Mohd Zaini Bin Hassan who has served the Board as an Independent Non-Executive Director for a cumulative term of nine (9) years by 23 April 2021 to continue in office as an Independent Non-Executive Director as described in the Guidance to Practice 4.2 of the Malaysian Code on Corporate Governance.</p>

	<p>The Board proposes to retain Dato’ Mohd Zaini Bin Hassan to continue to serve as an Independent Non-Executive Director of the Company, subject to the shareholders’ approval to be sought at the forthcoming Nineteenth AGM of the Company, after having noted the following considerations during the annual review and assessment of their independence:</p> <ul style="list-style-type: none"> - He fulfils the criteria under the definition of an Independent Director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he will be able to function as check and balance, provide a broader view and bring an element of objectivity to the Board; - During his tenure in office, he has not developed, established or maintained any significant relationship which would impair his independence as an Independent Director with the Executive Director and major shareholders other than normal engagements and interactions on a professional level consistent and expected of him to carry out his duties as an Independent Non-Executive Director and Chairman or member of the Board Committees; - He does not sit on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiaries; - During his tenure in office as an Independent Non-Executive Director of the Company, fees and allowances paid to him are according to industry norms and within acceptable market rates and are duly disclosed in the Annual Report. No other incentives or benefits of whatsoever nature had been paid to him by the Company; and - He has performed his duties diligently and in the best interest of the Company and provide a broader objective view, independent and balanced assessment of proposals from the Management to the Board and Board Committees. <p>The proposed retention of Dato’ Mohd Zaini Bin Hassan to continue in office as an Independent Non-Executive Director is subject to shareholders’ approval being obtained through the normal single-tier voting process.</p>
<p>Explanation for departure</p>	<p>:</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.

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognises the importance and adopts a meritocracy system which does not discriminate, especially on the grounds of ethnicity, age and gender diversity at the Board and Senior Management level, allowing the breadth of perspectives. Hence, it is imperative that all appointments to the Board and to the Senior Management must be on merits.</p> <p>The current Board reflects a mix of suitably qualified and experienced professionals in the fields of telecommunications, accountancy, taxation, banking, finance, investment, media, corporate finance and environmental engineering. The combination of different professions and skills enables effective deliberation among Board members with fresh insights and objective assessment.</p> <p>The Board also embraces age diversity to encourage diversity in perspective and balance the Board's insight, experience and approach in the decision making.</p> <p>The Board, together with its Nomination Committee, considers the following criteria for the appointment and recruitment process and annual assessment of the Board and the Senior Management:</p> <ol style="list-style-type: none">1. Skills, knowledge, expertise and experience;2. Character and behaviours;3. Competencies, commitment, contribution and performance;4. Potential conflict of interest situations; and5. Diversity.
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

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

Practice 4.5

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

Application	:	Departure																																				
Explanation on application of the practice	:																																					
Explanation for departure	:	<p>The current Board comprises two (2) female Directors out of eight (8) Directors, namely, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail and Ms. Loh Paik Yoong, making up 25% female Directors on the Board.</p> <p>The Board acknowledges the importance of boardroom diversity in terms of age, gender and race, and recognises the benefits of this diversity. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain as priority.</p> <p>Therefore, the Company does not have a formalised policy on gender diversity nor set any specific target for boardroom diversity but will actively work towards achieving the appropriate boardroom diversity. In addition, the issue of diversity is discussed and given prominence during deliberations by the Nomination Committee and the Board.</p> <p>The current diversity in terms of race/ethnicity, age and gender of the Board is set out below:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Race/Ethnicity</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>No. of directors</td> <td>4</td> <td>2</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Age Group</th> </tr> <tr> <th>30-40</th> <th>41-50</th> <th>51-60</th> <th>61-70</th> </tr> </thead> <tbody> <tr> <td>No. of directors</td> <td>2</td> <td>2</td> <td>3</td> <td>1</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Gender</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>No. of directors</td> <td>6</td> <td>2</td> </tr> </tbody> </table> <p>The Board is comfortable with the current mix of skills, experiences, and industry-specific knowledge of the respective Directors. The Board will</p>		Race/Ethnicity				Malay	Chinese	Indian	Others	No. of directors	4	2	1	1		Age Group				30-40	41-50	51-60	61-70	No. of directors	2	2	3	1		Gender		Male	Female	No. of directors	6	2
	Race/Ethnicity																																					
	Malay	Chinese	Indian	Others																																		
No. of directors	4	2	1	1																																		
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	30-40	41-50	51-60	61-70																																		
No. of directors	2	2	3	1																																		
	Gender																																					
	Male	Female																																				
No. of directors	6	2																																				

	continue to be mindful of the gender diversity guideline when considering future changes to the Board's composition.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year ended 30 June 2021, Encik Abdul Jalil Bin Abdul Rasheed was appointed as the Non-Independent Non-Executive Deputy Chairman of the Company on 23 April 2021, following the resignation of Datuk Seri Jamil Bin Salleh on 31 March 2021. The Nomination Committee had assessed the profile of Encik Abdul Jalil Bin Abdul Rasheed and had recommended him to the Board for appointment as the Non-Independent Non-Executive Deputy Chairman.</p> <p>In searching for suitable candidates, the Nomination Committee may receive suggestions from existing Board Members, Management, and major shareholders. The Committee is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms. The Nomination Committee and the Board will ensure that the procedures for appointing new Directors are transparent and formal and the appointments are made on merits.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by the Senior Independent Non-Executive Director, Mr. Mathew Thomas A/L Vargis Mathews.	
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>The Board, through the Nomination Committee, conducts the annual assessment of the effectiveness of the Board, the Board Committees and the contribution of each individual Director based on the following criteria, amongst others:-</p> <p>For Board and Board Committees:-</p> <ul style="list-style-type: none">• composition• board process• adequacy of information and processes• accountability• performance• standard of conduct <p>For individual Director: -</p> <ul style="list-style-type: none">• abilities, competencies and knowledge• integrity and personality• participation at Board and Board Committees' meetings including the contribution to the business strategies and performance of the Group• attendance at meetings• corporate governance• independence <p>Assessment of the Board and Board Committees are performed based on board review or self-assessment whilst assessment of the individual Directors is performed based on a peer review basis. Each Director is provided with the same set of assessment forms for their completion. The results of all assessments and comments by Directors are summarised and deliberated at the Nomination Committee meeting and thereafter the Nomination Committee's Chairman will report the results and deliberation to the Board. All assessments and evaluations carried out by the Nomination Committee are documented.</p>

	<p>During the financial year under review, the Nomination Committee, upon conclusion of the annual assessment exercise, was satisfied that the Board and Board Committee composition had fulfilled the required criteria, possess a right blend of knowledge, experience and the appropriate mix of skills. There was mutual respect amongst individual Directors which contributed to a healthy environment for constructive deliberation and robust decision-making process. Independent Directors were assessed to be objective in exercising their judgment.</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

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

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

Practice 6.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has formalised the Directors' Remuneration Policies and Procedures. The objectives of the Group's policy on Directors' remuneration are to ensure that formal and transparent remuneration policies and procedures are in place to attract and retain Directors of the calibre needed to run the Group successfully.</p> <p>The Board, with the assistance of the Remuneration Committee, recommends a fair and attractive remuneration framework, which includes the remuneration packages and other terms of employment for the Executive Directors. In formulating the framework and levels of remuneration, the Remuneration Committee ensures the remuneration policy remains supportive of the Company's corporate objectives, is aligned with the interests of the shareholders, is able to attract, retain and motivate the Executive Directors and is reflective of their experience and level of responsibilities.</p> <p>The Board as a whole, determines the fees for Non-Executive Directors, with each Director concerned abstaining from any decision with regards to his/her own remuneration. Taking into account the performance of the Group and the responsibilities of the Directors, the Directors' fees are set in accordance with a remuneration framework comprising responsibility fees and attendance fees.</p> <p>The Directors' Remuneration Policies and Procedures is available on the Company's website at www.redtone.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Remuneration Committee comprising wholly of Non-Executive Directors, with an objective to assist the Board to recommend a formal and transparent procedure and structure in determining the remuneration package for the Board of Directors and Senior Management. Each Director concerned shall abstain from any decision with regards to his own remuneration.</p> <p>The Remuneration Committee also has written terms of reference which is included in the Board Charter and is available on the Company's website at www.redtone.com. The said terms of reference deals with the Remuneration Committee's duties and responsibilities which includes:-</p> <ul style="list-style-type: none">a) ensuring that the remuneration policies are made through a transparent and independent process;b) ensuring that all the Executive Directors and Senior Management are fairly rewarded for their individual contributions to the Company's overall performance and the remunerations are structured to link rewards to corporate and individual performance;c) ensuring that the compensation and other benefits motivate and encourage Executive Directors and Senior Management to act in ways that enhance the Company's long-term profitability and value;d) recommending to the Board a remuneration framework and the remuneration package for the Executive Directors and Senior Management;e) recommending to the Board the remuneration package for Non-Executive Directors; andf) ensuring recommendations of the Remuneration Committee are submitted for endorsement by the entire Board, covering all

	aspects of remuneration, including but not limited to Directors' fees, salaries, allowances and bonuses.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	The disclosure on named basis for the remuneration of the individual Directors for the financial year ended 30 June 2021 and the breakdown of each Director's remuneration including fees, salary, bonus, benefits-in-kind and other emoluments is made in the Corporate Governance Overview Statement in the Annual Report 2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 7.2

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	:	The Board has considered this practice and is of the opinion that the disclosure of the remuneration of Senior Management on a named basis would not be in the best interest of the Group due to confidentiality and security concerns as well as the competitive conditions for talent in the telecommunications industry.	
		REDtone strives to hire the best talents. The Board ensures that the remuneration of Senior Management commensurate with the performance of the Company, with due consideration in attracting, retaining and motivating Senior Management to lead and run the Company successfully. Excessive remuneration payouts are not made to the Senior Management personnel in any instance.	
<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	:	The Chairman of the Audit Committee is Mr. Mathew Thomas A/L Vargis Mathews, the Senior Independent Non-Executive Director, while the Chairman of the Board is YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, a Non-Independent Non-Executive Director. This has ensured that the objectivity of the Board's review of the Audit Committee's findings and recommendations are not impaired.	
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	:	<p>The terms of reference of the Audit Committee includes a policy on observation of a cooling-off period of at least two (2) years for a former key audit partner prior to their appointment as an Audit Committee member.</p> <p>Presently, no former key audit partners of the present and former external auditors have been appointed to the Board or employed by 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 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>The Audit Committee annually reviews and assesses the performance, suitability, objectivity and independence of the external auditors and the level of non-audit services rendered by the external auditors which may impair their objectivity and independence as external auditors of the Company.</p> <p>Based on the annual assessment conducted for the financial year ended 30 June 2021, the Audit Committee is satisfied with the performance and independence of the external auditors, Messrs. Ernst & Young PLT as well as the fulfilment of criteria including independence of the external auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.</p> <p>The Audit Committee also obtains annual assurance of independence from the external auditors. The external auditors have implemented a number of firm wide ethics and independence systems to maintain objectivity, to be free from conflicts of interest when discharging their professional responsibilities and monitor compliance with their firm's policies on independence and ethics.</p> <p>The Board, upon the recommendation by the Audit Committee, has no objection to the re-appointment of the external auditors and will accordingly, seek for shareholders' approval at the upcoming Nineteenth AGM 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	:		
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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 :	

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 members of Audit Committee possess a wide range of necessary expertise and experience in relevant accounting and related financial management to discharge their duties and provide an effective level of challenge to the Management.</p> <p>Based on the Audit Committee Evaluation 2021, the Nomination Committee and Board are satisfied with the overall performance of the Audit Committee members in discharging their responsibilities in accordance with its terms of reference.</p> <p>Members of the Audit Committee attend trainings and talks to keep them updated on developments on financial reporting and accounting standards, industry developments and business practices. Updates and developments in new accounting standards and interpretations are presented by the External Auditors at Audit Committee meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility for continuous maintenance of a sound risk management framework and effective system of internal control. The Board has the overall responsibility in reviewing and monitoring the Group’s risk management and internal control system which provides reasonable assurance of an effective and efficient operation, compliance with laws and regulations and to safeguard shareholders’ investment and the Group’s assets.</p> <p>The Board has established an Enterprise Risk Management (“ERM”) framework to identify and manage the significant risks faced in the Group’s operations. The ERM framework is embedded into the culture, processes and structure of the Group and is subject to review by the Board bi-yearly. The ERM framework provides an ongoing process for identifying, evaluating and managing major risks faced by the Group that may affect the achievement of its business objectives and strategies.</p> <p>The Group’s Risk Management Committee (Management-level) headed by the Group Chief Executive Officer and comprising of key management personnel from the respective divisions, reports to the Audit Committee and oversees the implementation of the ERM Program. The Risk Management Committee, guided by its terms of reference is tasked to report to the Audit Committee on key risks identified and the implementation of the action plans to address the risk issues within the risk appetite or tolerance of the Board.</p> <p>Details of the Group’s risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Annual Report 2021.</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

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>Risk management and internal control are embedded in the culture, processes and structures of the Group. The experience, knowledge and expertise to identify and manage such risks enables the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group's objectives.</p> <p>On an ongoing basis, the Management is responsible to identify, evaluate, manage and report major risks that affects the Group's strategies and business plans. The Group has in place an ERM program to assist in the risk identification and management. The key features of the Group's ERM framework are as follows:</p> <ul style="list-style-type: none">• It outlines the ERM methodology on the identification of key business risks through a structured approach and to determine if controls are in place in mitigating the risks identified; and• It establishes guidelines to enable Management to prioritise the risks and allocation of resources to manage the risks. <p>The risk register detailing key risk profiles and key risk indicators is continuously reviewed and updated by the Management-level Risk Management Committee to ensure the risks identified are managed within defined parameters and standards.</p> <p>The Board is of the view that the system of internal control and risk management in place during the financial year, is sound and sufficient to safeguard the Group's assets and the interests of various stakeholders.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company maintains an internal control environment which is independent from the Management by outsourcing its internal audit function to an independent professional consulting firm as part of its effort to provide adequate and effective internal control system.</p> <p>In addition, the Audit Committee has the following duties and responsibilities to ensure the internal audit function is effective and able to function independently:-</p> <ul style="list-style-type: none">• to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;• to review the internal audit plan, processes, the results of the internal audit review, investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function; and• to approve the appointment of the internal auditor. <p>The internal auditors have unrestricted access to all documents and records of the Group deemed necessary in the performance of its function. They independently review the risk identification procedures and control processes implemented by Management.</p> <p>The internal auditors report independently and directly to the Audit Committee in respect of the internal audit function. The internal audit review is carried out in accordance with the annual internal audit plan as approved by the Audit Committee, and all audit findings and areas for improvements arising therefrom are reported to the Audit Committee.</p> <p>During the financial year under review, the Audit Committee had reviewed and recommended to the Board the appointment of Crowe Governance Sdn. Bhd. to replace Stanco & Ruche Consulting as the outsourced Internal Auditors, to perform the internal audit function 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

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

Practice 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year under review, the Audit Committee had reviewed and recommended to the Board the appointment of Crowe Governance Sdn. Bhd. to replace the Internal Auditors, Stanco & Ruche Consulting to perform the internal audit function, assisting the Audit Committee as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that seek to add value and improve the Group's operations.</p> <p>The Internal Auditors are free from any relationships or conflict of interest or undue influence of others to override professional and business judgment, which could impair their objectivity and independence. The independence of the Internal Audit function is derived from its direct reporting and unencumbered access to the Audit Committee. The Internal Auditors have adequate resources to carry out their audit activities.</p> <p>The outsourced Internal Auditors are headed by its Executive Director, Amos Law, who is a Certified Internal Auditor, a Chartered Member of the Malaysian Institute of Internal Auditors and a holder of the Certification in Risk Management Assurance. Amos Law together with his team, all of whom are qualified and possess the required expertise and experience are able to discharge their internal audit function duties effectively.</p> <p>The internal audits carried out by the Internal Auditors are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc., a globally recognized professional body for internal auditors.</p> <p>The Internal Auditors report independently and directly to the Audit Committee on the Group's internal audit function, which is independent of the Board and Management. The internal audit review is carried out in accordance with the annual Internal Audit Plan as approved by the Audit Committee and all audit findings arising therefrom are reported to the Audit Committee.</p>

	During the financial year under review, the Internal Auditors in teams of three (3) had conducted two (2) cycles of internal audit as stipulated in the approved Internal Audit Plan.	
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 Board acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Board, in its best efforts, always keeps the shareholders and various stakeholders informed of the Company's business and corporate developments and ensures that the Company's communication with them is informative and timely.</p> <p>The Company maintains a website at www.redtone.com to facilitate access to pertinent information concerning the Group and its operations, by the shareholders, consumers and general public. Announcements, news, promotions and all relevant updates are posted on the Company's website regularly. Shareholders may also communicate with the Company on investor relation matters by posting their enquiries to the Company through the Company's web enquiry form, which is available on its website. The Company will endeavour to reply to these enquiries in the shortest possible time. The Company also maintains a 'Facebook' page, namely, "redtonemalaysia" where corporate events and staff activities are posted as a way to engage with the employees and general public.</p> <p>The Annual Report to shareholders is also one of the main channels of communication between the Company and its shareholders and stakeholders. The Annual Report, which is prepared in accordance with the requirements of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, communicates comprehensive information of the financial results and activities undertaken by the Company. All information to shareholders is available electronically as soon as it is announced or published.</p> <p>Another key avenue of communication with its shareholders is the Company's AGM, which serves as the principal forum for dialogue with shareholders where they may raise questions or seek clarifications on the Company's business and reports from the Company's Directors.</p> <p>While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-</p>

	sensitive information. Such material and price-sensitive information is not released unless it has been duly announced or made public through proper channels.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges that the Malaysian Code on Corporate Governance encourages the adoption of integrated reporting based on a globally recognised framework to improve the quality of information available to investors and promote greater transparency and accountability. Recognising that integrated reporting is a journey which requires cross functional efforts, the Company will gradually build upon the necessary processes and systems to support the development towards integrated reporting.</p> <p>In addition, the current Annual Report provides stakeholders with a fairly comprehensive overview on the Company's financial and non-financial information including future prospects. Reports such as Management Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control form an integral part of the non-financial information.</p> <p>The Company will consider implementing the integrated reporting as soon as practicable once the level of maturity of non-financial reporting practices is adequate and able to comply with global recognised integrated reporting standards.</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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Eighteenth AGM of the Company was held on 2 December 2020 and the Notice for the AGM was issued on 23 October 2020. This fulfills the minimum 28 days' notice period to be given to shareholders prior to the date of the AGM, which is in line with the recommendation of Malaysian Code on Corporate Governance, as per the requirement of the Companies Act 2016 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Notice for the Company's upcoming Nineteenth AGM to be held on 1 December 2021 is given to the shareholders at least 28 days before the date of holding the AGM. The same practice will apply to future annual general meetings of the Company.</p> <p>The Notice of AGM also provides detailed explanation for the resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to make informed decisions when exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors were present at the Company's Eighteenth AGM which was held entirely through live streaming from the broadcast venue on 2 December 2020. The Board Chairman, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail and Dato' Avinderjit Singh A/L Harjit Singh participated the AGM remotely due to the Movement Control Order and travel restrictions implemented by the Government in managing the COVID-19 pandemic.</p> <p>The Board Committees' Chairman, the Group Chief Executive Officer, the Chief Financial Officer and the external auditors were in attendance to provide feedbacks in response to the shareholders' queries.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is supportive of any technology that allows shareholders' participation at general meetings, including AGM.</p> <p>The Company conducted its Eighteenth AGM on 2 December 2020 entirely through live streaming from broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan. Shareholders participated in the AGM remotely via the Remote Participation and Electronic Voting Facilities.</p> <p>In view of the subsisting COVID-19 pandemic situation, the Company will continue to leverage on technology to host the upcoming Nineteenth AGM electronically in its entirety. This will enable its shareholders to participate at the AGM remotely, including voting in absentia.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

Not Applicable
