

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8966
COMPANY NAME : PROLEXUS BERHAD
FINANCIAL YEAR : July 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") collectively leads and is responsible for formulating and reviewing key policies and charting the course of the Company's strategic directions. The Board, through the Audit Committee ("AC"), Risk Management Committee ("RMC"), Remuneration Committee ("RC") and Nominating Committee ("NC"), provide effective oversight of the management's performance, risk assessment and controls over business operations, and compliance with regulatory requirements. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.</p> <p>The principal roles of Directors include, amongst others:</p> <ul style="list-style-type: none">- Reviews and adopts the business strategic plan for the Group as proposed by the management.- Oversees the conduct of affairs and management of the Group.- Oversees the adequacy and effectiveness of the Group's risk management and systems of internal control.- Oversees the development and implementation of investor relations programmes and shareholders' communication policy.- Ensuring the Group has an appropriate corporate governance structure in place <p>As part of its efforts to ensure the effective discharge of its responsibilities, the Board has delegated certain functions and responsibilities to the following Board Committees:</p> <ul style="list-style-type: none">• AC;• NC;• RC; and• RMC.

	<p>The Chairman of each Board Committee will report to the Board on the results of the committee meetings, including key issues considered at the committee meetings. The Board Committees are to perform their duties in accordance with the Terms of Reference (“TOR”).</p> <p>The Board Charter and TOR for the AC, NC and RC are available on the Company’s website at www.prolexus.com.my.</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 1.2

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 Chairman of the Company was Encik Khadmudin Bin Mohamed Rafik, who resigned on 19 August 2022 due to his tenure of being a Director exceeding 12 years.</p> <p>During his tenure as Chairman of the Company, he led the Board by setting the tone at the top, managed the Board's effectiveness by focusing on strategy, governance and compliance and represented the Board to communicate with the shareholders and other stakeholders.</p> <p>The primary responsibilities of the Chairman include, amongst others, the following:-</p> <ul style="list-style-type: none">• To lead the Board and ensure the Board discharges its roles effectively in all aspects;• To promote constructive and respectful relations between Directors and management;• Ensure appropriate steps are taken to provide effective communication with stakeholders and to communicate their views to the Board;• Lead the Board in establishing and monitoring good corporate governance practices in the Group; and• Functioning as a facilitator at meetings of the Board to ensure that discussions result in logical and understandable outcomes. <p>The responsibilities of the Chairman of the Board are set out in the Board Charter, which is available on the Company's Website at www.prolexus.com.my.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.3

The positions of Chairman and Chief Executive Officer ("**CEO**") are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company does not have any CEO during the financial year under review. However, the positions of Chairman and Managing Director ("MD") are held by different individuals. Encik Khadmudin Bin Mohamed Rafik held the Chairman of the Board before his resignation on 19 August 2022, and the Company has not appointed any Chairman since then. The MD of the Company during the financial year under review was Mr. Lau Mong Ying. Mr Lau Mong Ying resigned on 8 April 2022, the roles of the MD was assumed by the Executive Directors.</p> <p>Therefore, there is a clear division of responsibilities between the roles of Chairman and MD to ensure an appropriate balance of power and authority, increasing accountability and allowing the Board to make independent decisions.</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 Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	During the financial year under review, Encik Khadmudin Bin Mohamed Rafik, the Chairman of the Board, was not a member of any of the Board Committees.
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 :	Choose an item.

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

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 2 suitably qualified and competent Company Secretaries who provide advice on governance matters, board policies and board procedures as well as requirements to be observed by the Company and the Directors arising from new statutes and guidelines issued by the regulatory authorities. The Company Secretaries have constantly kept themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending relevant training from time to time.</p> <p>The Company Secretaries attended Board and Board Committees meetings to ensure accurate and proper records of the proceedings and resolutions passed are maintained in the statutory records at the Company's registered office. The Company Secretaries also facilitated timely communications of decisions made and policies set by the Board to the senior management for action.</p> <p>The Board is satisfied with the performance and supports rendered by the Company Secretaries to the Board in discharging its functions.</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 1.6

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>Unless otherwise agreed, a notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers will be forwarded to each Director at least 7 days before the Board meeting. The meeting papers are accessible by the Directors from the email sent by the Company Secretaries. This is to ensure sufficient time is provided for the Directors to review the Board papers and to facilitate full discussion at the Board meeting.</p> <p>The Board's deliberations regarding the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of Board meetings by the Company Secretaries and properly documented and maintained at the Registered Office of the Company.</p> <p>The minutes of Board meetings are circulated to all Directors for their perusal before confirmation of the minutes to be done at the commencement of the next meeting. The Chairman will sign the minutes as a correct record of the meeting proceedings.</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 sets out the roles and responsibilities of the Board, Board Committees, individual Directors and management in upholding sound corporate governance standards and practices. The Board Charter reflects the procedures of the Board and matters reserved for the Board’s consideration and approval.</p> <p>The Board Charter is available and is accessible for reference on the Company’s website at www.prolexus.com.my.</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 Company has maintained and adopted the Code of Conduct (“Code”) for all Group employees, executive officers and Directors.</p> <p>The Code sets out the Company’s expectations regarding values, principles and standards of good conduct that reflect the Company’s commitment to integrity, transparency, accountability and self-regulation. The Code has highlighted and reinforced key ethical and legal conduct areas, including personal behaviour, particularly those related to business activities.</p> <p>In addition to the Group’s Code, the following policies are also in place to set out sound principles and standards of good practices and behaviour to inculcate a culture of ethics, integrity, trust, transparency and accountability in all of the Group’s dealings:</p> <ul style="list-style-type: none">• Anti-Corruption Policy• Corporate Disclosure Policy• Whistleblowing Policy <p>The Code is available on the Company’s website at www.prolexus.com.my.</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 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has set up, reviewed and implemented the whistleblowing policy with the management.</p> <p>The objective of whistleblowing policy is to facilitate the stakeholders, including but not limited to employees, customers, suppliers, business associates, government bodies and financial institutions, to report any genuine concerns or allegations to an independent member of the Group's management about alleged unethical behaviour, actual or suspected fraud within the Group, or improper business conduct affecting the Group. The whistleblowing policy is designed to provide protection for the whistleblowers who report such allegations or misconduct. The whistleblowing policy also sets out detailed procedures for making a report.</p> <p>The policy is made available on the Company's website at www.prolexus.com.my and the link for submission of disclosures is embedded in the policy for easy access.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board holds the ultimate accountability for the Company's operations by ensuring environmental, social and governance (ESG) considerations are embedded in the strategic planning, risk management and implementation of the Company's business strategies.</p> <p>The management is committed to exploring the benefits of sustainable practices to the business and implementing such practices to achieve the right balance between the needs of the community, the requirements of shareholders and stakeholders and economic success.</p> <p>The RMC assists the Board in the oversight and management of the Company's ESG risks and opportunities while ensuring appropriate risk policies controls and actions are taken in managing the key ESG factors.</p> <p>The Board aims to create a culture of sustainability within the Group and the community, emphasising integrating the social, environmental and governance considerations into decision making and the delivery of outcomes.</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	:		
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the Company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of having continuous and meaningful communication with the Company’s stakeholders on its sustainability strategies, priorities, performance and commitments. The Company ensures that the information is disseminated to its key stakeholders, namely customers, employees, shareholders, investors, regulators, communities, non-governmental organisations, media as well as suppliers and vendors, in a comprehensive, timely and transparent manner through effective and constructive engagement.</p> <p>A summary of stakeholder engagement is available in the Sustainability Statement of the Annual Report 2022.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries regularly update the Board on the changes in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") upon receiving the circulars from Bursa Securities, which are relevant to the Company and provide advice on corporate disclosures and compliances which includes the understanding of sustainability issues.</p> <p>The Board has sufficient knowledge and understanding of sustainability issues relevant to the company and its business to conduct its responsibilities effectively and is committed to keeping abreast of sustainability issues related to the changing operating environment that are relevant to its business.</p> <p>The Board and management continue to advocate for elements of sustainability in the business, and the Company remains committed to developing and enhancing the practices and initiatives.</p> <p>Further details are set out in the Sustainability Statement of the Annual Report 2022.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC, with the assistance of company secretaries, had carried out a set of performance evaluations to review the effectiveness of the Board, Board Committees and individual Directors annually.</p> <p>The performance evaluations of the Board include a review of the performance in the Company's material sustainability risks and opportunities. It is part of the procedure to measure progress against the achievement of the sustainability targets to promote accountability of the Board and to identify any issues that may require intervention by the Board or the management to ensure corrective actions are taken.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Please provide an explanation on how the practice is being applied.

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each Director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the Director’s performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board empowers the Nomination Committee (“NC”) to review and evaluate the composition and performance of the Board annually as well as to assess qualified candidates to occupy Board positions.</p> <p>During the financial year under review, NC has reviewed each Director’s tenure to ensure that Independent Directors do not serve more than the 9 years term limit suggested by MCCG and 12 years term limit stated under Listing Requirements.</p> <p>The NC also assesses the performance of the Director subject to re-election at the Annual General Meeting (“AGM”) through a performance review. Upon satisfactory evaluation of the Director’s performance review, the NC will put forward a recommendation to be submitted to the Board for the decision to table the resolution on the re-election of the Director concerned for shareholders’ approval at the AGM.</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

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

Practice 5.2

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	:	As at 31 July 2022, there are 2 Independent Non-Executive Directors out of a total of 5 Board members.	
		The Board will consider the appointment of an additional independent Director, if it is necessary.	
<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 5.3

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 provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board noted that upon completion of 9 years, an Independent Director might continue to serve on the Board subject to the Director's redesignation as a Non-Independent Director. If such a Director was to remain designated as an independent director, the Nominating Committee must first assess and recommend to the Board its justifications, and the Board shall review and supports the said justifications and obtain shareholders' approval.</p> <p>During the financial year under review, there was only 1 independent director who served on the Board for more than 9 years. However, he resigned from the Board on 19 August 2022. Subsequently to his resignation, there was no independent director who served on the Board for more than 9 years.</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 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the Director as an independent director beyond 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 5.5

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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of diversity in terms of skills, experience, age, gender, and cultural background and recognises the benefits of diversity at the leadership and employee levels.</p> <p>Accordingly, the appointment of the Company's Board and senior management are based on objective criteria, merit, and due consideration for diversity in skills, experience, age, cultural background and gender. The Group adheres strictly to the practice of non-discrimination of any form.</p> <p>The NC is responsible for assessing the candidate for proposed directorship and submitting their recommendation to the Board for decision.</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 5.6

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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The full Board will deliberate the proposed appointment of a new Director based on the recommendation by NC.</p> <p>Before making the recommendations, the NC will evaluate a candidate by considering the following or seek professional advice from independent search firms, if necessary:</p> <ul style="list-style-type: none"> • skills, knowledge, expertise and experience; • commitment to discharge his role as a Director effectively; • professionalism; • boardroom diversity including gender, age, professional background and experience diversity; and • character, integrity, time commitment and competence. <p>The NC may also obtain and rely on independent sources such as a directors' registry or open advertisement or use of independent search firms in furtherance of their duties at the Company's expense, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved. If the selection of candidates was solely based on the recommendations made by the management or the existing Board member(s), then the NC will explain why other sources were not used.</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	:		
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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 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and re-appointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or re-appointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of the Directors are set out in the Board of Directors' Profile section of the Company's Annual Report 2022. Sufficient information of the Directors is disclosed including their age, gender, public directorships, work experience, and any conflicts of interest within the Group.</p> <p>The reasons for the re-election of the retiring directors are also set out in the explanatory notes to the notice of the 30th 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	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	Datuk Low Chin Koon, an Independent Non-Executive Director, chairs the Nominating Committee.	
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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	There is no female director currently sitting on the Board of the Company.	
		The Board acknowledges the importance of gender diversity in the Board. However, the selection and appointment of a new Board member are still subject to appropriate due diligence on the mix of skills and competencies as well as the necessary diversities. A female representation will be considered when a suitable candidate is identified.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has not set specific policies on gender diversity for the Board and senior management. However, the Board is supportive of the recommendation of MCCG 2021 to the establishment of boardroom and workforce gender diversity.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 6.1

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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The NC, through the assistance of Company Secretaries, conducted an annual assessment of the effectiveness of the Board and Board Committees and each Director's performance. The assessment process is based on self-assessment, and the assessment results were then presented to the Board for deliberation.</p> <p>Each Director and Board Committee Member completed the evaluation form and submitted it on a confidential basis to the Company Secretaries, who collated the responses and produced a summary report for tabling to the NC. The NC reviewed the report and submitted its findings and report to the Board for assessment of the performance and effectiveness of the Board and Board Committees.</p> <p>Based on the summary results obtained, the NC has concluded that each Director has the necessary competencies to serve on the Board and has fully demonstrated their commitment towards the Company. The NC has also recommended that the Board re-elect the retiring Directors at the 30th 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 :	

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 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company’s website.

Application	:	Departure	
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.	
Explanation for departure	:	There is no formal Group policy determining Board’s and senior’s management remuneration. The Board approves and recommends the remuneration of executive and non-executive directors annually based on the RC’s review and recommendations.	
		Senior management remuneration is determined by the respective heads of divisions, considering their performance, commitment, roles and responsibilities.	
<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 7.2

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

The Remuneration 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 an RC which comprises 3 Non-Executive Directors.</p> <p>The RC reviews and recommends to the Board annually the Board's remuneration package that reflects their respective contributions for the year, and which depends on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year.</p> <p>The TOR of RC is accessible on the Company's website at www.prolexus.com.my.</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

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 8.1

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	:	A detailed disclosure of the remuneration paid to all Directors of the Company is included in the Annual Report 2022.

No	Name	Directorate	Company (RM)							Group (RM)						
			Salary	Bonus	Fees	EPF	Other emoluments	Benefits-in-kind	Total	Salary	Bonus	Fees	EPF	Other emoluments	Benefits-in-kind	Total
1	Datuk Au Yee Boon	Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Mr. Tan Eik Huang	Executive Director	-	-	-	-	-	-	-	-	-	40	-	-	40	
3	Mr. Lau Mong Ying ^(a)	Managing Director	314	-	-	60	-	-	374	712	-	-	120	-	16	848
4	Mr. Choong Chee Mun ^(b)	Executive Director	240	-	-	56	50	21	367	291	-	-	56	50	21	418
5	Datuk Low Chin Koon	Independent Non-Executive Director	-	-	8	-	-	-	8	-	-	8	-	-	-	8
6	Mr Tan Chin Yong	Independent Non-Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Mr Au Yee Soon	Non-Independent Non-Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Mr Lee Boon Siong ^(b)	Non-Independent Non-Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Mr Boo Chin Liong ^(a)	Independent Non-Executive Director	-	-	-	4	-	-	4	-	-	-	4	-	4	
10	Mr Chin Chew Mun ^(b)	Independent Non-Executive Director	-	-	-	4	-	-	4	-	-	-	4	-	4	
11	Encik Khadmudin Bin Mohamed Rafik ^(c)	Independent Non-Executive Chairman	-	-	-	3	-	-	3	-	-	-	3	-	3	
12	Puan W Norma Binti W Daud ^(c)	Independent Non-Executive Director	-	-	-	5	-	-	5	-	-	-	5	-	5	
13	Mr Lau Mong Fah ^(a)	Independent Non-Executive Director	-	-	-	4	-	-	4	-	-	-	4	-	4	

Notes :

(a) Resigned on 8 April 2022

(b) Resigned on 1 June 2022

(c) Resigned on 19 August 2022

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 8.2

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 Company notes the need for corporate transparency in the remuneration of its senior management. However, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. In addition, the Company is of the view that the interest of the shareholders will not be prejudiced due to the non-disclosure of the Group's senior management, who are not Directors of the Company.	
		Nonetheless, the remuneration of the top 5 senior management is disclosed on aggregate of RM1.91 million in the Annual Report 2022 without reflecting the names of the individuals.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

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 8.3 - 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	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of AC is Mr. Tan Chin Yong. He is not the Chairman of the Board.	
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 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise.</p> <p>Currently, none of the members of the AC is a former audit partner of the Company.</p> <p>The Company will observe a cooling-off period of at least 3 years if any potential candidate appointed as an AC member is an audit partner of the Company's external auditors.</p> <p>The TOR of the AC is available on the Company's website at www.prolexus.com.my.</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 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is responsible for assessing the competence and independence of the external auditor and making follow-up recommendations to the Board on the appointment, re-appointment or termination of the external auditor.</p> <p>The AC had also obtained written assurance from the external auditors confirming that they were, and had been, independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The AC has carried out an annual assessment of the external auditors for the financial year ended 31 July 2022. The review process includes:</p> <ul style="list-style-type: none"> i) assessing the external auditor's independence; ii) assessing the external auditor's performance, quality of work, audit fees; and iii) adequacy of resources. <p>Through the annual assessment, the AC was satisfied with the performance of the external auditors and has recommended the re-appointment of the external auditors for the shareholders' consideration at the forthcoming 30th AGM.</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	:		
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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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Mr. Au Yee Soon is a Non-Independent Non-Executive Director among the other AC members.

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 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent 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 AC are financially literate and possess a mix of skills, knowledge and experience to enable them to discharge their duties and responsibilities.</p> <p>The qualification and experience of the individual AC members are disclosed in the Profile of the Board in the Annual Report 2022. In addition, the trainings attended by individual AC members are disclosed in the Annual Report 2022.</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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that risk management is an integral part of the Group business operations. It is an ongoing process involving different levels of management to identify, evaluate, monitor, manage and mitigate the risks that may affect the achievement of its business and corporate objectives.</p> <p>The Board has established an ongoing process for identifying, evaluating and managing the relevant and material risks encountered by the Group and adopts a relevant defence model which sets out risk management and control responsibilities of the parties involved. The Board is assisted by the Internal Auditors, RMC and the AC for assessing the adequacy and effectiveness of the risk management and internal control system.</p> <p>The Board is further assisted by the management and is overall responsible for ensuring that the day-to-day management of the Group's activities is consistent with the risk strategy, including the risk appetite and policies approved by 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 Company's Annual Report 2022.</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 10.2

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	:	The characteristics of the Group's risk management and internal control framework and the adequacy and effectiveness of this framework are disclosed in the Statement on Risk Management and Internal Control in the Company's Annual Report 2022.	
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 10.3 - 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	:	Adopted
Explanation on adoption of the practice	:	The Company has established an RMC, which comprises a majority of Independent Directors, to oversee the risk management function together with the management.

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 11.1

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 Group's internal audit function is carried out by an outsourced internal audit firm which is independent of the activities of audits, namely ASAP Advisory PLT ("ASAP Advisory"). The internal auditor reports directly to the AC and has direct access to the Board through the Chairman of the AC.</p> <p>The internal auditor has adequate resources and appropriate standing to undertake their work independently and objectively to provide reasonable assurance to the AC with regard to the adequacy and effectiveness of risk management, internal control and governance processes.</p> <p>Details of the internal audit function are set out in the AC Report in the Annual Report 2022.</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 11.2

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>The Group's internal audit function is outsourced to a professional firm named ASAP Advisory. ASAP Advisory has a sufficient number of audit staff deployed for the internal audit reviews, which comprises a total of 3 persons.</p> <p>The internal auditor is led by Mr Ong Tian Soon Charlie. He is an FCMA, GCMA, CA(M), ACTIM, ICVS and CMIIA.</p> <p>The internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework. None of the internal audit personnel has any relationships or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.</p> <p>Further details are disclosed in the AC Report in the Annual Report 2022.</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 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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the need for transparency and accountability to the shareholders as well as other stakeholders of the Company for the performance and operations of the Group. As such, the Board endeavours to ensure that communication with stakeholders is conducted in a regular manner.</p> <p>Information is made available to the shareholders and investors through the Annual Reports, various disclosures and announcements on Bursa Securities and the Company's website.</p> <p>The Board also provides a question and answer session during the AGM as one of the platforms for shareholders to voice their concerns on the Company's operating environment.</p> <p>In addition, the Board has also established the Corporate Disclosure Policy to regulate the review and release of information to shareholders, stakeholders and the public at large, facilitating timely and accurate disclosure of the Group's affairs, which includes internal and external corporate communications and investor relations activities. A copy of the Company's Corporate Disclosure Policy is available at the Company's website, www.prolexus.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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	:	The Notice of the 29 th AGM of the Company held in the year 2021 was issued more than 28 days before the meeting, which the notice was served on 24 November 2021, and the AGM was held on 23 December 2021. This was to ensure that shareholders were given sufficient time to read and consider the resolutions to be resolved.
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 13.2

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, including the Chairs of the respective Board Committees, were present at the Company's 29th AGM, which was held virtually on 23 December 2021.</p> <p>The presence of all Directors provides shareholders with an opportunity to engage with each Director and also allows shareholders to raise questions and concerns directly with the Directors.</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 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's 29th AGM held on 23 December 2021 was conducted virtually through live streaming and online remote participation and voting by shareholders and proxies.</p> <p>The online platform was hosted on a secure cloud platform with good cyber hygiene practices and security to prevent cyber threats.</p> <p>The Company will also continue to conduct the 30th AGM on a fully virtual basis via remote participation and voting.</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

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

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	The Directors and the principal officers were present at the 29 th AGM to respond to the questions posed by shareholders. During the live streaming of the AGM, questions from the shareholders which were raised before and during the AGM were addressed by the Chairman or the MD/Chief Executive Officer.
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 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>As a precautionary measure in view of the COVID-19 pandemic, the Company's 29th AGM was conducted as a virtual AGM through live streaming and online remote voting.</p> <p>During the AGM, the question and answer session is an interaction between Directors, management and shareholders. Shareholders who attended the AGM posted their questions through the question-and-answer platform.</p> <p>During the live streaming, questions from the shareholders raised before and during the AGM were addressed by the Chairman or the MD/Chief Executive Officer.</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 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application :	Applied
Explanation on application of the practice :	The minutes of the 29 th AGM were circulated to the shareholders via the Company's website within 30 business days after the AGM was held.
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
PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA
MALAYSIA**

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

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