

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 0202  
**COMPANY NAME** : RADIANT GLOBALTECH BERHAD (“Radiant” or “the Company”)  
**FINANCIAL YEAR** : December 31, 2019

### **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 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.*

## 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is responsible for the overall performance and business affairs of the Company and its subsidiaries ("the Group"). The Board provides necessary leadership which includes practicing high level of good governance to ensure long-term success of the Group and the delivery of sustainable value to its stakeholders.</p> <p>In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the Board's duties and responsibilities. The Board also delegates certain responsibilities to the following Board Committees, all of which operate within their respective Terms of Reference:-</p> <ol style="list-style-type: none"><li>Audit Committee ("AC");</li><li>Nomination and Remuneration Committee ("NRC"); and</li><li>Risk Management Committee ("RMC").</li></ol> <p>The Board Charter and Terms of Reference of the respective committees are available on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>The Board has exercised oversight on Management and set the appropriate tone at the top, while providing thought leadership and championing good governance and ethical practices throughout the Group.</p> <p>The Board discusses and reviews various business plans and strategies to ensure that the strategic plans of the Group support long-term value creation and underpin sustainability. The Board also reviews and examines the new ventures and investments of the Group to ensure all critical issues are considered before any decision is made.</p> <p>The Group has in place a sound framework for internal controls and risk management. The Board vide the AC, reviews the Internal Audit Report quarterly and discusses the relevant improvements required to address the internal audit issues and ensures the implementation of appropriate systems to manage the principal risks of the Group.</p> <p>Further, the Board is supported by the NRC to ensure that there is an effective and orderly succession planning in the Group. NRC formulates the nomination, selection and succession processes for the Board members taking into consideration the background, experience</p>

	<p>and qualification of the nominees and determines the remuneration for these appointments.</p> <p>The Board also plays the role to ensure that the Group has in place procedures to enable effective communication with stakeholders.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board, Dato' Siow Kim Lun, holds an Independent Non-Executive position and is primarily responsible for the leadership, governance and conduct of the Board as well as ensuring the Board's effectiveness. The roles and responsibilities of the Chairman of the Board have been clearly specified in Paragraph 2.3 of the Board Charter, which is available on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>The key responsibilities of the Chairman, amongst others, including the following:-</p> <ul style="list-style-type: none"> <li>• To provide leadership to the Board.</li> <li>• To oversee the effective discharge of the Board's supervisory role.</li> <li>• To facilitate the effective contribution of all Directors.</li> <li>• To conduct and chair Board meetings and general meetings of the Company.</li> <li>• To manage Board communications and Board effectiveness and effective supervision over Management.</li> <li>• To ensure Board meetings and general meetings are in compliance with good conduct and best practices.</li> <li>• To promote constructive and respectful relations between Board members and between the Board and the Management.</li> <li>• To ensure that quality information to facilitate decision-making is delivered to the Board on timely manner.</li> <li>• Together with the Managing Director ("MD"), represents the Company and/or Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board, Dato' Siow Kim Lun and the MD, Mr. Yap Ban Foo, both holding separate position in the Company. The distinct roles and responsibilities of the Chairman and MD are provided in Paragraph 2.3 of the Board Charter, which is available on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>There is a clear division of roles and responsibilities between the Chairman and the MD in order to ensure a balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers.</p> <p>The Chairman is responsible for the orderly conduct and effectiveness of the Board in addition to facilitate constructive deliberation of matters in hand, whilst the MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The corporate secretarial function of the Company is outsourced to Cospec Management Services Sdn. Bhd. ("CMS").</p> <p>The Board is supported by a qualified and competent Company Secretary nominated by CMS. She is a member of the Malaysian Association of Company Secretaries and is holding a professional certificate as qualified Company Secretary under the Companies Act 2016. She possesses over 25 years of experience in corporate secretarial practices.</p> <p>The Board acknowledges that the Company Secretary plays an important role and will ensure that the Company Secretary fulfils the functions for which she has been appointed. The responsibilities of the Company Secretary are as set out in the Board Charter.</p> <p>The Company Secretary manages the logistics of all Board, Board Committees and general meetings. She ensures minutes of all meetings are properly recorded and reflected the correct proceedings of the meetings, including whether any Director abstained from voting or deliberating on a particular matter.</p> <p>During the financial year under review, all Board and Board Committees meetings were properly convened and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>The Company Secretary also keeps the Directors and Principal Officers informed of the closed period for dealings in the Company's shares.</p> <p>Overall, the Board is satisfied with the service and support rendered by the Company Secretary to the Board in the discharge of her functions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance prior to the new calendar year. The calendar provides Directors with the scheduled dates for meetings of the Board and Board Committees, the Annual General Meeting ("AGM") as well as the closed periods for dealings in securities by Directors and principal officers of the Company based on the targeted dates of announcements of the quarterly results.</p> <p>The notice of meetings of the Board and Board Committees are sent to the Directors via emails at least five (5) working days prior to the date of the meetings. Meeting materials are also circulated to Directors at least five (5) business days in advance of the Board and Board Committee meetings to ensure they have been given sufficient time to prepare for the meetings. Management and other advisers are invited to attend the meetings to report and brief on their respective areas of responsibility, if required.</p> <p>The deliberations and decision of matters discussed in the Board and Board Committees meetings are duly recorded in the minutes of meetings, including whether any Director abstains from voting or deliberating on a particular matter. The minutes of meetings are circulated to the respective Board and Board Committees for review in a timely manner before it is finalised and tabled at the next meeting for confirmation.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties as Directors and the functions of the Board Committees. The Board Charter is available on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>The Board Charter clearly sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It serves as a reference point for Board activities and is designed to provide guidance and clarity to Directors with regards to the respective roles and responsibilities of the Board, Board Committees, Chairman and MD, as well as issues and decisions reserved for the Board, the Board's governance structure and authority. This is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities, and the legislations and regulations affecting their conduct.</p> <p>The Board Charter will be reviewed as and when necessary to ensure that it remains consistent with the Board's objectives and responsibilities, and reflect the latest compliance requirements as a result of changes in the regulatory framework.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Code of Ethics and Conduct is incorporated in the Board Charter of the Company and published on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group and will be reviewed by the Board regularly to ensure that it continues to remain relevant and appropriate.</p> <p>The Board is committed in maintaining a corporate culture that engenders ethical conduct. All Directors and employees of the Group are to adhere to the Code of Ethics and Conduct and make necessary declaration if there is any conflict of interests. Misconduct involving bribes, dishonest behavior and sexual harassment are strictly prohibited.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>A Whistle Blowing Policy was adopted by the Board on 6 June 2018 with the intention to promote the highest standard of corporate governance and business integrity. The Whistle Blowing Policy is available on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>The Whistle Blowing Policy provides an avenue for its employees to raise genuine concerns or report any misconduct, breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, in a safe and confidential manner. All malpractices or wrongdoings reported by the whistle-blower are to be directed to the MD or if for any reason, it is believed that reporting to Management is a concern or not possible or appropriate, then the concern will be reported to the Chairman of the AC.</p> <p>The Board will review and update the Whistle Blowing Policy as and when necessary to ensure that they continue to remain relevant and appropriate.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Radiant currently comprises of five (5) members i.e., three (3) Independent Non-Executive Directors, one (1) Managing Director and one (1) Executive Director.</p> <p>The Board Members are as follows:-</p> <ul style="list-style-type: none"> <li>• Dato' Siow Kim Lun</li> <li>• Yap Ban Foo</li> <li>• Yap Sin Sang</li> <li>• Tevanaigam Randy Chitty</li> <li>• Mashitah Binti Osman</li> </ul> <p>All the three (3) Independent Non-Executive Directors satisfy the independence test under the ACE Market Listing Requirements ("ACE Market LR") of Bursa Malaysia Securities Berhad ("Bursa Securities").</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b> :	Not applicable – No independent director(s) serving beyond 9 years	
<b>Explanation on application of the practice</b> :		
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board whilst the diversity at Senior Management will lead to better decisions.</p> <p>The Board appoints its members via a formal and transparent selection process. The NRC is responsible to consider and nominate new candidates for appointment and make the necessary recommendations to the Board for approval. The NRC will consider and nominate the candidates based on the objective criteria, including:-</p> <ul style="list-style-type: none"> <li>(a) skills, knowledge, expertise and experience;</li> <li>(b) professionalism;</li> <li>(c) integrity; and</li> <li>(d) in the case of candidates for the position of Independent Non-Executive Directors, the NRC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.</li> </ul> <p>In this respect, the role of the NRC is detailed in its Terms of Reference, which is accessible on the Company's website, <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>The Board, through the NRC, reviews correct mix of skills, business and professional experiences that should be added to the Board annually or as and when required.</p> <p>The appointment of key Senior Management was also made with due regard for diversity in skills, experience, age, cultural background and gender.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In view of the gained attention of boardroom diversity as an important element of a well functioned organisation, the Board has established and adopted a Gender Diversity Policy on 6 June 2018 which provides a framework for the Company to improve its gender diversity at Board level. The objectives/principles and measures as set out in the Gender Diversity Policy are disclosed in the Corporate Governance Overview Statement ("CG Statement") in the Annual Report 2019.</p> <p>To avoid any mismatch and ineffective appointment of female Directors, the Board does not set any specific target for female Directors in the Gender Diversity Policy. However, the Board practises non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of Board and Senior Management positions of the Company.</p> <p>Currently, there is a female Director on the Board, namely, Pn. Mashitah Binti Osman, representing 20% of the Board size.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the Board are to be appointed in a formal and transparent practice as endorsed by the Malaysian Code on Corporate Governance. The NRC will scrutinise the candidates and recommend the same for the Board’s approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual’s mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.</p> <p>The policies and procedures for recruitment and appointment of Directors are guided by the Terms of Reference of the NRC.</p> <p>The NRC leverages on various sources and gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, Management and/or major shareholders, the NRC also identifies potential candidate from external sources available, such as industry and professional association, as well as independent search firms.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NRC is chaired by Pn. Mashitah Binti Osman, an Independent Non-Executive Director of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board recognises the importance of assessing the effectiveness of the individual Directors, the Board and its Committees as a whole. The Board has, through the NRC, conducted annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the financial year ended 31 December 2019. The process was carried out by sending the following customised assessment forms to Directors:-</p> <ol style="list-style-type: none"> <li>i. Performance of MD and Executive Director;</li> <li>ii. Performance of Non-Executive Directors;</li> <li>iii. Independence of the Independent Directors;</li> <li>iv. Performance of the AC; and</li> <li>v. Effectiveness of the Board and Board Committees as a whole.</li> </ol> <p>The assessment criteria that is based on the Key Performance Indicators covers the financial performance and business operations, strategic, operations management and business plans, technology and product development, conformance and compliance, stakeholders' relation, succession planning, attendance, preparation and contribution to the committee meetings.</p> <p>The completed assessment forms for the financial year ended 31 December 2019 were collated by the Company Secretary and tabled to the NRC and/or AC for review before tabling the same for the Boards' deliberation/notation.</p> <p>Based on the evaluations conducted in the financial year ended 31 December 2019, the NRC and the Board were satisfied with the performance of the individual Directors, Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.</p>
<b>Explanation for departure</b>	:
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In view that fair remuneration is crucial to attract, retain and motivate Directors and Senior Management, the Board had on 6 June 2018 adopted a formal and transparent Remuneration Policy that sets out the principles and guidelines for the Board and the NRC to determine the remuneration of Directors and Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.</p> <p>The Remuneration Policy is available on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>The remuneration is reviewed by the NRC on an annual basis prior to making its recommendations to the Board for approval. In its review, the NRC considers various factors including the Directors' fiduciary duties, time commitments and expertise expected from them and the Company's performance.</p> <p>The MD and Executive Director's remuneration packages are tabled and reviewed by the NRC based on the Key Performance Indicators, before recommendation is made to the Board for approval.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, assisted by the NRC, implements the policy and procedures on the remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company.</p> <p>The NRC is responsible to ensure that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.</p> <p>The NRC has a detailed Terms of Reference in writing which is accessible on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>The NRC consists of the following members, all being Independent Non-Executive Directors:-</p> <ul style="list-style-type: none"><li>• Mashitah Binti Osman (Chairperson)</li><li>• Dato' Siow Kim Lun (Member)</li><li>• Tevanaigam Randy Chitty (Member)</li></ul> <p>The Directors who are also the shareholders of the Company would abstain from the deliberation and voting on matters pertaining to their own remuneration at the forthcoming Seventeenth AGM ("17<sup>th</sup> AGM").</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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## 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The detailed disclosure on named basis for the remuneration of individual Directors for the financial year ended 31 December 2019 are set out in the CG Statement in the Annual Report 2019.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Due to confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on named basis in the bands of RM50,000.00.</p> <p>The Board is of the view that the disclosure of the Senior Management's remuneration components would not be in the best interest of the Company given that the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.</p> <p>As an alternative, the Board is of the view that the disclosure of Senior Management's aggregated remuneration on unnamed basis in the bands of RM50,000.00 in the Company's Annual Report 2019 is adequate.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of Chairman of the Board and Chairman of the AC are being held by two different persons. The Chairman of the Board is Dato' Siow Kim Lun, an Independent Non-Executive Director, while the Chairman of the AC is Mr. Tevanaigam Randy Chitty, also an Independent Non-Executive Director. This separation is to ensure that the Board's review of the AC's findings and recommendations are not impaired.</p> <p>The separation had been set out clearly in the Terms of Reference of the AC which is accessible on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Currently, none of the members of the AC were former key audit partners of the present auditors of the Group.</p> <p>The AC has in place a policy that requires a former key partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC. The policy had been codified in the Terms of Reference of AC of the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had on 6 June 2018 established an External Auditors Assessment Policy which sets out the guidelines and procedures for the AC to review, assess and monitor the suitability, objectivity and independence of the External Auditors that consider amongst others:-</p> <ol style="list-style-type: none"><li>a. Adequacy of resources and experience of the audit firm;</li><li>b. Quality processes of the audit firm;</li><li>c. Competency of audit engagement team;</li><li>d. Audit governance and independence;</li><li>e. Audit fee, scope and planning; and</li><li>f. Audit communications.</li></ol> <p>The procedures for selection and appointment of External Auditors as stated in the policy are as follows:-</p> <ol style="list-style-type: none"><li>i. To identify the audit firms which meet the criteria for appointment and to request for their proposals of engagement for consideration;</li><li>ii. To assess the proposals received and shortlist the suitable audit firms;</li><li>iii. To meet and/or interview the shortlisted audit firms; and</li><li>iv. To recommend the suitable audit firm to the Board for appointment as External Auditors of the Company.</li></ol> <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The AC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The Board, having considered the AC's recommendation and feedback, was satisfied with the suitability and independence of the External Auditors and has recommended their re-appointment to the shareholders for approval at the 17<sup>th</sup> AGM.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The AC comprises solely of the following Independent Non-Executive Directors in line with Practice 8.4 of the Malaysian Code on Corporate Governance:-  (a) Tevanaigam Randy Chitty (Chairman); (b) Dato' Siow Kim Lun (Member); and (c) Mashitah Binti Osman (Member).

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the AC possess the necessary skills and knowledge to discharge their duties in accordance with the Terms of Reference of the AC. They are financially literate and able to understand the Group's business and matters under the purview of the AC. With the necessary skills and knowledge, they are able to effectively review the Group's financial reporting process and transaction and detect any financial anomalies or irregularities in the financial statements as well as challenge Management's assertions on the Group's financials.</p> <p>The NRC would also review the terms of office and performance of the AC members to determine whether they have carried out their duties in accordance with their Terms of Reference.</p> <p>During the AC meetings, the members have also been briefed by the External Auditors on the development or changes in the Malaysian Financial Reporting Standards and the relevant accounting requirements under the Companies Act 2016.</p> <p>The AC members will continuously keep abreast of relevant industry developments including accounting and auditing standards, business practices and rules, to address any skills or knowledge gaps according to their needs.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its overall responsibility for ensuring that a sound system of risk management and internal control is maintained throughout the Group and the need to review its effectiveness regularly. The Board recognises that risks cannot be totally eliminated and the system of risk management and internal control is designed to manage the Group's risks within an acceptable risk appetite as well as to provide reasonable assurance against material misstatement of financial information and records or against financial losses or fraud. The risk management and internal control are embedded in various work processes and procedures of the respective operational functions and Management team.</p> <p>The Board also keeps itself abreast of the industry development and issues to facilitate their planning and effective management of business operations, regulatory requirements and finance to mitigate the possible risks that may be faced by the Group. Adherence to standard operating procedures also ensures the Management and staff act within the authority limit to ensure check and balance and safeguard the interest of the Group.</p> <p>The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the RMC.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board via the RMC oversees the risk management of the Group. The RMC reviews the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports regularly.</p> <p>The RMC is assisted by the Management as well as the outsourced Internal Auditors to identify and assess the significant risks faced by the Group and to ensure that appropriate risk treatments were in place to mitigate the risks that affecting the achievement of the Group's business objectives. The Internal Auditors reports directly to the AC and the internal audit plans are tabled to the AC every quarter for review to ensure adequate coverage.</p> <p>Further details on the features of the 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 of the Annual Report 2019.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The RMC comprises of all Independent Non-Executive Directors and its members are listed as below:-</p> <ul style="list-style-type: none"><li>(a) Tevanaigam Randy Chitty (Chairman);</li><li>(b) Dato' Siow Kim Lun (Member); and</li><li>(c) Mashitah Binti Osman (Member).</li></ul> <p>The scope and function of the RMC are set out in the Terms of Reference which is available on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p>

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is outsourced to an independent professional service firm that assists the AC in managing the risks and establishment of the internal control system and processes of the Group by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors reports directly to the AC.</p> <p>The AC has the responsibilities to review and assess the adequacy of the scope, functions, competency and resources of the internal audit functions. In developing the scope of the internal audit function, the AC is satisfied that –</p> <ol style="list-style-type: none"> <li>a. the person responsible for the internal audit has relevant experience, sufficient standing and authority to enable him to discharge his functions effectively;</li> <li>b. the firm appointed to carry out the Group's internal audit function has sufficient resources and is able to access information to enable it to carry out its role effectively; and</li> <li>c. the personnel assigned to undertake internal audit have the necessary competency, experience and resources to carry out the function effectively.</li> </ol> <p>The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.</p> <p>To ensure that the responsibilities of Internal Auditors are fully discharged, the AC evaluated the performance of the Internal Auditors for the financial year ended 31 December 2019 based on the following evaluation criteria as set out in the Internal Auditors' Annual Assessment Form:-</p> <ol style="list-style-type: none"> <li>a. Adequacy of resources and experience of the internal audit firm;</li> <li>b. Quality processes of the internal audit firm;</li> <li>c. Competency of the engagement team;</li> <li>d. Governance and independence;</li> <li>e. Internal audit fee, scope and planning; and</li> <li>f. Internal audit reports and communications.</li> </ol> <p>The AC concluded its assessment that the Internal Auditors have sufficient experience and resources to satisfy their terms of reference and adequately deliver the quality services to the Group.</p> <p>The internal audit function is independent of the operations of the</p>

	<p>Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively.</p> <p>Areas for improvements are highlighted to the AC and the implementation of recommendations has consistently been monitored. The Internal Auditors has provided assurance to the AC that none of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report 2019.</p> <p>Further details of the internal audit function and activities are set out in the Statement on Risk Management and Internal Control and the AC Report in the Annual Report 2019.</p>	
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is outsourced to Sterling Business Alignment Consulting Sdn. Bhd. (“Sterling”), a third party professional internal audit service firm which is independent of the operations and activities of the Group. The engagement team from Sterling are free from any relationship or conflict of interest, which could impair their objectivity and independence.</p> <p>Sterling has the number of audit staff deployed for each internal audit review ranges from 3 to 4 Internal Auditors per visit. Sterling is a corporate member of the Institute of Internal Auditors Malaysia (IIAM). Different lead Internal Auditors is assigned to conduct each internal audit review, depending on the scope of the review.</p> <p>The Internal Auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system.</p> <p>The internal audit makes reference to the International Professional Practices Framework set by the Institute of Internal Auditors to ensure that internal audit staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.</p> <p>The AC was satisfied with the competency, experience and resources of the internal audit function for discharging their roles and responsibilities.</p>
<b>Explanation for departure</b>	:	  
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	  

<b>Timeframe</b>	:		
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## 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.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner and hence, a Corporate Disclosure Policy had been adopted. A copy of the policy is published on the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>The Board, in its best efforts, always keeps the shareholders and various stakeholders informed of the Group's business, operations and financial performance. The Company communicates regularly with the public by releasing its announcements, quarterly reports, annual reports at Bursa Securities' website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> or the Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a>.</p> <p>The Company's website at <a href="http://www.rgtech.com.my">www.rgtech.com.my</a> serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events and announcements to Bursa Securities relating to the Group. The Company has placed various documents pertaining to the organisation, Board and Management, corporate governance, policies, charters, terms of references as well as other corporate information on its Corporate section under 'Investor Relations', to further facilitate the stakeholders' understanding of the Group's business and its policies on governance. In addition, shareholders may receive the Group's news by registering for the Radiant's news alert under the 'Investor Relation' section on the Company's website.</p> <p>Another key avenue of communication with its shareholders is the Company's Annual Report to shareholders. The Annual Report, which is prepared in accordance with the requirements of the ACE Market LR, communicates comprehensive information of the financial results and activities undertaken by the Company. All information to shareholders are available electronically as soon as it is announced or published.</p> <p>Besides, the Company's AGM remains a principal forum used by the Company for dialogue with its shareholders. The AGM provides an opportunity for the shareholders to seek clarification on any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group. Shareholders are encouraged to actively participate in the question and answer session. The Board, Senior Management and the External Auditors will be present to answer and provide appropriate clarifications to the shareholders at the AGM.</p>



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

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company is not a Large Company as defined under the Malaysian Code on Corporate Governance and hence, has not adopted integrated reporting based on a globally recognised framework.	
		The Board is of the view that the Company’s Annual Report is comprehensive enough for stakeholders to make informed decisions. The current Annual Report provides stakeholders with a fairly comprehensive overview on the Company’s financial and non-financial information including future prospects. Nonetheless, the Board ensures there is ongoing engagement and communication between the Company and its stakeholders to build trust and 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, as explained under Practice 11.1 above.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The notice for convening the forthcoming 17<sup>th</sup> AGM of the Company which is scheduled to be held on 29 July 2020 was sent to the shareholders at least twenty-eight (28) days before the date of the 17<sup>th</sup> AGM.</p> <p>The notice of 17<sup>th</sup> AGM provides detailed explanation for the resolutions proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to have sufficient time to consider the resolutions that will be discussed and to make informed decisions in exercising their voting rights.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>At the previous Sixteenth AGM ("16<sup>th</sup> AGM"), all the Directors of the Company including the Chairman/Chairperson of the AC, NRC and RMC were present in person to engage directly with shareholders and be accountable for their stewardship of the Company.</p> <p>During the proceedings of the 16<sup>th</sup> AGM, the Chairman invited shareholders to raise questions pertaining to the Company's audited financial statements and other agendas tabled for approval at the meeting, before putting the resolutions to vote.</p> <p>All the Directors of the Company will always endeavour to attend all general meetings and the Chairman of the Board committees will provide meaningful response to questions addressed to them.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board ensures that the location of the general meeting is easily accessible to the shareholders of the Company. The 16<sup>th</sup> AGM in 2019 was held at Tropicana Golf &amp; Country Resort, Petaling Jaya, a venue that was accessible by its shareholders. Shareholders who are unable to attend the AGM were encouraged to appoint his/her/its proxy/proxies to attend and vote at the AGM.</p> <p>Nonetheless, the Company will hold its upcoming 17<sup>th</sup> AGM on fully virtual basis and entirely via remote participation and voting. This allows the shareholders to participate in the AGM while at the same time, follows the health guidance issued by the Government of Malaysia of not having mass gathering and practising social distancing to curb the spread of coronavirus (COVID-19) disease. The conduct of meeting by way of fully virtual also strongly encouraged by the Securities Commission Malaysia.</p> <p>The fully virtual 17<sup>th</sup> AGM is in compliance with the Company's Constitution, Companies Act 2016 and other legal requirements.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.*

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