

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0213
COMPANY NAME : MTAG GROUP BERHAD
FINANCIAL YEAR : June 30, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>MTAG Group Berhad ("MTAG" or "the Group") is led by an effective Board of Directors ("the Board") that is committed to high standards of corporate governance and is responsible for the active oversight of the overall management and strategic direction of the Group.</p> <p>The Board ensures the effective discharge of its fiduciary duties and leadership functions while safeguarding stakeholders' interests and enhancing long-term shareholder value.</p> <p>The duties and powers of the Board are governed by the Constitution of the Group, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Capital Markets and Services Act 2007, the Companies Act 2016, the Malaysian Code on Corporate Governance 2017 ("MCCG 2017") issued by the Securities Commission and other applicable laws, regulations and guidelines.</p> <p>Specific functions are delegated by the Board to the Board Committees, namely the Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC"). The Chairman of the respective Committees reports to the Board the outcome of deliberations at each Committee meeting.</p> <p>The Board is guided by the Board Charter with its role summarised by the following:-</p> <ul style="list-style-type: none">○ Provides leadership and oversee overall conduct of the Group's businesses;○ Reviews and adopts strategic initiatives and to ensure these initiatives and the risks, performance and sustainability are effectively integrated and appropriately balanced;

	<ul style="list-style-type: none"> ○ Reviews and adopts corporate governance best practices in the areas of risk management, legal and compliance management and internal control systems; ○ Ensures the effectiveness of Board committees; ○ Reviews and approves Annual Business Plans, Financial Statements and Annual Reports; ○ Monitors relationship between the Board and the management, shareholders and stakeholders; ○ Develops and implements an effective Investor Relations programme or Shareholders' Communication policy; ○ Appoints the Board committees and delegate powers, as well as reviews the composition, performance and effectiveness of the committees with its reports and recommendations; and ○ Ensures the strategic and anti-corruption and anti-bribery policies are aligned. <p>The Board Charter is available on the Group's website at www.mtaggroup.com.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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 Board, Mr. Lee Ting Kiat, holds an Independent Non-Executive Director role, and is primarily responsible for the orderly conduct and functions of the Board and its effectiveness on all aspects of its roles.</p> <p>The Chairman's responsibilities are set out below, but not limited to:</p> <ul style="list-style-type: none">○ Oversees the Board's effective discharge of duties;○ Instils good corporate governance practices, leadership, integrity and effectiveness of the Board;○ Monitors the workings of the Board and conducts the Board meetings;○ Ensures all relevant issues are contained in the agendas for Board meetings;○ Ensures quality information to facilitate decision-making on a timely basis;○ Leads Board meetings and discussions while encouraging active participation and allowing dissenting views to be freely expressed;○ Manages the interface between the Board and the management;○ Ensures proper steps are taken to provide effective communication with stakeholders;○ Chairs general meetings of shareholders; and○ Liaises with the Managing Director and Company Secretary on the agendas for Board meetings. <p>The roles and responsibilities of the Chairman of the Board are clearly specified in the Group's Board Charter, which is available on the Group's corporate website at www.mtaggroup.com.</p>

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

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman and the Managing Director (“MD”) are held by two different individuals, in line with the MCCG 2017.</p> <p>The Board practices a clear distinction of duties and responsibilities between the Chairman and MD to ensure a balance of authority and power in the Board.</p> <p>The Chairman of MTAG is Mr. Lee Ting Kiat whilst the MD is Mr. Chaw Kam Shiang. The Chairman is mainly accountable for the stewardship and smooth functioning of the Board, while the MD is responsible for the overall operations and managing the daily conduct of business, supervision and management of the Group in line with the Board’s directions and instructions, and effective implementation of the Group’s strategies as well as policies set by the Board.</p> <p>The distinct and separate roles and responsibilities of the Chairman and MD have been specified in the Board Charter, which is available on the Group’s website at www.mtaggroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is assisted by two (2) qualified and competent Company Secretaries who possess valid Practising Certificates issued by the Companies Commission of Malaysia ("CCM") and are also members of professional body, the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). They have the requisite credentials and are qualified to act as company secretary under Section 235 of the Companies Act 2016.</p> <p>The Company Secretaries are present for all Board and Board Committee meetings and act as an advisory role to the Board, particularly in regard to the Group's Constitution, Board policies and procedures as well as compliance with regulatory requirements, codes, guidance and legislations.</p> <p>The Company Secretaries also serve as the main point of contact for stakeholders and matters relating to corporate governance. The Board is updated by the Company Secretaries on new statutory and regulatory requirements concerning their duties and responsibilities from time to time.</p> <p>The roles and responsibilities of the Company Secretaries are defined in the Board Charter, which is available on the Group's website at www.mtaggroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meets on a regular basis, with a minimum of four (4) scheduled meetings in a financial year or at least once (1) every three (3) months in a financial year.</p> <p>At least seven (7) days before a Board or Board Committee meeting, members of the Board of Directors and any other relevant persons will each receive a notice confirming the venue, time and date, together with an agenda of items to be discussed. This enables the Directors to have sufficient time to peruse the papers and seek further clarification before each meeting.</p> <p>Meeting papers deemed urgent may still be submitted to the Company Secretaries to be tabled to the Board and/or Board Committees at the respective meetings.</p> <p>The proceedings and resolutions of all Board meetings will be minuted by the Secretary of the Board. After obtaining approval from the Board, the minutes of the meeting shall be circulated to all Board members in a timely manner.</p> <p>In FY2021, a total of five (5) Board meetings were conducted, with full attendance from the Directors. Following the implementation of the Covid-19 containment measures in 2020, one (1) out of the five (5) Board meetings was conducted via online remote participation in FY2021.</p> <p>Apart from the Board members, the Chief Financial Officer ("CFO") will be invited to attend the meetings to assist in the discussions of concerns raised.</p> <p>The details of the minutes, notice and agenda of meetings are defined in the Board Charter, which is available on the Group's website at www.mtaggroup.com.</p>
Explanation for departure	:	

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

Intended Outcome

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 has formalised a Board Charter and Terms of Reference (“TOR”) of respective Board Committees, serving as a primary guidance, detailing the roles and responsibilities of the Board in accordance with the principles of good corporate governance set out by regulatory authorities.</p> <p>The Board Charter shall be reviewed by the Board on an annual basis to ensure its relevance in assisting the Board in the discharge of duties while adhering to any changes that may have arisen in corporate laws and regulations.</p> <p>The Board Charter is available on the Group's website at www.mtaggroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is aware that its leadership and stewardship are vital in creating an ethical corporate culture. The Board has formalised and adopted the Code of Conduct & Ethics that serves as a primary guidance on ethical and behavioural conduct of the Group.</p> <p>The Code of Conduct & Ethics outlines the policies and procedures which includes, amongst others, the following:-</p> <ul style="list-style-type: none">○ Conflict of interest;○ Confidential and proprietary information;○ Anti-bribery and anti-corruption;○ Accepting/providing gifts, entertainment and other benefits;○ Money laundering; and○ Occupational safety and health. <p>The Code of Conduct & Ethics shall be reviewed from time to time to ensure it remains relevant and appropriate. The Code of Conduct & Ethics is available on the Group's website at www.mtaggroup.com.</p> <p>The Group had also constituted the Anti-Corruption and Anti-Bribery Policy, setting out the Group's guidelines and procedures for all Directors and employees to protect against bribery and corrupt acts in order to safeguard the integrity of the Group.</p> <p>The Board shall review the Anti-Corruption and Anti-Bribery Policy from time to time to ensure it remains relevant and appropriate. The Anti-Corruption and Anti-Bribery Policy is available on the Group's website at www.mtaggroup.com.</p>
Explanation for departure	:	

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

Intended Outcome

The 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 adopted a Whistleblowing Policy, in line with the Group’s commitment to uphold values and highest standards of work ethics for all Directors, managers and employees. It provides an avenue for employees and members of the public to disclose any improper conduct committed or about to be committed in accordance with the procedures provided under the policy.</p> <p>The Whistleblowing Policy sets out the protection to the whistleblower, the confidentiality and safeguarding in dealing with such disclosure or report, the communication channel and the procedural flow of making the disclosure or report.</p> <p>The whistleblower can provide details on the suspected misconduct or breach of law by filling up the Whistleblowing Policy Report Form, which can be downloaded from the Group’s website.</p> <p>The Board shall review the Whistleblowing Policy on an annual basis to ensure its effectiveness in meeting the best practice standards and needs of the Group. The Whistleblowing Policy is available on the Group’s website at www.mtaggroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently comprises five (5) members, with three (3) being Independent Non-Executive Directors (“INEDs”), namely:</p> <ul style="list-style-type: none">○ Lee Ting Kiat <i>Independent Non-Executive Chairman</i>○ Jason Tan Kim Song <i>Independent Non-Executive Director</i>○ Dyana Sofya Binti Mohd Daud <i>Independent Non-Executive Director</i> <p>The Group complies with the criteria of Bursa Securities’ ACE Market Listing Requirements, ensuring that at least two (2) Directors or one-third (1/3) of the Board, whichever higher, are Independent Directors.</p> <p>The Board of MTAG shall comprise a majority of Independent Directors, as stipulated in the Board Charter. This provides effective check and balance in the functioning of the Board to safeguard the interests of all stakeholders.</p> <p>The INEDs do not participate in the daily operations and management of the Group and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors’ judgment. They are pivotal in bringing impartiality and scrutiny to the Board’s deliberation and decision-making processes.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

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

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:	The Board is mindful of the recommendation in Practice 4.2 of the MCCG 2017 stating that the tenure of an Independent Director does not exceed a cumulative term limit of nine (9) years. Currently, all members of the Board have served for less than four (4) years on the Board. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director upon the recommendation of NC to the Board for approval. If the Board intends to retain an Independent Director beyond nine (9) years, the Board should justify and seek annual shareholders' approval. Additionally, if the Board continues to retain the Independent Director after the twelfth (12 th) year, the Board should seek annual shareholders' approval through a two-tier voting process.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The current Board composition reflects a balance of Executive Directors and Independent Non-Executive Directors with a mix of qualified and experienced professionals from the field of legal and accounting, among others. The Directors have diverse backgrounds equipped with industry-specific knowledge and experience. The broad spectrum of skills and experience provide the strength needed to lead the Group forward to meet its goals. The Board is of the opinion that the Directors, with their various backgrounds and specializations, collectively bring with them the required expertise and experience to discharge the Board's duties and responsibilities. As such, the Group is led and guided by a skilled and capable Board.</p> <p>The Nominating Committee assists the Board in assessing the suitability of a candidate of a directorship based on criteria which include, amongst others, experience, skill, competency, commitment, diversity and professionalism.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>MTAG does not have a written policy on gender diversity. Whilst acknowledging the recommendation of the MCCG 2017 on gender diversity, the Board is of the collective opinion that there is no necessity to adopt a formal gender diversity policy at the moment as the Group is committed to provide fair and equal opportunities within the Group.</p> <p>MTAG is not a "Large Company" as defined by the MCCG 2017. Nonetheless, MTAG is committed to nurture diversity in the Board. At present, the Board comprises five (5) Directors, of whom one is a female, translating to 20% of female representation on the Board.</p> <p>Although not deemed as a "Large Company", the Board will continue to source for suitable female candidates to meet the 30% recommendation of women directors on the Board.</p> <p>Despite not having a written policy on gender diversity, the Board is supportive of diversity in gender, ethnicity and age, as it enlarges the pool of talents, skills and ideas within the Board.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board remains committed to upholding high standards of governance in regard to new appointments to the Board to ensure that the Board consists of Directors who possess the skillsets, competencies and experience, to complement the Board as a whole.</p> <p>The Board ensures considerations are taken based on objective criteria such as the candidate’s experience, integrity, independence, possession of the required skill, professionalism and expertise that add value to the Board, in identifying suitable candidates.</p> <p>The Board will utilise a variety of approaches and sources available to identify suitable candidates, which may include sourcing from existing Board members, Management or Major Shareholders, as well as independent sources.</p> <p>The Nominating Committee (“NC”) performs its duties in respect of the selection, nomination and appointment process of Directors to the Board under relevant laws and regulations. The functions of the NC are listed in the Terms of Reference of the NC.</p> <p>The TOR of the NC is available on the Group’s website at www.mtaggroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee (“NC”) currently comprises three (3) members, all of whom are Independent Non-Executive Directors (“INEDs”):</p> <ul style="list-style-type: none">○ Dyana Sofya Binti Mohd Daud (Chairman)○ Lee Ting Kiat○ Jason Tan Kim Song <p>The Chairman of the NC is an INED. The composition of the NC has been specified in the Terms of Reference of the NC.</p> <p>The NC must:-</p> <ul style="list-style-type: none">a) Consists of at least three (3) members;b) Has majority of INEDs; andc) Be chaired by an Independent Director. <p>The Terms of Reference of the NC is available on the Group’s website at www.mtaggroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the Nominating Committee (“NC”), undertakes the process to assess the effectiveness and performances of the Board, including reviewing the required mix of skills and experience of the Board, on an annual basis.</p> <p>The annual exercise involves Directors having to complete the questionnaires covering the assessment of the Board and its Committees’ performance, as well as individual Directors through self and peer evaluation.</p> <p>The assessment is based on various criteria among others including the individual Director’s contribution to the Group’s performance, roles and responsibilities, participation and attendance at meetings and independence.</p> <p>The responses are then collated by the Company Secretaries and a summary of the findings are submitted to the NC for deliberation. The NC will then review the findings and make recommendations to the Board.</p> <p>The annual review of the Board as a whole, the Board Committees and the individual Directors for FY2021 concluded that the Board and its Committees had continued to operate effectively towards fulfilling their duties and responsibilities as the members of the Board and Board Committees throughout the year under review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 6.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board delegates to the Remuneration Committee ("RC") the responsibility to set the principles, parameters and framework relating to the Group's remuneration matters. Each Director is to be fairly remunerated for his or her contribution, taking into account corporate and individual performance.</p> <p>During the year under review, one (1) meeting was held and attended by all RC members. At the meeting, the RC had reviewed and recommended the remuneration packages of Directors and Key Senior Management for the financial year ended 30 June 2022.</p> <p>The remuneration packages of the Executive Directors ("ED"), among others, include fixed salaries and other emoluments which comprise of bonus, EPF, SOCSO and EIS. The EDs concerned do not play a part in deciding the remuneration packages and shall refrain from discussions relating to their remuneration. The RC will recommend the remuneration packages to the Board for review.</p> <p>The Board as a whole, with the assistance of the RC, determines the fees and allowances for Independent Non-Executive Directors ("INEDs"), with each INED concerned abstaining from any decision with regards to his or her own remuneration. The INED's annual fees shall reflect their diverse experience, skillsets and roles and responsibilities of the Director concerned.</p> <p>The aggregate annual INEDs' fees and other benefits payable are to be approved by shareholders at the AGM based on recommendations of the Board.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee ("RC") currently comprises three (3) members, all of whom are Independent Non-Executive Directors:</p> <ul style="list-style-type: none">○ Lee Ting Kiat (Chairman)○ Jason Tan Kim Song○ Dyana Sofya Binti Mohd Daud <p>The RC assists the Board in reviewing and determining the remunerations of the Directors and Senior Management, guided by market norms and industry practice.</p> <p>The RC is guided by its Terms of Reference, outlining its authorities and duties. The Terms of Reference of the RC is available on the Group's website at www.mtaggroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.1

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

Application	: Applied																														
Explanation on application of the practice	<p>In line with best corporate governance practices, the disclosure of the remuneration of Directors is made on a named basis in respect of the FY2021 as at 30 June 2021, as shown below:</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Fees (RM '000)</th> <th>Salaries and other emoluments ⁽¹⁾ (RM '000)</th> <th>Benefits-in-kind ⁽²⁾ (RM'000)</th> <th>Total (RM '000)</th> </tr> </thead> <tbody> <tr> <td>Lee Ting Kiat</td> <td>60</td> <td>-</td> <td>10</td> <td>70</td> </tr> <tr> <td>Chaw Kam Shiang</td> <td>-</td> <td>3,050</td> <td>-</td> <td>3,050</td> </tr> <tr> <td>Lau Cher Liang</td> <td>-</td> <td>3,269</td> <td>-</td> <td>3,269</td> </tr> <tr> <td>Jason Tan Kim Song</td> <td>48</td> <td>-</td> <td>10</td> <td>58</td> </tr> <tr> <td>Dyana Sofya Binti Mohd Daud</td> <td>48</td> <td>-</td> <td>10</td> <td>58</td> </tr> </tbody> </table> <p><i>Note:</i> ⁽¹⁾ Salaries and other emoluments include bonus, EPF, SOCSO and EIS. ⁽²⁾ Benefits-in-kind comprises meeting allowances for Non-Executive Directors' attendance in Board and Board Committee meetings.</p> <p>The Directors have abstained from the deliberation and voting on the agenda item in relation to their individual remuneration.</p>	Director	Fees (RM '000)	Salaries and other emoluments ⁽¹⁾ (RM '000)	Benefits-in-kind ⁽²⁾ (RM'000)	Total (RM '000)	Lee Ting Kiat	60	-	10	70	Chaw Kam Shiang	-	3,050	-	3,050	Lau Cher Liang	-	3,269	-	3,269	Jason Tan Kim Song	48	-	10	58	Dyana Sofya Binti Mohd Daud	48	-	10	58
Director	Fees (RM '000)	Salaries and other emoluments ⁽¹⁾ (RM '000)	Benefits-in-kind ⁽²⁾ (RM'000)	Total (RM '000)																											
Lee Ting Kiat	60	-	10	70																											
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Lau Cher Liang	-	3,269	-	3,269																											
Jason Tan Kim Song	48	-	10	58																											
Dyana Sofya Binti Mohd Daud	48	-	10	58																											
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

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

Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Not applicable - Step Up 7.3 adopted	
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

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

Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Adopted									
Explanation on adoption of the practice	:	<p>The disclosure of the remuneration of MTAG's key senior management personnel is made on a named basis. The summary of the total remuneration of the key senior personnel in respect of the FY2021 as at 30 June 2021 are set out below:</p> <table border="1"><thead><tr><th>Key Senior Management</th><th>Salaries and other emoluments ⁽¹⁾ (RM '000)</th><th>Total (RM '000)</th></tr></thead><tbody><tr><td>Liew Fei Shane</td><td>212.6</td><td>212.6</td></tr><tr><td>Ang Yam Fung</td><td>251.2</td><td>251.2</td></tr></tbody></table> <p><i>Note: ⁽¹⁾ Salaries and other emoluments include bonus, EPF, SOCSO and EIS.</i></p>	Key Senior Management	Salaries and other emoluments ⁽¹⁾ (RM '000)	Total (RM '000)	Liew Fei Shane	212.6	212.6	Ang Yam Fung	251.2	251.2
Key Senior Management	Salaries and other emoluments ⁽¹⁾ (RM '000)	Total (RM '000)									
Liew Fei Shane	212.6	212.6									
Ang Yam Fung	251.2	251.2									

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") currently comprises three (3) members, all of whom are Independent Non-Executive Directors ("INEDs"):</p> <ul style="list-style-type: none">○ Jason Tan Kim Song (Chairman)○ Lee Ting Kiat○ Dyana Sofya Binti Mohd Daud <p>The AC Chairman, Mr. Jason Tan Kim Song, is an INED whilst the Board is chaired by Mr. Lee Ting Kiat. This ensures that the Board is able to objectively review audit findings and recommendations.</p> <p>The AC is guided by its Terms of Reference, outlining its authorities and duties. The Terms of Reference of the AC is available on the Group's website at www.mtaggroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the need to uphold independence. The Audit Committee's ("AC") Terms of Reference has incorporated a policy that a person who is a former key audit partner of the external auditor of the Company must first observe a cooling-off period of at least two (2) years before he/she can be considered to be appointed as a director or a member of the AC of the Company.</p> <p>No former key audit partner of the Group has been appointed to the Board or employed by the Group within the cooling-off period of two (2) years. Hence, there is no such person appointed as a member of the AC.</p> <p>This is outlined in the Terms of Reference for the AC, which is available on the Group's website at www.mtaggroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the external auditor.</p> <p>The AC is accorded the authority to meet with the external and internal auditor without the presence of Executive Directors or Senior Management, whenever necessary.</p> <p>Under the Terms of Reference for the AC, the AC is accountable for the evaluation of the capabilities and independence of the external auditor and its conduct of the annual statutory audit of financial statements, as well as the engagement of the external auditor for other related services.</p> <p>During FY2021, the external auditor had confirmed to the AC members of their independence throughout the conduct of the audit engagement for FY2021 with the Company in accordance with the independence criteria set out under the <i>By Laws (on Professional Ethics, Conduct and Practice)</i> of the Malaysian Institute of Accountants and the <i>International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants</i>.</p> <p>The AC assessed the objectivity, independence and service quality of the external auditor for the financial year ended 30 June 2021, and was satisfied that they were sufficiently resourced and had demonstrated their objectivity, independence and proficiency in carrying out the audit according to the audit scope and plan.</p> <p>The Terms of Reference of the AC is available on the Group's website at www.mtaggroup.com.</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

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Audit Committee ("AC") currently comprises three (3) members, all of whom are Independent Non-Executive Directors:</p> <ul style="list-style-type: none">○ Jason Tan Kim Song <i>(Chairman)</i>○ Lee Ting Kiat○ Dyana Sofya Binti Mohd Daud

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") consists of members with professional experience coming from various professionalisms such as finance, taxation, legal and corporate secretariat, enabling the AC to effectively perform their roles and responsibilities.</p> <p>All members of the AC are financially literate and have carried out their duties in accordance with the Terms of Reference of the AC.</p> <p>The AC members are expected to update their knowledge and enhance their skillsets continuously by attending training programmes from time to time, to keep themselves abreast of latest developments in accounting and auditing standards, practices, Rules and Regulations. The list of trainings/seminars/conferences attended by members of AC is disclosed in the Corporate Governance Overview Statement of the Company's Annual Report FY2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Risk Management Committee (“RMC”) to assist the Board in fulfilling its oversight and management responsibilities in regards to the matters relating to risk.</p> <p>The Board has authorised the RMC to provide oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the framework in identifying and managing risks and internal processes, which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.</p> <p>The objectives of this framework are to ensure that the quality of the Group’s products and services are sustained while monitoring the risk culture and processes across the Group to secure opportunities and managing risks that might affect the Group’s reputation and strategic goals.</p> <p>The Statement on Risk Management and Internal Controls (“SORMIC”) is set out in the Company’s Annual Report FY2021, providing an overview of the state of internal controls and risk management system within the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>Risk Management is regarded by the Board to be a vital part of the system of internal control and good management practice that strengthens the business planning processes. The Group has an ongoing and systematic risk management process to identify, evaluate and manage the risks and to ensure that appropriate risk treatments are set in place for risk mitigation to achieve the Group's business objectives.</p> <p>The Board, through the Audit Committee and Risk Management Committee, oversees the risk management matters of the Group, evaluating the adequacy and effectiveness of the Group's risk management and internal control systems.</p> <p>The disclosure of the features of its risk management and internal control framework, its adequacy and effectiveness are set out in the Statement on Risk Management and Internal Control in the Company's Annual Report FY2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.3 - 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	:	<p>The Risk Management Committee ("RMC") currently comprises four (4) members, of whom three (3) are Independent Non-Executive Directors ("INEDs"):</p> <ul style="list-style-type: none">○ Jason Tan Kim Song Independent Non-Executive Director <i>(Chairman)</i>○ Lee Ting Kiat Independent Non-Executive Chairman○ Dyana Sofya Binti Mohd Daud Independent Non-Executive Director○ Chaw Kam Shiang Managing Director

Intended Outcome

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has authorised the Audit Committee (“AC”) to review the effectiveness of the internal audit function.</p> <p>The Group has outsourced its internal audit function to an independent internal audit service provider, Sterling Business Alignment Consulting Sdn Bhd (“Sterling”), which assists the AC in the discharge of its duties. Sterling reports their findings on the risks and reliability of the internal control framework to the AC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has appointed Sterling Business Alignment Consulting Sdn Bhd (“Internal Auditor”), a professional consulting firm, to undertake the internal audit function.</p> <p>The role of the Internal Auditor is to assist in reviewing the effectiveness of the internal control systems with regular review and appraisals whilst ensuring that there is an appropriate balance of control and risks throughout the Group in achieving its business objectives.</p> <p>The Internal Auditor reports directly to the Audit Committee and are given full access to documents relating to the Group and the Group’s governance, financial statements and operational assessments. The Internal Auditor is free from any relationships or conflicts of interest, which could impair its objectivity and independence of the internal audit function, and does not have any direct operational responsibility or authority over any of the activities audited.</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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of effective dialogue with its stakeholders and is committed to provide transparent and regular communication with shareholders and other stakeholders on various matters regarding the business, operations and financial performance of the Group.</p> <p>In line with best practices, the Board strives to disclose relevant information to stakeholders while being mindful of legal and regulatory framework governing the release of material and price-sensitive information. The Board abides by the Corporate Disclosure Guide as issued by Bursa Securities, which is calibrated in line with the disclosure requirements stipulated in the ACE Market Listing Requirements of Bursa Securities.</p> <p>The Group maintains various methods of communication with its stakeholders through the following channels:-</p> <ul style="list-style-type: none">• Bursa Malaysia Securities Berhad ("Bursa Securities") <p>The Group strives to provide all material information publicly through Bursa Securities' website on a timely basis, which includes quarterly results and full year financial results announcements, Annual Report and other relevant material transactions undertaken by the Group.</p> <ul style="list-style-type: none">• Corporate website <p>Information on the Group is also accessible by the stakeholders through the Group's corporate website at www.mtaggroup.com, which has a dedicated Investor Relations section, providing updates on the Group.</p>

	<ul style="list-style-type: none"> Annual General Meeting <p>The AGM also serves as a platform and principal forum for dialogue with shareholders, where they will be given the opportunity to clarify on any matters on the proposed resolutions. The outcome of all resolutions tabled at the AGM shall be made public and announced to Bursa Securities after 5.00 p.m. of the meeting day. The key matters discussed will be summarised and published on the corporate website at www.mtaggroup.com.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 11.2

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

Application	:	Not Applicable	
Explanation on application of the practice	:	<p>The Group is not categorised as a “Large Company” under the MCCG 2017 and hence, has not adopted the integrated reporting based on a globally recognised framework.</p> <p>The Board is of the view that the Group’s existing Annual Report offers a holistic overview of its business and operational activities, enabling shareholders to make informed 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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	The AGM is scheduled to be convened on 24 November 2021. The Group shall circulate the Notice of AGM at least 28 days before the AGM to enable shareholders to make adequate preparations before attending and participating in the AGM.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>On 23 November 2020, the Company convened its third (3rd) AGM through live streaming using the Remote Participation and Voting (“RPV”) facilities, following the enforcement of the Conditional Movement Control Order (“CMCO”) from 9 November 2020 to 6 December 2020. This represents the Company’s first virtual AGM. During the AGM, all Directors were present to answer questions pertaining to the resolutions being proposed, financial performance, business operations, corporate governance matters and other matters that are of shareholders’ concerns.</p> <p>The date of our fourth (4th) AGM has been fixed in advance to enable the Directors to make necessary arrangements in order to participate the AGM via fully virtual platform through live streaming using RPV facilities.</p> <p>Barring unforeseen circumstances, all Directors will be present remotely to attend and participate at the forthcoming AGM and are prepared to engage with shareholders and provide insights into the Group and its businesses.</p> <p>Opportunity is given to the shareholders to ask questions and seek clarification on various matters concerning the Group including the performance and direction moving forward.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board always ensures the general meetings be held at an easily accessible venue to facilitate high shareholders’ attendance.</p> <p>As an alternative, shareholders who are not able to attend the AGM in person are also allowed to appoint one (1) or up to two (2) proxies to attend, participate, speak and vote in his/her stead at the general meeting.</p> <p>For the Company’s third (3rd) AGM held on 23 November 2020, it was conducted through live streaming using the Remote Participation and Voting facilities, following the enforcement of the CMCO from 9 November 2020 to 6 December 2020. This represents the Company’s first virtual AGM, enabling remote shareholders’ participation and online remote voting by leveraging technology.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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