

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0213  
**COMPANY NAME** : MTAG GROUP BERHAD  
**FINANCIAL YEAR** : June 30, 2023

## 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>MTAG Group Berhad ("MTAG" or "the Group") is led by an effective Board of Directors ("the Board") that is committed to uphold the highest 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 2021 ("MCCG 2021") issued by the Securities Commission and the provisions of the Constitution of MTAG as well as all 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"><li>• To provide leadership and oversee overall conduct of the Group's businesses;</li><li>• To review and adopt strategic initiatives and to ensure these initiatives and the risks, performance and sustainability are effectively integrated and appropriately balanced;</li></ul>

	<ul style="list-style-type: none"> <li>• To review and adopt corporate governance best practices in the areas of risk management, legal and compliance management and internal control systems;</li> <li>• To ensure the effectiveness of Board committees as required by the applicable laws and recommended by the MCCG 2021;</li> <li>• To review and approve Annual Business Plans, Financial Statements and Annual Reports;</li> <li>• To monitor the relationship between the Board and the management, shareholders and stakeholders;</li> <li>• To enhance the Group’s Investor Relations programme and shareholders communication;</li> <li>• To appoint the Board committees and delegate powers, as well as review the composition, performance and effectiveness of the committees with its reports and recommendations;</li> <li>• To monitor the Group’s sustainability strategies and ensure that its performance is communicated to stakeholders; and</li> <li>• To ensure the Group’s strategic and anti-corruption and anti-bribery policies are aligned.</li> </ul> <p>The Board Charter is available on the Group’s website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</a>. It is reviewed annually to ensure its relevance with applicable laws and regulations. The latest review of the Board Charter was on 22 September 2023.</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 1.2

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, <b>Mr. Lee Ting Kiat</b>, holds an Independent Non-Executive Director ("INED") 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, the following:</p> <ul style="list-style-type: none"><li>• To oversee the Board's effective discharge of duties;</li><li>• To instill good corporate governance practices, leadership, integrity and effectiveness of the Board;</li><li>• To monitor the workings of the Board and conducts the Board meetings;</li><li>• To ensure all relevant issues are contained in the agendas for Board meetings;</li><li>• To ensure quality information to facilitate decision-making on a timely basis;</li><li>• To lead Board meetings and discussions while encouraging active participation of all directors and allowing dissenting views to be freely expressed;</li><li>• To manage the interface between the Board and the management;</li><li>• To ensure proper steps are taken to provide effective communication with stakeholders;</li><li>• To chair general meetings of shareholders; and</li><li>• To liaise with the Managing Director and Company Secretary on the agendas for Board meetings.</li></ul> <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 <a href="http://www.mtaggroup.com">www.mtaggroup.com</a>.</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

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 positions of the Chairman and the Managing Director ("MD") are held by two different individuals, in line with the MCCG 2021.</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 <b>Mr. Lee Ting Kiat</b> whilst the MD is <b>Mr. Chaw Kam Shiang</b>. 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. The MD is accountable to the Board for the achievement of the MTAG's goals and objectives and observance of management's limits of authority.</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 <a href="http://www.mtaggroup.com">www.mtaggroup.com</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

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

## Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The Chairman of the Board is also the Chairman of the RC, and a member of the AC, NC and RMC.
		<p>The Group believes that the inclusion of the Chairman in the relevant Committees is justified after taking into consideration his vast experience and background. The RC, AC, NC and RMC are able to leverage on his insights and knowledge in making key Committee decisions.</p> <p>Notwithstanding this, the decision-making processes of the respective Board Committees are made in accordance with each Committee's Terms of Reference ("TOR"), and other applicable policies, procedures and laws. Our governance framework ensures that no single person can influence MTAG's decision-making as decisions must be made by consensus in the best interest of the Group.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board will work towards adopting Practice 1.4 in line with MCCG best practices.
<b>Timeframe</b>	:	Others
		As and when required

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 bodies, 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 <a href="http://www.mtaggroup.com">www.mtaggroup.com</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

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 FY2023, a total of six (6) Board meetings were conducted, with full attendance from the Directors. Two (2) of the six (6) Board meetings were conducted in a physical manner, while four (4) meetings conducted was hybrid, with online remote participation.</p> <p>During the year, one (1) Non-Executive Directors meeting was held and attended by all three (3) of the Group's INEDs, without the presence of management. Topics discussed include strategic, governance and operational matters.</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 <a href="http://www.mtaggroup.com">www.mtaggroup.com</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 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 has formalised a Board Charter and 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. The latest review of the Board Charter was on 22 September 2023.</p> <p>The Board Charter is available on the Group's website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</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

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 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 &amp; Ethics that serves as a primary guidance on ethical and behavioural conduct of the Group.</p> <p>The Code of Conduct &amp; Ethics outlines the policies and procedures which includes, amongst others, the following:-</p> <ul style="list-style-type: none"><li>• Conflict of interest;</li><li>• Confidential and proprietary information; o Anti-bribery and anti-corruption;</li><li>• Accepting/providing gifts, entertainment and other benefits;</li><li>• Money laundering; and</li><li>• Occupational safety and health.</li></ul> <p>The Code of Conduct &amp; Ethics shall be reviewed from time to time to ensure it remains relevant and appropriate. The Code of Conduct &amp; Ethics is available on the Group's website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</a>.</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 <a href="http://www.mtaggroup.com">www.mtaggroup.com</a>.</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

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>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 <a href="http://www.mtaggroup.com">www.mtaggroup.com</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**

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

**Practice 4.1**

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>MTAG’s Board of Directors assumes the ultimate responsibility as the driver of the Group’s sustainability initiatives. The Board is accountable for defining and setting the Group’s sustainability agenda, while ensuring accountability and oversight in the identification and management of sustainability matters.</p> <p>The direction and agenda set by the Board is communicated to MTAG’s Senior Management (“SM”) team, headed by the MD, Executive Director and assisted by the CFO, Chief Human Resources Officer and the General Manager. Collectively, they are responsible for overseeing and implementing the Group’s sustainability approach into key business processes and long-term strategic plans.</p> <p>MTAG’s SM team is supported by the Sustainability Working Group (“SWG”), comprising Business Unit Heads and Managers from various departments. The SWG is accountable for ensuring proper execution and monitoring of sustainability-related initiatives Groupwide.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	MTAG’s sustainability strategies, priorities, targets and performance are publicly communicated to our internal and external stakeholders via the Sustainability Statement in the Group’s Annual Report and corporate website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</a> .	
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has taken initiatives to ensure that they are kept abreast with relevant sustainability matters to the Group, including climate-related risks and opportunities through trainings and self-learnings. The Board is also kept updated on MTAG’s sustainability performance by the SM team.	
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board undertakes performance evaluations on an annual basis to determine the effectiveness of the Board. The evaluation includes assessing the role of the Board in ensuring proper governance and management of the Group's sustainability-related material matters.</p> <p>Meanwhile, the SM undergoes a yearly review based on set Key Performing Indicators (“KPI”), taking into account sustainability risks and opportunities, including people development and safety, among others.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.5- Step Up**

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The MD, as the head of the SM team, is the designated person within management to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

**Intended Outcome**

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

**Practice 5.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, through the NC, assesses the effectiveness and performances of the Board, including reviewing the Board’s composition, on an annual basis. This is to determine if the Board has the right size and make-up that fit the Group’s objectives and strategic goals.</p> <p>The tenure of each Director and the annual re-election of Directors are also reviewed by the NC. The recommendations made by NC on the re-election of Directors take into account the contribution and performance of individual Director to the effectiveness of the Board and Board Committees for the financial year under review.</p> <p>In line with its TOR, the NC shall continue to perform annual evaluations of the Directors and the Board to assess the need to bring in new skills and perspectives to refresh the Board composition.</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

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board currently comprises five (5) members, with three (3) being INEDs, namely:</p> <ul style="list-style-type: none"><li>• <b>Lee Ting Kiat</b> <i>Independent Non-Executive Chairman</i></li><li>• <b>Jason Tan Kim Song</b> <i>Independent Non-Executive Director</i></li><li>• <b>Dyana Sofya Binti Mohd Daud</b> <i>Independent Non-Executive Director</i></li></ul> <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>
<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 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>MTAG's Board Charter states that all Directors, including INEDs, shall retire from office at least once every three (3) years, but shall be eligible for re-election. This ensures that the tenure of INEDs do not exceed a cumulative term limit of nine (9) years in accordance with Practice 5.3 of MCCG 2021. Currently, all members of the Board have served for less than six (6) years on the Board.</p> <p>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 through a two-tier voting process.</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**

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

**Practice 5.4 - Step Up**

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

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The current Board composition reflects a balance of EDs and INEDs 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 NC 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> <p>The Board has adopted a Directors' Fit and Proper Policy for the appointment and re-election of Directors. The policy states that the assessment of Directors will be based on a set of criteria in relation to, among others, the character and integrity, experience and competence, as well as the time and commitment of the Director. The policy has been designed as a practice guide for the appointment and re-election of Directors to assist the NC to discharge their duties and functions in Board nomination and re-election process of Directors.</p> <p>The Directors' Fit and Proper Policy is available on the Group's website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</a>.</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

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

## Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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, SM or Major Shareholders, as well as independent sources.</p> <p>The 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 TOR of the NC.</p> <p>The TOR of the NC is available on the Group's website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</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

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board strives to provide timely and transparent disclosures to shareholders. The profiles of MTAG's Directors are published in the Annual Report and on the corporate website. These include information such as their age, gender, nationality, qualification, date first appointed to the Board and current directorships outside of MTAG, among others. Meanwhile, shareholders are kept updated and informed of any changes in the Board via the Group's announcements to Bursa Securities' Listing Information Network ("Bursa LINK").</p> <p>In FY2023, the assessment in relation to the re-appointment of retiring Directors was reviewed by the NC and recommended to the Board for approval. Their re-appointment was noted and supported by the Board upon satisfactory assessment and with recommendation by the NC, before bringing the resolution for shareholders' approval at the AGM.</p> <p>The justification to re-elect the retiring Directors to stand for re-election has been included in the Statement Accompanying the Notice of 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

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

### Practice 5.8

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC currently comprises three (3) members, all of whom are INEDs:</p> <ul style="list-style-type: none"> <li>• <b>Dyana Sofya Binti Mohd Daud (Chairman)</b> <i>Independent Non-Executive Director</i></li> <li>• <b>Lee Ting Kiat</b> <i>Independent Non-Executive Chairman</i></li> <li>• <b>Jason Tan Kim Song</b> <i>Independent Non-Executive Director</i></li> </ul> <p>The Chairman of the NC is an INED. The composition of the NC has been specified in the TOR of the NC. The NC must:-</p> <ol style="list-style-type: none"> <li>a) Consists of at least three (3) members;</li> <li>b) Has majority of INEDs; and</li> <li>c) Be chaired by an Independent Director.</li> </ol> <p>The TOR of the NC is available on the Group's website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</a>.</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 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board supports gender diversity at all levels, including the Board. At present, the Board comprises five (5) Directors, of whom one (1) is a woman, translating to 20% of woman representation on the Board. The Board will continue to source for suitable women candidates to meet the 30% recommendation of women directors on the Board by the MCCG 2021.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	To fulfil the 30% women composition in the Board, the NC and the Board are constantly on the look-out for suitable and capable women in line with the Group's needs, for Board candidacy.	
<b>Timeframe</b>	:	Others	As and when required

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is cognisant of gender diversity in the Boardroom and SM as vital components for good corporate governance.</p> <p>The Board has adopted a Diversity Policy that sets out the approach on the subject matter in order to encourage equality, diversity and inclusion throughout the organisation, including the selection of Board members and SM to eliminate unlawful discrimination.</p> <p>The Diversity Policy is available on MTAG's corporate website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</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

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

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Board, through the 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.  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.  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.  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.  The annual review of the Board as a whole, the Board Committees and the individual Directors for FY2023 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.
<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

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

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

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Remuneration Policy and Procedure for Directors and SM, taking into account factors such as qualifications, skills, competency and experience of the Directors and SM, the demands and complexities of the Group's businesses, performance of the Group, market competitiveness and benchmark, to determine the remuneration of Directors and SM.</p> <p>For EDs and SM, the framework of remuneration includes, among others, fixed salaries, bonuses and other emoluments which consist of EPF, SOCSO and Employment Insurance System ("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>Meanwhile, Non-Executive Directors ("NEDs"), including INEDs, shall be paid fixed fees and meeting allowances. The INEDs' annual fees shall reflect their diverse experience, skillsets and roles and responsibilities of the INED concerned.</p> <p>The Directors' fees and other benefits payable to the Directors are to be approved by shareholders at the AGM based on recommendations of the Board.</p> <p>The policy shall be reviewed by the Board from time to time to ensure it remains relevant and appropriate.</p> <p>The Remuneration Policy and Procedure for Directors and SM is available on the Group's corporate website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</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

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

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

### Practice 7.2

The board has a Remuneration Committee to implement its 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 RC currently comprises three (3) members, all of whom are INEDs:</p> <ul style="list-style-type: none"> <li>• <b>Lee Ting Kiat (Chairman)</b> <i>Independent Non-Executive Chairman</i></li> <li>• <b>Jason Tan Kim Song</b> <i>Independent Non-Executive Director</i></li> <li>• <b>Dyana Sofya Binti Mohd Daud</b> <i>Independent Non-Executive Director</i></li> </ul> <p>The RC assists the Board in reviewing and determining the remunerations of the Directors and SM, guided by market norms and industry practice.</p> <p>The RC is guided by its TOR, outlining its authorities and duties. The TOR of the RC is available on the Group's website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</a>.</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**

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

### **Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In line with best corporate governance practices, the disclosure of the remuneration of Directors is made on a named basis in respect of the FY2023 as at 30 June 2023, as shown below:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lee Ting Kiat	Independent Director	64.8	10	Input info here	Input info here	Input info here	Input info here	74.8	64.8	10	Input info here	Input info here	Input info here	Input info here	74.8
2	Chaw Kam Shiang	Executive Director	Input info here	Input info here	900	2,030	Input info here	356	3,286	Input info here	Input info here	900	2,030	Input info here	356	3,286
3	Lau Cher Liang	Executive Director	Input info here	Input info here	780	1,977	Input info here	331	3,088	Input info here	Input info here	780	1,977	Input info here	331	3,088
4	Jason Tan Kim Song	Independent Director	51.8	10	Input info here	Input info here	Input info here	Input info here	61.8	51.8	10	Input info here	Input info here	Input info here	Input info here	61.8
5	Dyana Sofya Binti Mohd Daud	Independent Director	51.8	10	Input info here	Input info here		Input info here	61.8	51.8	10	Input info here	Input info here		Input info here	61.8

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure						
<b>Explanation on application of the practice</b>	:							
<b>Explanation for departure</b>	:	<p>The Board has considered the recommendation by MCCG 2021 to disclose the detailed remuneration of top five (5) SM on a named basis.</p> <p>The Board is of the opinion that the disclosure of the remuneration of the MTAG's key SM shall not be on a named basis as it is imperative for the Group to maintain our employees' remuneration private and confidential and avoid discontentment among employees and to further address talent retention issues.</p> <p>The Group will consider disclosing the remuneration of individual key SM in detail as and when it is deemed appropriate.</p> <p>For the financial year ended 30 June 2023, the aggregate total remuneration (in the band of RM50,000) of the key SM personnel, who are not Directors of the Company, are as follows:</p> <table border="1"><thead><tr><th>Remuneration band per annum</th><th>No. of key management</th></tr></thead><tbody><tr><td>RM200,000 to RM250,000</td><td>1</td></tr><tr><td>RM250,001 to RM300,000</td><td>2</td></tr></tbody></table>	Remuneration band per annum	No. of key management	RM200,000 to RM250,000	1	RM250,001 to RM300,000	2
Remuneration band per annum	No. of key management							
RM200,000 to RM250,000	1							
RM250,001 to RM300,000	2							
<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>	:							

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	Instruction – Please disclose the required information in the table below. Sole reference to the annual report, without disclosing the required information in the table provided is not allowed.



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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC currently comprises three (3) members, all of whom are INEDs:</p> <ul style="list-style-type: none"><li>• <b>Jason Tan Kim Song (Chairman)</b> <i>Independent Non-Executive Director</i></li><li>• <b>Lee Ting Kiat</b> <i>Independent Non-Executive Chairman</i></li><li>• <b>Dyana Sofya Binti Mohd Daud</b> <i>Independent Non-Executive Director</i></li></ul> <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 TOR, outlining its authorities and duties. The TOR of the AC is available on the Group's website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</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 9.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group recognises the need to uphold independence. The AC's TOR 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 three (3) 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 three (3) years. Hence, there is no such person appointed as a member of the AC.</p> <p>This is outlined in the TOR for the AC, which is available on the Group's website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</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 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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 EDs or SM, whenever necessary.</p> <p>Under the TOR 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 FY2023, the external auditor had confirmed to the AC members of their independence throughout the conduct of the audit engagement for FY2023 with the Company in accordance with the independence criteria set out under the By Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.</p> <p>The AC assessed the objectivity, independence and service quality of the external auditor for the financial year ended 30 June 2023, 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 TOR of the AC is available on the Group's website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

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

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC consists of members with professional experience coming from various professions 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 TOR 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 FY2023.</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

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established an 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 FY2023, providing an overview of the state of internal controls and risk management system within the Group.</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

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 AC and RMC, 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 SORMIC in the Company's Annual Report FY2023.</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

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

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

### Practice 10.3 - Step Up

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The RMC currently comprises four (4) members, of whom three (3) are INEDs:</p> <ul style="list-style-type: none"><li>• <b>Jason Tan Kim Song (Chairman)</b> <i>Independent Non-Executive Director</i></li><li>• <b>Lee Ting Kiat</b> <i>Independent Non-Executive Chairman</i></li><li>• <b>Dyana Sofya Binti Mohd Daud</b> <i>Independent Non-Executive Director</i></li><li>• <b>Chaw Kam Shiang</b> <i>Managing Director</i></li></ul>

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has authorised the 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 (“Internal Auditor”), which assists the AC in the discharge of its duties. The Internal Auditor reports their findings on the risks and reliability of the internal control framework to the AC.</p> <p>The AC had carried out an annual performance assessment of the Internal Auditors for review of the independence, effectiveness and efficiency of the Internal Auditors 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

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has appointed Sterling Business Alignment Consulting Sdn Bhd, 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 AC and is 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>
<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 continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of effective dialogue with its stakeholders and is committed to utilise various channels 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 the 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"><li>• Bursa Malaysia Securities Berhad</li></ul> <p>The Group strives to provide all material information publicly through Bursa Securities' website on a timely basis, which include 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"><li>• Corporate Website</li></ul> <p>Information of the Group is also accessible through the Group's corporate website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</a>, which has a dedicated Investor Relations section, providing updates on the Group, that is easily accessible by stakeholders.</p> <ul style="list-style-type: none"><li>• Annual General Meeting</li></ul> <p>The AGM also serves as a platform and principal forum for dialogue with shareholders, where they will be given the opportunity to clarify any matters on the proposed resolutions. Status of all resolutions tabled at the AGM shall be made public and announced to Bursa Securities at the end of the meeting day. The Summary of Key Matters discussed will be</p>

	summarised and published on the corporate website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</a> .	
<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 12.2**

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

<b>Application</b>	:	Not applicable – Not a Large Company	
<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

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

### Practice 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>MTAG's Fifth (5<sup>th</sup>) AGM was held on 23 November 2022 and the Notice of AGM was dispatched to shareholders on 21 October 2022, at least 28 days prior to the date of the AGM, thereby fulfilling MCCG's recommendation. Notifications were sent to all shareholders by way of letter or e-mail to inform that the Notice of Fifth (5<sup>th</sup>) AGM, Proxy Form and Administrative Guide have been published on MTAG's corporate website. In addition, the Notice of AGM will be advertised in the newspapers. The Notice was also made available via an announcement to Bursa Securities.</p> <p>MTAG's Sixth (6<sup>th</sup>) AGM is scheduled to be convened on 24 November 2023. 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.</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 13.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>On 23 November 2022, the Company convened its Fifth (5<sup>th</sup>) AGM through live streaming using the Remote Participation and Voting ("RPV") facilities. During the AGM, all Directors were present remotely 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 Sixth (6<sup>th</sup>) AGM has been fixed in advance to enable the Directors to make necessary arrangements in order to participate in 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>
<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 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>MTAG's Fifth (5<sup>th</sup>) AGM, held on 23 November 2022, was conducted through live streaming using the Remote Participation and Voting facilities provided by Tricor Investor &amp; Issuing House Services Sdn. Bhd. ("TIIH"), via its TIIH Online Website at <a href="https://tiih.online">https://tiih.online</a>. The RPV facilities provided by TIIH enables voting in absentia and remote participation by shareholders. If a shareholder is unable to attend, he/she may appoint a proxy or the Chairman of the AGM as his/her proxy to attend the AGM via RPV facilities.</p> <p>This represents the Company's third virtual AGM, enabling remote shareholders' participation and online remote voting by leveraging technology. Verified shareholders or their proxies were provided with a unique access link to attend the Fifth (5<sup>th</sup>) AGM prior to the meeting date.</p> <p>With regards to cyber hygiene, TIIH has confirmed that it has implemented an Information Technology and Information Security Policy, endpoint controls and data classification for cyber hygiene practices of the staff. Stress test and penetration testing has been performed on TIIH Online in May 2021 to test its resiliency. Moreover, TIIH Online is hosted on a secure cloud platform and the data center is certified with ISO27001.</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 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>MTAG, helmed by the Chairman, is cognisant of the importance in ensuring that general meetings support meaningful engagement between the Board, SM and shareholders.</p> <p>At MTAG’s Fifth (5<sup>th</sup>) AGM on 23 November 2022, the Chief Financial Officer presented the Group’s business overview and financial highlights for FY2022. Shareholders who participated remotely were able to view the presentation via live streaming.</p> <p>As part of our efforts to encourage meaningful engagement, shareholders and proxies may submit questions prior to the AGM via TIH Online Portal at <a href="https://tiah.online">https://tiah.online</a>, or during the AGM itself using the “Query Box”. Shareholders’ questions are made visible on the portal for enhanced transparency. The Chairman, along with SM, addressed questions raised by shareholders and proxies during the AGM.</p> <p>Following the AGM, Minutes of the Fifth (5<sup>th</sup>) AGM, and Summary of Key Matters, were made available on MTAG’s corporate website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</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

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>MTAG’s Fifth (5<sup>th</sup>) AGM was successfully held as a fully virtual meeting on 23 November 2022 through live streaming and remote voting using the RPV facilities provided by TIIH. The RPV facilities provided a user-friendly and seamless interface for shareholders from registration to participation in the AGM, engagement during Q&amp;A, and voting.</p> <p>The AGM was well attended by shareholders, proxies and corporate representatives. A total of eighty (80) shareholders and proxies logged in through the RPV to attend the AGM.</p> <p>The detailed procedures to participate in the AGM remotely were provided to shareholders in the Administrative Guide. Shareholders and proxies were provided sufficient time and opportunity to raise their questions to ensure meaningful engagement with the Board and Management. Shareholders and proxies may submit questions prior to the AGM via TIIH Online Portal at <a href="https://tiih.online">https://tiih.online</a>, or during the AGM itself using the “Query Box”. Shareholders’ questions are made visible on the portal for enhanced transparency. The Chairman, along with SM, addressed the questions raised by shareholders and proxies during 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>	:		
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**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the Fifth (5 <sup>th</sup> ) AGM held on 23 November 2022 were published on MTAG's corporate website at <a href="http://www.mtaggroup.com">www.mtaggroup.com</a> within 30 business days of the Fifth (5 <sup>th</sup> ) AGM.
<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>	:  

**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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