

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0132  
**COMPANY NAME** : TECHNODEx BHD. (“TDEX” or “the Company”)  
**FINANCIAL YEAR** : June 30, 2022

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("the Board") collectively leads and is responsible for the performance and affairs of the Group, including practicing a high level of good governance. All Board members are expected to show good stewardship and act professionally as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.</p> <p>The Board has the responsibility of leading and directing the Group towards realising long term corporate objectives and increasing shareholders' value. The Board retains full and effective control of the Group's strategic plans, implements an appropriate system of risk management and ensures the adequacy and integrity of the Group's system of internal control.</p> <p>Broadly, the Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:</p> <ul style="list-style-type: none"><li>• Reviewing and adopting a strategic plan for the Group, including addressing the Group's business strategies on promoting sustainability.</li><li>• Overseeing the conduct of the Group's business, and evaluating whether or not its businesses are being properly managed.</li><li>• Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks.</li><li>• Ensuring that all candidates appointed to the Board are of sufficient calibre, including having in place a process to provide for the orderly succession of the members of the Board.</li></ul>

	<ul style="list-style-type: none"> <li>Overseeing the development and implementation of an investor relations programme and stakeholder communications policy.</li> <li>Reviewing the adequacy and integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.</li> </ul>	
<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, YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah, holds an Independent Non-Executive position and is primarily responsible for the leadership, effectiveness, conduct and governance of the Board.</p> <p>The responsibilities of the Chairman, amongst others, include the following:</p> <ul style="list-style-type: none"><li>• To provide leadership to the Board.</li><li>• To examine the public image of the organisation and establish plans and programme to improve TDex and its subsidiaries ("the Group") in every way.</li><li>• To oversee ethical business practices and adherence to the Group's mission statement.</li><li>• To oversee the effective discharge of the Board's supervisory role.</li><li>• To facilitate the effective contribution of all Directors.</li><li>• To conduct and chair Board Meetings and General Meetings of the Company.</li><li>• To manage Board communications and Board effectiveness and effective supervision over Management.</li><li>• To ensure that quality information to facilitate decision-making is delivered to the Board in a timely manner.</li><li>• To ensure Board Meetings and General Meetings comply with good conduct and best practices.</li><li>• To ensure adequate time is allocated during Board Meetings for discussion of issues tabled to the Board for deliberation.</li><li>• To promote constructive and respectful relations between Board members and between the Board and the Management.</li></ul>

	<ul style="list-style-type: none"> <li>• Together with the Executive Directors, represents the Company and/or the Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.</li> </ul>	
<b>Explanation for departure</b> :		
<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 1.3

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 roles of the Chairman and Executive Directors are distinct and separate to ensure that there is a balance of power and authority.</p> <p>The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Executive Directors have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.</p> <p>The Executive Directors of the Company are accountable to the Board for the overall organisation, management, and staffing of the Company and/or Group and for the procedures in financial and other matters, including conduct and discipline.</p> <p>The respective duties and responsibilities of the Chairman and Executive Directors are set out in the Board Charter.</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, YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah ("Tengku Chairman") is not a member of the Audit Committee ("AC") and Nomination and Remuneration Committee ("NRC").  Tengku Chairman was invited to the AC and NRC Meetings to provide inputs for the matters discussed during the meetings. However, he did not participate in the decision making of the proposals and matters tabled for approval during the AC and NRC Meetings.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	: Choose an item.

## Intended Outcome

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

## Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group is currently outsourcing the corporate secretarial function to Cospec Management Services Sdn. Bhd. ("CMS").</p> <p>The Board is supported by a qualified and competent Company Secretary who is a member of the Malaysian Association of Companies Secretaries and she is holding a professional certificate as a qualified Company Secretary under the Malaysian Companies Act 2016 ("Act"). She possesses over 29 years of experience in corporate secretarial practices.</p> <p>The Board acknowledges that the Company Secretary plays an important role and will ensure that the Company Secretary fulfils the functions for which she has been appointed.</p> <p>The Company Secretary ensures the minutes of all meetings are properly recorded and reflected the correct proceedings of the meetings, including whether any Director abstained from voting or deliberating on a particular matter.</p> <p>The Company Secretary plays an important role in facilitating the overall compliance with the Act, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") Malaysian Code on Corporate Governance ("MCCG"), Company's Constitution and Board Charter.</p> <p>During the financial year ended 30 June 2022 ("FYE 2022"), all the Board and Board Committees meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>Overall, the Board is satisfied with the service and support rendered by the Company Secretary and her team to the Board in the discharge of her functions.</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 1.6

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>To facilitate the Directors' time planning, meetings calendar was prepared in advance of each new calendar year by the Company Secretary. The meetings calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.</p> <p>The Notices of Board meetings are sent to the Directors at least five (5) working days prior to the date of meetings. This is to ensure sufficient time for all Board members to review and deliberate on such matters accordingly and, where required, to obtain further information and clarification to facilitate well-informed decision-making during the meeting.</p> <p>The Management and other advisers are invited to attend the meeting to report and brief on their respective areas of responsibility if required.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated to the Chairman of the Board and Board Committees for review within a reasonable timeframe after the meeting. The meeting minutes accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p>
<b>Explanation for departure</b>	:
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

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

### Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has put in place a Board Charter. The Board Charter is intended to identify the role, structure and processes related to the key governance activities of the Board. It also serves as a reference point for Board activities. It is designed to provide guidance and clarity to Directors and Management with regard to the roles of the Boards and its Board Committees, the role of the Chairman and the Executive Directors, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.</p> <p>The Board has formalised and adopted a Board Charter. The Board Charter was last reviewed, revised and approved by the Board on 24 May 2021 made pursuant to the MCCG and is published in the Company's corporate website at <a href="http://www.technodex.com">www.technodex.com</a>.</p> <p>The Board Charter would be reviewed as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflect the latest compliance requirements as a result of changes in the regulatory framework.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Code of Ethics and Conduct which was incorporated in the Board Charter of the Company. The Code of Ethics and Conduct is observed by all Directors and employees of the Group and is available at <a href="http://www.technodex.com">www.technodex.com</a></p> <p>The Board had on 29 May 2020 incorporated the anti-bribery and anti-corruption requirements to be observed by all the Directors and employees of the Group under the Code of Ethics and Conduct.</p> <p>The Board will review the Code of Conduct and Ethics from time to time to ensure that it continues to remain relevant and appropriate.</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 3.2

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 Group has put in place its Whistle Blowing Policy which is published on the Company's corporate website at <a href="http://www.technodex.com">www.technodex.com</a>.</p> <p>The Whistle Blowing Policy aims to achieve the following:</p> <ul style="list-style-type: none"><li>• To encourage and develop a culture of openness, accountability and integrity.</li><li>• To provide avenues for employees to raise genuine concerns or allegations through the appropriate channels upon discovery of possible misconduct.</li><li>• To ensure the protection to an individual who reports the concern or allegation in good faith in accordance with the procedures.</li><li>• To enable the Management to be informed at an early stage about acts of misconduct.</li></ul>
<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>The Board acknowledged the importance of incorporating sustainability considerations into the Company's business and corporate activities, and how sustainability is essential to successful business strategies that could deliver sustainable value to all stakeholders and ultimately boosts the business performance of the Company.</p> <p>The Board together with the Management takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. Performance against these clearly set out targets are communicated to the Company's internal and external stakeholders.</p> <p>As part of the efforts in promoting and building sustainability momentum within the Group, the Group had undertaken the following measures:</p> <ul style="list-style-type: none"><li>a) Environmental – ensure the operations are environmentally responsible and that adequate steps are taken to protect and effectively manage risks that may adversely impact the surrounding environment.</li><li>b) Economic – committed in maintaining the highest standard of integrity and corporate governance in order to maintain excellence across the businesses.</li><li>c) Social – be a responsible corporate citizen by constantly re-assessing the Group's activities and business model to ensure a positive impact at the workplace and in the community.</li></ul>
<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>	:	<p>The Board is cognisant of the fact that the Company’s internal and external stakeholders should receive an unfiltered and complete view of the Company’s sustainability strategies, priorities, targets and overall performance. This information should be comprehensive and include information on which stakeholders would be able to assess the Company’s sustainability risks and opportunities.</p> <p>The Company has engaged with stakeholders in a variety of ways which had been done at both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make an informed decision while aligning the stakeholders’ expectations with the Company’s sustainability priorities and business approach.</p> <p>Details pertaining to the stakeholders’ engagement are available in the Sustainability Statement in the Annual Report 2022 for FYE 2022 (“Annual Report 2022”).</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 4.3

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 through the NRC assessed the training programmes attended by each Director during the financial period to ensure they stay abreast with the latest developments in the industry as well as the sustainability issues relevant to the Group, including factors that are driving climate change, sustainable finance and achieving a sustainable business model.  The key training programmes attended by each Director in the FYE 2022 are set out in the Corporate Governance Overview Statement of Annual Report 2022.	
<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 and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities.</p> <p>The performance evaluation of the Board in addressing the Group’s strategic and business plans which promote sustainability materials matters was evaluated through the annual Board’s effectiveness evaluation for the FYE 2022.</p> <p>Whereas for the Senior Management team, it is part of their key performance indicators which are reviewed annually.</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>	:	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 5.1**

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 NRC oversees the overall composition of the Board in terms of size, a mix of skills, experience and core competencies, as well as the balance between Executive Directors and Independent Non-Executive Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board’s various committees will be assessed on an annual basis.</p> <p>The Board is fully aware that the tenure of an Independent Director shall not exceed a term limit of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a term of more than nine (9) years, the Board must justify its decision and seek the shareholders’ approval through a two-tier voting process at a general meeting.</p> <p>The annual re-election of retiring Directors has been contingent on a satisfactory evaluation of the retiring Directors’ performance and contribution to the Board.</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>	:	Departure																				
<b>Explanation on application of the practice</b>	:																					
<b>Explanation for departure</b>	:	<p>The Board currently has nine (9) members as set out in the table below:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Sultan Badlishah</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Peh Lian Hwa</td><td>Non-Independent Non-Executive Deputy Chairman</td></tr><tr><td>Tan Sze Chong</td><td>Executive Director</td></tr><tr><td>Heng Ling Jy</td><td>Executive Director, Operations</td></tr><tr><td>Koay Xing Boon</td><td>Executive Director</td></tr><tr><td>Tan Boon Wooi</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Steven Wong Chin Fung</td><td>Independent Non-Executive Director</td></tr><tr><td>Datuk Abd Hamid Bin Abu Bakar</td><td>Independent Non-Executive Director</td></tr><tr><td>Saifulrizam Bin Zainal</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The Board composition complies with Rule 15.02 of the ACE Market Listing Requirements of Bursa Securities which requires at least one-third (1/3) of the Board comprises Independent Directors. The Board currently has four (4) Independent Non-Executive Directors, which represents 44.44% of the Board members.</p> <p>The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remains objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.</p> <p>The Board and the NRC will continue to identify suitable candidates for appointment to the Board as Independent Directors based on merit, competence and contribution that each potential candidate can bring to further strengthen the Board.</p>	Name	Designation	YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Sultan Badlishah	Independent Non-Executive Chairman	Peh Lian Hwa	Non-Independent Non-Executive Deputy Chairman	Tan Sze Chong	Executive Director	Heng Ling Jy	Executive Director, Operations	Koay Xing Boon	Executive Director	Tan Boon Wooi	Non-Independent Non-Executive Director	Steven Wong Chin Fung	Independent Non-Executive Director	Datuk Abd Hamid Bin Abu Bakar	Independent Non-Executive Director	Saifulrizam Bin Zainal	Independent Non-Executive Director
Name	Designation																					
YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Sultan Badlishah	Independent Non-Executive Chairman																					
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*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 5.3

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>Mr. Steven Wong Chin Fung has served the Board as an Independent Non-Executive Director for a term of more than nine (9) years.</p> <p>Pursuant to the MCCG, the Board upon obtaining the recommendation of the NRC, will be seeking approval of the shareholders at the forthcoming AGM to retain Mr. Steven Wong Chin Fung as an Independent Non-Executive Director of the Company based on the following justifications:-</p> <ul style="list-style-type: none"><li>(a) he has declared and confirmed that he fulfilled the criteria under the definition of Independent Director as set out in Chapter 1 of the ACE Market Listing Requirements of Bursa Securities;</li><li>(b) he has vast experience in his industry which could provide the Board with a diverse set of experience, expertise and independent judgement;</li><li>(c) he has good knowledge of the Group's operations;</li><li>(d) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and</li><li>(e) he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his duties in the best interest of the Company and shareholders of the Company.</li></ul> <p>The Board believes that the Independent Director's continued contribution, especially his invaluable knowledge of the Group gained through the years, will provide stability and benefits to the Board and the Company as a whole. His calibre, qualification, experience and personal qualities, and more importantly, the Director's integrity and objectivity in discharging their responsibilities in the best interest of the Company predominantly determine the ability of the Director to serve effectively as Independent Director.</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.

*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.*

<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 Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board.</p> <p>In any appointment, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge have been considered to maintain a diversified Board and Senior Management team, which will help to grow and contribute to better governance within the Group.</p> <p>The NRC is responsible to lead the process for the nomination of new candidates for appointment and making the necessary recommendations to the Board. In this respect, the role of the NRC is detailed in its Terms of Reference, which is accessible on the Company's corporate website, <a href="http://www.technodex.com">www.technodex.com</a>.</p> <p>The Board had on 23 May 2022 adopted the Directors' Fit and proper Policy to ensure a transparent and rigorous process for the appointment and re-election of directors of the Group. This Policy is accessible on the Company's corporate website, <a href="http://www.technodex.com">www.technodex.com</a>.</p> <p>In making its recommendations to the Board, the NRC considers and assesses the suitability of a new appointment based on objective criteria, including:</p> <ul style="list-style-type: none"><li>• Character and integrity</li><li>• Experience and competence</li><li>• Time and commitment</li></ul>
<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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The primary responsibility of screening, evaluating and nominating new Board member(s) for the appointment is delegated to the NRC.</p> <p>The members of the Board are to be appointed in a formal and transparent practice as endorsed by the MCCG. The NRC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.</p> <p>In searching for suitable candidates, the NRC may receive suggestions from existing board members, management and/or major shareholders.</p> <p>The Board will consider referrals from external sources to identify suitably qualified candidates when the need arises in the future and will not solely rely on recommendations from existing Board members, Management and/or major shareholders.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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 performance of retiring Directors recommended for re-election at the 17<sup>th</sup> AGM has been assessed through the NRC annual evaluation (including the independence of the Independent Non-Executive Director) and recommended to the Board for approval.</p> <p>The profiles of the Directors who were due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, were set out in the Annual Report 2021 of the Company.</p> <p>Whilst for the retiring Directors for the forthcoming 18th AGM, a statement by the Board and NRC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming 18<sup>th</sup> AGM was stated in the notes accompanying the Notice of 18<sup>th</sup> AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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>	:	The NRC is chaired by an Independent Non-Executive Director, Datuk Abd Hamid Bin Abu Bakar.  The details/profile of the NRC Chairman is disclosed in the Annual Report 2022.	
<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 5.9

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>	:	<p>The Board comprises nine (9) Directors, out of whom one (1) is a female Director, representing 11.11% of the Board composition.</p> <p>The Board recognises that this diversity acts as a source for fresh perspectives which ultimately benefits the overall deliberations taking place in the boardroom. Although the Company has not reached the 30% women representation target at the Board level, the Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights.</p> <p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board.</p> <p>Women's representation on the Board and in senior management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Company's strategic objectives.</p> <p>The Board will take into consideration of more female Directors within the Board as a long-term goal to which incremental steps shall be taken to ensure it is adopted within the reasonable timeframe stipulated.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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>In line with the MCCG and in view of the gained attention of boardroom diversity as an important element of a well functioned organisation, the Board has established a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board level.</p> <p>The Board had on 24 May 2021 reviewed and updated the Gender Diversity Policy to improve its gender diversity at the Board and Senior Management level.</p> <p>The Board shall also accord due consideration to inculcate diversity policy in the boardroom and workplace which encapsulates not only gender but also age and ethnicity for a well-functioned organization. Presently, there is one (1) female Director out of nine (9) Directors.</p> <p>The Board is supportive of gender diversity in the Board composition and Senior Management as recommended by the MCCG and will endeavour to continuously identify and assess suitably qualified female candidates for nomination.</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>	: <p>The NRC assessed and evaluated the performance and effectiveness of the Board and Board Committees as a whole and the contribution of each individual Director.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were last reviewed and updated on 24 May 2021 to stay aligned with the best practices recommended under the MCCG. The areas covered in the aforesaid annual assessment criteria are as follows:-</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committees as a whole</td> <td> <ul style="list-style-type: none"> <li>• Role of the Chairman and Managing Director/Executive Director</li> <li>• Board balance, size and composition</li> <li>• Board structure and procedures</li> <li>• Relationship of the Board to Management</li> <li>• Quality and supply of information to the Board/Board's Committees</li> <li>• Access to information &amp; advice</li> <li>• Accountability for financial reporting, internal control and sustainability risk and opportunities</li> <li>• Relation with Auditors / Shareholders / Investors</li> <li>• Use of Board Committees</li> <li>• Directors' training</li> </ul> </td> </tr> <tr> <td>AC</td> <td> <ul style="list-style-type: none"> <li>• Composition and quality</li> <li>• Oversight of the financial reporting process, including internal controls</li> </ul> </td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> <li>• Role of the Chairman and Managing Director/Executive Director</li> <li>• Board balance, size and composition</li> <li>• Board structure and procedures</li> <li>• Relationship of the Board to Management</li> <li>• Quality and supply of information to the Board/Board's Committees</li> <li>• Access to information &amp; advice</li> <li>• Accountability for financial reporting, internal control and sustainability risk and opportunities</li> <li>• Relation with Auditors / Shareholders / Investors</li> <li>• Use of Board Committees</li> <li>• Directors' training</li> </ul>	AC	<ul style="list-style-type: none"> <li>• Composition and quality</li> <li>• Oversight of the financial reporting process, including internal controls</li> </ul>
Evaluation	Assessment Criteria						
Board and Board Committees as a whole	<ul style="list-style-type: none"> <li>• Role of the Chairman and Managing Director/Executive Director</li> <li>• Board balance, size and composition</li> <li>• Board structure and procedures</li> <li>• Relationship of the Board to Management</li> <li>• Quality and supply of information to the Board/Board's Committees</li> <li>• Access to information &amp; advice</li> <li>• Accountability for financial reporting, internal control and sustainability risk and opportunities</li> <li>• Relation with Auditors / Shareholders / Investors</li> <li>• Use of Board Committees</li> <li>• Directors' training</li> </ul>						
AC	<ul style="list-style-type: none"> <li>• Composition and quality</li> <li>• Oversight of the financial reporting process, including internal controls</li> </ul>						

	<ul style="list-style-type: none"> <li>• Understanding the business, including risk and control environment</li> <li>• Access to information &amp; advice</li> <li>• Oversight of audit functions</li> <li>• Compliance with corporate governance</li> <li>• External Auditors</li> <li>• Staying abreast on issues</li> <li>• Report and recommendations</li> </ul>
Executive Directors	<ul style="list-style-type: none"> <li>• Financial</li> <li>• Strategic and sustainability</li> <li>• Product development</li> <li>• Conformance &amp; compliance</li> <li>• Stakeholders' relations</li> <li>• Employees training and development</li> <li>• Succession planning</li> <li>• Personal input to the role</li> </ul>
Non-Executive Director/ Chairman	<ul style="list-style-type: none"> <li>• Attendance at Board and Board Committees' meetings</li> <li>• Adequate preparation for Board and/or Board Committees' meetings/Key responsibilities of the Chairman</li> <li>• Regular contribution to Board/Board Committee meetings</li> <li>• Personal input to the role</li> </ul>
<p>The evaluations undertaken by the NRC during the FYE 2022 are as summarised below:</p> <p>(a) Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he could devote sufficient time to the role.</p> <p>(b) Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.</p> <p>(c) Reviewed and assessed the independence of the Independent Directors of the Company.</p> <p>(d) Reviewed and assessed the performance of AC.</p> <p>(e) Assessed and recommended the re-election of Directors who were due to retire at the AGM pursuant to the Company's Constitution, to the Board for recommendation to the shareholders for approval.</p> <p>(f) Reviewed and evaluated the independence of the Independent Director who has served the Board for a cumulative term of more than nine (9) years pursuant to the MCGG.</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 7.1

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 had through NRC, established a formal and transparent Remuneration Policy as a guide for the Board and the NRC to determine the remuneration of Directors and/or Senior Management of the Company, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.</p> <p>The Remuneration Policy is available at the Company's corporate website at <a href="http://www.technodex.com">www.technodex.com</a>.</p> <p>The Board will determine the level of remuneration of Board Members, taking into consideration the recommendations of the NRC for Executive Directors. The remuneration of the Executive Directors is rewarded on performance based.</p> <p>Non-Executive Directors of the Company will be paid a basic fee as ordinary remuneration based on their responsibilities in Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</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 NRC comprises the following members, all being Independent Non-Executive Directors: -</p> <ul style="list-style-type: none"><li>• Datuk Abd Hamid Bin Abu Bakar, Chairman</li><li>• Steven Wong Chin Fung, Member</li><li>• Saifulrizam Bin Zainal, Member</li></ul> <p>The NRC is principally responsible for assessing and reviewing the Remuneration Policy for the Directors of the Company. The NRC also seeks to ensure that the remuneration packages are commensurate with the expected responsibility and contribution by the Directors and subsequently recommend to the Board for adoption.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p> <p>The Terms of Reference of the NRC is published on the Company's corporate website, <a href="http://www.technodex.com">www.technodex.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 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>	:	The detailed disclosure on a named basis for the remuneration of individual Directors for the FYE 2022 is set out below and also in the Corporate Governance Overview Statement of the Annual Report 2022.



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	YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Sultan Badlishah	Independent Director Independent Director	120,000	-	-	-	-	-	120,000	120,000	-	-	-	-	-	120,000
2	Peh Lian Hwa	Non-Executive Non-Independent Director Non-Executive Non-Independent Director	120,000	-	-	-	-	-	120,000	120,000	-	-	-	-	-	120,000
3	Tan Sze Chong	Executive Director Executive Director	-	-	240,000	-	-	-	240,000	-	-	240,000	-	-	-	240,000
4	Heng Ling Jy	Executive Director Executive Director	-	-	240,000	-	-	-	240,000	-	-	240,000	-	-	-	240,000
5	Koay Xing Boon (Appointed on 8 July 2022)	Executive Director Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Tan Boon Wooli	Non-Executive Non-Independent Director Non-Executive Non-Independent Director	30,000	-	-	-	-	-	30,000	30,000	-	-	-	-	-	30,000
7	Steven Wong Chin Fung	Independent Director Independent Director	30,000	-	-	-	-	-	30,000	30,000	-	-	-	-	-	30,000
8	Datuk Abd Hamid Bin Abu Bakar	Independent Director Independent Director	30,000	-	-	-	-	-	30,000	30,000	-	-	-	-	-	30,000

9	Saifulrizam Bin Zainal	Independent Director Independent Director	30,000	-	-	-	-	-	30,000	30,000	-	-	-	-	-	30,000
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	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

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>Due to the confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board views that the disclosure of the remuneration of Senior Management would not be in the best interest of the Company given the competitive human resources environment and may give rise to recruitment and talent retention issues.</p> <p>The remuneration of the Key Senior Management commensurate with their duties, responsibilities, experience, performance and contribution in order to retain and motivate them to contribute positively to the performance 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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

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>	:	

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>	:	Chairman of the AC - En. Saifulrizam Bin Zainal, Independent Non-Executive Director  Chairman of the Board - YTM Dato’ Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah, Independent Non-Executive Chairman  The positions of Board Chairman and AC Chairman are assumed by different individuals which allows the Board and AC to objectively review their findings and recommendations. This is also to ensure that the Board’s review of the AC’s findings and recommendations are not impaired.	
<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 Terms of Reference of the AC was updated on 24 May 2021 which requires a former partner of the external audit firm of the Company to observe a cooling-off period of at least (3) years before being appointed as a member of the AC.</p> <p>No former key audit partners of the present auditors have been appointed to the Board.</p> <p>The Terms of Reference of the AC is available on the Company's corporate website at <a href="http://www.technodex.com">www.technodex.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 Board has established the External Auditors Assessment Policy ("EA Assessment Policy") together with an annual assessment form. The EA Assessment Policy is to outline the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.</p> <p>The External auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The AC had obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The AC had carried out an annual performance assessment of the External Auditors and may request the Executive Directors and/or Group Financial Controller to join the assessment.</p> <p>The annual evaluation form provides a checklist for the AC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is 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 comprises three (3) members all of them being Independent Non-Executive Directors as detailed below:</p> <ul style="list-style-type: none"><li>(a) En. Saifulrizam Bin Zainal (Chairman, Independent Non-Executive Director)</li><li>(b) Mr. Steven Wong Chin Fung (Member, Independent Non-Executive Director)</li><li>(c) Datuk Abd Hamid Bin Abu Bakar (Member, Independent Non-Executive Director)</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>	:	All members of the AC have the necessary skills to discharge their duties and are able to understand matters under the purview of the AC. The profiles of the AC members are provided in the Annual Report 2022.  All the AC members had kept themselves abreast of relevant development in accounting and auditing standards, practices ad rules.  During the AC Meetings, the members were briefed by the External Auditors, CAS Malaysia PLT on the development or changes in applicable Malaysian Financial Reporting Standards, International Financing Reporting Standards and relevant accounting requirements under the Companies Act 2016.
<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 acknowledges its overall responsibility of maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness. The Board has delegated the responsibility for reviewing the adequacy and effectiveness of the risk management and internal control systems to the AC.</p> <p>The information on risk management and internal control is set out in the Statement on Risk Management and Internal Control in the Annual Report 2022.</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>The Board acknowledges its responsibility for reviewing the adequacy and integrity of the Group’s risk management and internal control systems; identifying the principal risks in the Group; and establishing an appropriate control environment and framework to manage risks.</p> <p>Key elements of the Group’s risk management and internal control systems have been established to facilitate the proper conduct of the Group’s businesses.</p> <p>The Board is committed to maintain a strong control structure to facilitate the achievement of the Group’s business objectives. Internal controls have been designed to provide reasonable assurance that the likelihood of significant adverse impact on business objectives arising from an event is at an acceptable level to the Group. It is also designed to manage and control risks appropriately, rather than eliminate the risk of failure to achieve business objectives. Due to the inherent limitations in all control systems, these control systems can only provide reasonable and not absolute assurance.</p> <p>The information on risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 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>	:	Not Adopted
<b>Explanation on adoption of the practice</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 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is outsourced to an independent professional consulting firm to carry out internal audit services for the Group.</p> <p>The Internal Auditors (“IA”) are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.</p> <p>To ensure that the responsibilities of IA are fully discharged, the AC had evaluated the performance of the Internal Auditors for the FYE 2022. The AC concluded its assessment that the IA has sufficient experience and resources to satisfy their terms of reference and adequately deliver quality services to the Company and its subsidiaries.</p> <p>The results of the audits as disclosed in the Internal Audit Reports together with Management’s response and proposed action plans were reviewed by the AC. The relevant Management members were made responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframes.</p> <p>The IA provides assurance to the AC that no material issue or major deficiency has been noted which would pose a high risk to the overall system of internal control under review.</p> <p>The details of the internal audit function and activities are set out in the AC Statement in the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies 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 internal audit function of the Group is outsourced to an independent service provider, namely Vaersa Advisory Sdn. Bhd.</p> <p>Mr. Quincy Gan Hoong Huat, the Executive Director of Vaersa Advisory Sdn. Bhd., is responsible for the internal audit of the Group.</p> <p>The internal audit assignment is led by Mr. Quincy Gan Hoong Huat. The internal audit review is staffed by 6 internal audit personnel including a Senior individual. The Internal Auditors team is free from any relationships with the Company or conflicts of interest. This will ensure that the internal audit function does not impair their objectivity and independence.</p> <p>The internal audit function has adopted the International Professional Practices Framework set by the Institute of Internal Auditors and ensures that staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.</p> <p>The AC was satisfied with the competency, experience and resources of the internal audit function for discharging its role and responsibilities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 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 is committed to providing effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements. Shareholders will receive regular communication from the Company through the release of announcements, quarterly reports, annual reports, and circulars to Bursa Securities.</p> <p>The Board has formalised and adopted a Corporate Disclosure Policy to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group's matters to regulators, shareholders and stakeholders.</p> <p>The Company's corporate website at <a href="http://www.technodex.com">www.technodex.com</a> serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news, events, and announcements to Bursa Securities relating to the Group.</p> <p>The Board has also created an investor relation section on the Company's corporate website at <a href="http://www.technodex.com">www.technodex.com</a> for information on corporate, financial, corporate governance and stock prices, which is accessible to the public.</p> <p>Besides, the AGM remains as a principal forum used by the Group for communication with its shareholders. The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within, and the future direction of the Group.</p> <p>Shareholders are encouraged to actively participate in the question-and-answer session. The Board, Senior Management and the External Auditors will be present to answer and provide appropriate clarifications at the AGM.</p>

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

**Intended Outcome**

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

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

**Practice 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>The notice of AGM is given to shareholders at least 28 days before the date of the AGM to allow shareholders to have sufficient time to read through the Annual Report 2022 and make the necessary attendance and voting arrangements.</p> <p>The Notice for the 18<sup>th</sup> AGM of the Company which is scheduled to be held on 9 December 2022 was sent to the shareholders on 31 October 2022, which is more than 28 days before the date of the 18<sup>th</sup> AGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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>All Directors attended the 17<sup>th</sup> AGM held on 15 December 2021 to provide a response to questions posed by shareholders.</p> <p>During the proceedings of the 17<sup>th</sup> AGM, the Chairman invited shareholders to raise questions pertaining to the Company's audited financial statements and all the other agendas tabled for approval at the meeting. All questions raised by the shareholders were answered and addressed accordingly.</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>The Company’s 18<sup>th</sup> AGM held on 15 December 2021 was held on a fully virtual basis and entirely via remote participation and electronic voting.</p> <p>Moreover, the forthcoming 18<sup>th</sup> AGM scheduled to be held on 9 December 2022 will also be held on a fully virtual basis and entirely via remote participation and electronic voting.</p> <p><u>Remote shareholders’ participation in General Meetings</u> Shareholders can attend, participate, speak (including posing questions to the Company/Board of Directors) and vote remotely at the AGM without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company’s share registrar in hard copy or by electronic means.</p> <p><u>Voting in absentia</u> For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with a pre-determined proxy form.</p> <p>Shareholders will be allowed to cast their vote via an online platform from the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

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>The Chairman ensures that the general meetings cater to an important opportunity for effective communication with, and constructive feedback from the shareholders.</p> <p>Shareholders were encouraged to submit their questions before the 17<sup>th</sup> AGM or post the questions using the query box facility during the 17<sup>th</sup> AGM. In addition, upon commencement of the 17<sup>th</sup> AGM, the Chairman duly advised the shareholders that they were allowed and encouraged to submit their questions or queries throughout the 17<sup>th</sup> AGM.</p> <p>The Company facilitates and encourages shareholder participation at its 17<sup>th</sup> AGM. These meetings provide an update for shareholders on their performance and offer an opportunity for shareholders to ask questions and vote. The Executive Directors read out and answered the relevant questions received.</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>The Board has engaged the Company's Share Registrar, Boardroom Share Registrar Sdn. Bhd. ("Boardroom") for Registration and Electronic Poling Services for the 17<sup>th</sup> AGM held on 15 December 2021.</p> <p>The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Notes of the 17<sup>th</sup> AGM sent through email and by ordinary post and the same was also published on the Company's corporate website.</p> <p>Boardroom has in place a meeting platform that allows shareholders to participate online, using a smartphone, tablet or computer as well as view a live webcast of the meeting. Real time submission of typed texts is also available to encourage interactive participation from the shareholders.</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 13.6**

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> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	The minutes of the 17 <sup>th</sup> AGM were not circulated to the shareholders, however, the Summary of Key Matters Discussed at the 17 <sup>th</sup> AGM was published on the Company's corporate website at <a href="http://www.technodex.com">www.technodex.com</a>
<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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