

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 4758  
**COMPANY NAME** : ANCOM NYLEX BERHAD  
**FINANCIAL YEAR** : May 31, 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 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 ("Board") leads and determines the strategic direction and oversees the overall management of Ancom Nylex Berhad ("Company") and its subsidiaries ("Group"). The Board provides clear and effective entrepreneurial leadership to the management team, monitors their performance, and ensures the establishment of achievable strategic plans and objectives. The Board is also responsible for setting corporate values and promoting a culture of good corporate governance within the Group that emphasises ethical, prudent, and professional behaviour, while also ensuring the fulfilment of its obligations to shareholders and other stakeholders. In addition, the Board ensures that the management team has access to adequate resources for implementing the necessary processes to assess and manage risks effectively, while maintaining robust internal controls to achieve their objectives.</p> <p>The Board is supported by the following Board Committees with delegated specific responsibilities:</p> <ul style="list-style-type: none"><li>• Audit Committee ("AC")</li><li>• Risk Management Committee ("RMC") (established on 26 April 2023)</li><li>• Remuneration &amp; Nomination Committee (R&amp;NC")</li></ul> <p>The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them in accordance with their respective Terms of Reference ("TOR"). Each Board Committee operates its functions within its respective TOR as approved by the Board. The Chairman or Chairwoman of the respective Board Committees reports to the Board on matters deliberated and recommendations made by the respective Board Committees.</p> <p>The Board has a Board Charter in place that sets out the strategic intent of the Board and outlines its roles and responsibilities. The Board Charter clearly sets out the primary roles and responsibilities of the Board in fulfilling its overall obligations regarding the Group's strategic</p>

	<p>direction, business and financial performance, risk management, internal control and management, information systems, and investor relations, as follows:</p> <ul style="list-style-type: none"> <li>▪ Formulate and chart the strategic direction of the Group including both its short and long-term plans and objectives;</li> <li>▪ Oversee sustainability governance and ensure sustainability is embedded into the Group’s strategic direction and its daily operations;</li> <li>▪ Review and approve the Group’s key operational policies and initiatives and major investments in new business/projects and funding decisions of the Group;</li> <li>▪ Oversee and review the Group’s business operations and financial performances;</li> <li>▪ Ensure the Group’s strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;</li> <li>▪ Oversee the development, implementation and review of the succession plan for Directors and key senior management;</li> <li>▪ Understand the principal risks of the Group’s business;</li> <li>▪ Oversee the development, implementation and reviewing/monitoring of the risk management framework and the adequacy and integrity of the Group’s internal control system and management information system to ensure compliance with the relevant laws, rules, regulations, directives, guidelines and the business objectives of the Group;</li> <li>▪ Ensure the Company has in place procedures to enable effective communication with stakeholders;</li> <li>▪ Ensure the integrity of the Company’s financial and non-financial reporting; and</li> <li>▪ Formulate and promote ethical standards and good governance within the Group that reinforces ethical, prudent and professional behaviour.</li> </ul> <p>The Board Charter was last reviewed on 15 September 2023. The Board Charter is subject to review as and when necessary and is accessible from the Company’s website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a>.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

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>Dato' Siew Ka Wei is the Executive Chairman ("EC") of the Company and has been appointed since 2 January 2018. In addition to his executive role, the EC is primarily responsible for instilling leadership and ensuring the Board's effectiveness and conduct in discharging its responsibilities. Other key responsibilities of the EC include:</p> <ul style="list-style-type: none"> <li>▪ Providing leadership for the Board so that the Board can perform its responsibilities effectively;</li> <li>▪ Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;</li> <li>▪ Leading Board meetings and discussions;</li> <li>▪ Encouraging active participation and allowing dissenting views to be freely expressed at Board meetings;</li> <li>▪ Managing the interface between Board and Management;</li> <li>▪ Ensuring appropriate steps are taken to provide effective communication with stakeholders including the shareholders and that their views are communicated to the Board as a whole; and</li> <li>▪ Leading the Board in establishing and monitoring good corporate governance practices in the Company.</li> </ul> <p>In discharging his role, the EC also works with key senior management, manages the Board, and promotes effective relations with shareholders, other stakeholders and the public.</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 1.3

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 Company has a Managing Director (“MD”)/Group Chief Executive Officer (“GCEO”). The positions of EC and MD/GCEO are held by different individuals with their roles clearly defined in the Board Charter.</p> <p>The EC is Dato’ Siew Ka Wei, whilst the MD/GCEO is Lee Chuen Wei.</p> <p>There is a clear division of responsibilities between the EC and the MD/GCEO to ensure a proper balance of power and authority, insofar as no one individual has unfettered powers of decision-making.</p> <p>In addition to his executive role in managing the affairs of the Group, the EC is also responsible for ensuring the orderly conduct and effectiveness of the Board. He also plays a crucial role in facilitating constructive deliberation on matters at hand, thus aiding the Board in its collective oversight of management.</p> <p>The MD/GCEO assists the EC in assuming the leadership of the Group's management and holds overall responsibility for the operating units, as well as the implementation of the Board’s approved policies and strategies for running the business and managing the Group on a day-to-day basis.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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> :	<p>The EC is not a member of any Board Committees (AC, RMC and R&amp;NC).</p> <p>However, the EC is invited to attend all Board Committee meetings in his capacity as an Executive Director to provide explanations and to answer queries from the Committees on the affairs and management decisions of the Group.</p> <p>He is not involved in any decision making of the Board Committees and has no role in influencing the decision making of the Board Committees. Decisions are made through discussion amongst the respective Board Committee members acting 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> :	
<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 1.5

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 supported by two Company Secretaries who have the requisite credentials and are qualified Chartered Secretaries under Section 235(2) of the Companies Act 2016. They are members of the Malaysian Institute of Accountants (“MIA”) and the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) respectively.</p> <p>The Company Secretaries advise the Board on corporate governance matters, corporate disclosures and ensure adherence to the relevant statutory and regulatory requirements. The Company Secretaries also provide the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company’s Constitution, Board’s policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislation.</p> <p>The roles and responsibilities of the Company Secretaries include, but are not limited to, the following:</p> <ul style="list-style-type: none"><li>▪ complying with the statutory requirements of the Companies Act 2016, the Main Market Listing Requirements of Bursa Securities Malaysia Berhad, the Capital Market Services Act 2007, and such other relevant legislations within their agreed scope of responsibilities;</li><li>▪ preparing for meetings of the Board, the Board Committees and shareholders and advise on matters relating to company secretarial matters relating thereto as and when required; and</li><li>▪ updating and maintaining all statutory registers and books and maintaining record keeping of all important company documents such as the certificate of incorporation, share certificates, meeting minutes, constitutions, etc.</li></ul> <p>All Directors have access to the advice and services of the Company Secretaries. The Company Secretaries also work closely with the EC and the MD/GCEO to ensure timely and appropriate information flow within the Board and to the Board Committees and Management. They are also the focal point for stakeholder communication.</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>In consultation with the EC and the Chairman/ Chairwoman of the respective Board Committees, the Company Secretaries will prepare the agenda and the relevant meeting papers for the Board's and the respective Board Committee's meetings.</p> <p>To ensure the Directors are provided with sufficient information and time to prepare for Board/Board Committee meetings, the Company Secretaries will endeavour to circulate the meeting materials at least seven (7) days in advance of the Board/Committee meetings working within the time-constraint in preparing those material, otherwise the papers will be presented during the meetings when adequate time will be allowed for the directors to seek explanation and clarifications.</p> <p>Prior to the scheduled meetings, the Directors are provided with a structured agenda together with management reports and Board papers prior to the meeting. The Board papers contain relevant information required to enable the Directors to discharge their duties effectively. In order for meetings to be effective, the meeting agenda is organised by taking into consideration the complexities of the proposals or matters for deliberation. An indication will be provided to guide the Board/Board Committees as to whether the matters are for approval, discussion or notation so that the meetings are conducted efficiently.</p> <p>The Company Secretaries also attend these meetings and take minutes that accurately reflect the deliberations and decisions of the Board/ Board Committees. This includes recording any instances where Directors are abstained from voting or deliberating on a particular matter or when the Directors decide to vote against and the reasons for such abstentions and the dissenting views for voting against.</p> <p>The Company Secretaries normally strive to prepare the minutes within thirty (30) days after the Board/Board Committee meetings for the Board and Committee's review and comment.</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

There is 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 a Board Charter in place that sets out the strategic intent of the Board and outlines its roles and responsibilities. The Board Charter clearly sets out the primary roles and responsibilities of the Board in fulfilling its overall obligations regarding the Group's strategic direction, business and financial performance, risk management, internal control and management, information systems, and investor relations, as follows:</p> <ul style="list-style-type: none"><li>▪ Formulate and chart the strategic direction of the Group including both its short and long-term plans and objectives;</li><li>▪ Oversee sustainability governance and ensure sustainability is embedded into the Group's strategic direction and its daily operations;</li><li>▪ Review and approve the Group's key operational policies and initiatives and major investments in new business/projects and funding decisions of the Group;</li><li>▪ Oversee and review the Group's business operations and financial performances;</li><li>▪ Ensure the Group's strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;</li><li>▪ Oversee the development, implementation and review of the succession plan for Directors and key senior management;</li><li>▪ Understand the principal risks of the Group's business;</li><li>▪ Oversee the development, implementation and reviewing/monitoring of the risk management framework and the adequacy and integrity of the Group's internal control system and management information system to ensure compliance with the relevant laws, rules, regulations, directives, guidelines and the business objectives of the Group;</li><li>▪ Ensure the Company has in place procedures to enable effective communication with stakeholders;</li><li>▪ Ensure the integrity of the Company's financial and non-financial reporting; and</li></ul>

	<ul style="list-style-type: none"> <li>▪ Formulate and promote ethical standards and good governance within the Group that reinforces ethical, prudent and professional behaviour.</li> </ul> <p>The Board Charter was last reviewed on 15 September 2023. The Board Charter is subject to review as and when necessary and is accessible from the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.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

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, in discharging its oversight role, conducts its business according to its Code of Conduct and Ethics. All Directors of the Group are required to maintain the highest degree of integrity and professionalism while promoting transparency and accountability in their actions.</p> <p>The Code of Conduct and Ethics aims to enhance the standard of corporate governance and corporate behaviour with the aim of achieving the following objectives:</p> <ul style="list-style-type: none"> <li>▪ to establish a standard of conduct and ethical behaviour for Directors based on trustworthiness and values that can be accepted and upheld by the Directors;</li> <li>▪ to uphold the spirit of responsibility in line with legislation, regulations and guidelines on administering a company; and</li> <li>▪ to manage conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.</li> </ul> <p>The Code of Conduct and Ethics is updated from time to time to reflect changes to the Board's practices and amendments to the relevant rules, requirements and regulations.</p> <p>The Code of Conduct and Ethics was last reviewed by the Board on 15 September 2023 and is available on the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.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

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 established a Whistle-Blowing Policy that provides a mechanism and avenue for employees and any external party to report any breach or suspected breach of any laws or regulations or to raise concerns on any improper conducts or misconducts, in a safe and confidential manner.</p> <p>The Whistle-Blowing Policy sets out the type of “improper conducts” so that the Board, management, employees and other stakeholders are clear as to what constitute improper conducts /misconducts.</p> <p>The Board has the overall responsibility for overseeing the implementation of the Whistle-Blowing Policy, and all whistle-blowing reports are addressed to the Head of Integrity Unit and the Chairman of the AC, via email or ordinary post.</p> <p>Any reports received will be investigated as per the processes stipulated in the Whistle-Blowing Policy and the AC and the Board will be notified of the outcome of the investigations.</p> <p>The Whistle-Blowing Policy is updated from time to time to reflect changes and amendments to the relevant rules, requirements and regulations.</p> <p>The Whistle-Blowing Policy was last reviewed by the Board on 15 September 2023 and is available on the Company’s website at <a href="http://www.ancomnylex.com">www.ancomnylex.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>	:		
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### Intended Outcome

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

### Practice 4.1

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 has an overall responsibility on the Company's sustainability initiatives.</p> <p>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.</p> <p>The Board has delegated the authority for managing sustainability efforts, encompassing economic, environmental, and social sustainability issues, to the EC and the MD/GCEO. They are responsible for driving the Group's comprehensive sustainability process, which aims to identify, assess, manage, and report on the Group's significant sustainability matters. This delegation ensures the effective execution of the Group's sustainability process, including enhancing strategic decision-making, coordinating and implementing sustainability action plans, and ensuring accountability for both business and sustainability outcomes.</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>	:	<p>The Company is committed to collaborating closely with all stakeholders as it embarks on its journey toward sustainable growth. Additionally, the Company is dedicated to ensuring effective communication with its shareholders and other stakeholders regarding the Company's sustainability strategies, priorities, and targets.</p> <p>Stakeholders are defined as entities or individuals significantly affected by the Group's activities, products, and services, and whose actions can influence the Group's ability to successfully implement its strategies and achieve its objectives.</p> <p>Throughout the year, as part of its business operations, the Company engaged with a diverse range of stakeholders. The methods of engagement varied depending on the specific stakeholders involved. This included face-to-face meetings with government regulators, customers, suppliers, and bankers, as well as email communication and written letters to interested members of the public and employees. Additionally, the Company conducted briefing sessions with analysts and held meetings with shareholders during general meetings.</p> <p>For a comprehensive overview of the Company's ongoing sustainability strategies, priorities, targets, material sustainability matters, and its performance against these targets during the financial year, please refer to the Sustainability Statement in the Company's Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The 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>	:	<p>The Board consistently stays informed and up-to-date with the latest sustainability agendas relevant to the Group and its business.</p> <p>Given the growing interest from regulators and stakeholders in sustainability matters, particularly those related to climate-related risks, the Board remains committed to engaging with stakeholders to explore further enhancements in conducting its business in a more sustainable manner.</p> <p>The Board is also mindful of the importance of staying current with external trends in sustainability practices. To achieve this, the Board has engaged with external consultants that provide training to both the Board and senior management of the Group. These training sessions are aimed at bolstering the Group’s sustainability efforts and initiatives.</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 4.4**

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The performance evaluation of the Board in the financial year does not include the Board’s performance in addressing the Company’s material sustainability risks and opportunities.	
<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 takes heed on performance evaluations of the Board and the key senior management team in addressing sustainability risks and opportunities and will include this as one of the criteria in the coming years.	
<b>Timeframe</b>	:	Within 2 years	

**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 appointment of a new Director is a matter for consideration and decision by the Board, upon recommendation from the R&amp;NC. The Board reviews its composition and evaluate the need to bring new skills and perspectives to the boardroom periodically.</p> <p>In assessing the suitability of candidates and making its recommendation, the R&amp;NC considers the character, competence, experience, integrity, time commitment, expected contribution and performance of the candidates, as well as diversity factors including ethnicity and age distribution of the Directors, to maintain a balanced Board composition. The composition of the Board is guided by the Diversity Policy adopted by the Company.</p> <p>The fit and proper assessment on any person identified to be appointed as a Director shall be conducted prior to the appointment. The Board and the R&amp;NC, in conducting the fit and proper assessment, shall be guided by the Directors' Fit and Proper Policy adopted by the Company.</p> <p>New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the Company's meetings or matters before accepting his/her appointment to the Board. Directors who are due for annual re-election are subject to the Board being satisfied with the performance, contribution, and independence of the Director (through the annual evaluation of the individual Directors) and conduct the fit and proper assessment prior to making recommendation for re-election of the retiring Director.</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

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 has eight (8) members, comprising one (1) EC, one (1) MD/GCEO, one (1) Non-Independent Non-Executive Director, five (5) Independent Non-Executive Directors.</p> <p>The composition of the Board complies with the Main Market Listing Requirements of Bursa Securities Malaysia Berhad (“Bursa Securities”), which requires at least one-third of the Board comprising Independent Non-executive Directors. It also complies with Practice 5.2 of the Malaysian Code on Corporate Governance 2021 (“MCCG”) to have at least half of the Board comprising independent directors.</p> <p>The presence of a significantly higher proportion of Independent Non-Executive Directors on the Board provides for an effective check and balance on the functions of the Board and is an assurance of sound decision-making process for the wellbeing of the Group. The Independent Non-Executive Directors do not engage in the day-to-day management of the Company and do not participate in any business dealings or form any other relationship with the Company. This enables them to exercise independent judgement in discharging their duties and responsibilities to the best interests 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**

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>	:	At the forthcoming annual general meeting, none of the Independent Directors has tenure exceeding a cumulative term of nine (9) years.	
<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 evaluation of candidates to fill Board vacancies is conducted with consideration of various factors, including their skills, knowledge, competency, experience, time commitment, character, professionalism, and integrity. During the evaluation process, the R&amp;NC adheres strictly to the principle of meritocracy. There are no specific targets set for or discrimination against any age group, cultural background, or gender criteria. However, these attributes are taken into consideration as part of the decision-making process.</p> <p>The Board recognises that diversity in skills and experience is essential for effective governance and enhancing the quality of Board deliberations. The Board comprises highly qualified individuals with diverse backgrounds, experiences, and perspectives, all of whom have shown a strong commitment to the Company through their regular attendance at meetings and active participation in deliberations. The Board's composition is guided by the Diversity Policy adopted by the Company and size of the Board is appropriate to facilitate the making of well-informed and critical decisions</p> <p>The Executive Directors are complemented by their experience and independent views of the Independent Non-Executive Directors who are professionals in the fields of finance, legal, administration and strategic management. The Board members possess a fair range of business, finance, accounting, administration and legal experience. The mix of skills and experience are vital in directing and supervising the Group's overall business activities in light of the increasing challenging economic and operating environment in which the Group operates.</p> <p>No person is appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person whose character and conduct is suspected or becomes an active politician. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party.</p>

	The Board does not involve itself in the appointment of Senior Management. The appointment of Senior Management is the responsibilities of the EC and MD/GCEO.	
<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 5.6

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 R&amp;NC is responsible for identifying and selection of the potential candidates as Directors through various channels such as professional bodies in addition to considering candidates proposed by the Directors, management and shareholders.</p> <p>The following Directors were appointed to the Board during the financial year:</p> <p>i) Tan Sri Dato' Sri Mohamad Fuzi Bin Harun (appointed on 19 September 2022); and</p> <p>ii) Christina Foo (appointed on 19 September 2022).</p> <p>The above appointments were made to fill positions left vacant by the resignations of long-serving Independent Directors.</p> <p>Both Independent Directors appointed during the financial year were nominated for appointment by the EC through recommendations by his contacts and associates. The R&amp;NC concurred with the nomination and the Board has subsequently approved the appointment upon the recommendation of the R&amp;NC.</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 and the R&amp;NC have evaluated the performance and contribution of the retiring Directors who are seeking for re-election at the coming Annual General Meeting (“AGM”) before tabling the resolution to re-elect the Directors for shareholders’ approval at the AGM. The profile of the Directors seeking for re-election, as well as information of any interest, position or relationship that might influence their ability to act in the best interest of the Company as a whole, if any, is provide in the Explanatory Notes to the Notice of Annual General Meeting, to aid the decision of the shareholders whether or not to vote for the re-election of the retiring Directors.</p> <p>The performance of retiring Directors is assessed by the R&amp;NC and the Board before recommendation is made to the shareholders for consideration. For Independent Directors, the R&amp;NC assesses their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Company as a whole. The Board will also provide a statement as to whether it supports the re-election of the retiring Directors in the Explanatory Notes with reasons.</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 Chairman of the R&NC of the Company is Datuk Dr Abd Hapiz Bin Abdullah. He was appointed on 19 September 2022 and is an Independent Non-Executive Director.	
<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>	:	The Board currently has eight (8) members, including one (1) female director, Christina Foo, an Independent Non-Executive Director, who was appointed on 19 September 2022.	
<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 take active steps to increase the percentage of women directors on the Board in the near future.	
<b>Timeframe</b>	:	Within 2 years	



### 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 has taken note of the recommendation in the MCCG pertaining to the establishment of a policy on boardroom diversity including gender diversity.</p> <p>During the financial year, the Board has appointed a female director, Christina Foo, on 19 September 2022.</p> <p>The Board is supportive of gender diversity in the boardroom as recommended by the MCCG to promote the representation of women on the Board. Selection of female candidates is, in part, dependent on the pool of women candidates with the necessary skills, knowledge and experience relevant to the Group's main businesses. The ultimate decision to appoint female candidates will be based on merit and contribution that the chosen candidates will bring to the Board. Where suitable candidates are found in future, the Board will increase representation from female members.</p> <p>In selecting its Directors, the Group follows a policy of impartiality, refraining from any form of discrimination, whether it pertains to age, gender, ethnicity, or religion. This commitment is outlined in the Diversity Policy, accessible on the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a>. The Diversity Policy was last reviewed by the Board on 15 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

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 R&amp;NC conducts an assessment of the overall Board's effectiveness on an annual basis. During the financial year, an assessment was carried out on all Board members in accordance with the assessment criteria as set out in the Director's Fit and Proper Policy. The Fit and Proper Assessment is guided by the Directors' Fit and Proper Policy, which is available on the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a>, adopted by the Board since 29 June 2022.</p> <p>Newly appointed Directors and existing Directors seeking for re-election at an annual general meeting are required to complete a Fit and Proper Declaration. All Independent Non-Executive Directors had, during the Fit and Proper Assessment, declared their conflict of interest (if any) and affirmed their independence and ability to act in an independent and objective manner. Each Independent Non-Executive Director also has an ongoing obligation to inform the Board of any circumstances which could impair his or her independence. Such declarations are verified against independent sources.</p> <p>For FY2023, the Board is satisfied that all newly appointed and existing Directors who are seeking for re-election at the forthcoming AGM have met the required standards of fitness and propriety.</p> <p>In FY2023, the R&amp;NC has also conducted a Board Effectiveness Evaluation ("BEE") internally with the objective of assessing whether the Board, Board Committees, and individual Directors have effectively performed its/their roles and fulfilled its/their responsibilities, and devoted sufficient time commitment to the Company's affairs; and to recommend areas for improvement. The BEE was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms. In evaluating the effectiveness of the Board, several areas were reviewed including the composition, mix of expertise, experience and skills, quality of information and decision</p>

	<p>making, and boardroom activities. Board Committees were assessed on their composition, expertise, and whether their functions and responsibilities were effectively discharged in accordance with their respective TOR. As part of the BEE, the R&amp;NC assessed the Director’s qualifications, skills, knowledge, expertise and experience, time availability, professionalism and integrity. For Independent Non-Executive Directors, the ability to discharge such responsibilities and functions as expected of them was also assessed.</p> <p>Under the Individual Directors Peer Evaluation, individual Directors were assessed by fellow Directors on the Directors’ skills and understanding of: strategy and entrepreneurship; legal and regulatory requirements; corporate governance, risk management and internal control; audit, accounting, financial reporting and taxation; human capital; sales and marketing; strategy and planning; government relations; marketing and communication; and information technologies and digital skills.</p> <p>The R&amp;NC is satisfied with the results of the assessment and is of the opinion that the current size and composition of the Board is appropriate and well-balanced. Members of the Board comprise individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its responsibility effectively.</p> <p>The R&amp;NC did not engage an independent consultant for the annual assessment as recommended by Practice 6.1 of the MCCG. However, it has taken note that an independent expert or party would lend greater objectivity to the assessment by providing an unbiased perspective on a Director’s performance and his ability to contribute effectively to the Board.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

## 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 R&amp;NC is responsible for recommending the remuneration of the Non-Executive Directors, including Directors' fees and benefits as per the Board's Remuneration Policy. The Remuneration Policy sets out the remuneration principles and guidelines for the Board and the R&amp;NC in reviewing and/or determining the remuneration package of Non-Executive Directors and Executive Directors (i.e., the EC and MD).</p> <p>The Remuneration Policy was last reviewed by the Board on 15 September 2023 and is available on the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a>.</p> <p>The R&amp;NC undertook a review of the remuneration structure for the Directors during FY 2023 and recognised that Directors' responsibilities remain elevated due to the multitude of regulatory changes impacting public listed companies. For FY2023, the R&amp;NC has engaged a professional firm to conduct a Directors Remuneration Benchmarking assessment on the remuneration of the Non-Executive and Executive Directors.</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 Board has a R&amp;NC that implement policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board. The R&amp;NC was refreshed and reconstituted during the financial year ended 31 May 2023 in response to the resignations of the long serving Directors.</p> <p>The R&amp;NC is governed by its TOR which is established pursuant to the Main Market Listing Requirements of Bursa Securities. The R&amp;NC's TOR was last reviewed by the Board on 15 September 2023. The R&amp;N Committee's TOR is subject to review as and when necessary and is accessible from on the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.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 details of the remuneration received/receivable by the Directors during FY2023 are as disclosed in the table below. In addition to the above, the Company has also taken up a Directors' and Officers' Liability ("D&O") insurance for coverage of Directors' defence costs and legal representation expenses incurred, should any action be brought against any Director for actions undertaken as a Director of the Company and/or its subsidiaries.

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	Dato' Siew Ka Wei	Executive Chairman	-	-	275.8	-	38.7	-	314.5	-	-	1,092.7	3,569.2	66.7	-	4,728.6
2	Lee Chuen Wei	Managing Director/ Group CEO	-	-	-	-	-	-	-	-	-	480.6	2,093.4	13.3	-	2,587.3
3	Tan Sri Dato' Dr. Lin See Yan	Independent Non-Executive Director	27.1	1.0	-	-	-	-	28.1	127.1	4.7	-	-	-	-	131.8
4	Tan Sri Dato' Seri Abdull Hamid Bin Embong	Independent Non-Executive Director	114.0	4.5	-	-	13.7	-	132.2	113.9	4.5	-	-	13.7	-	132.1
5	Chan Thye Seng	Non-Independent Non-Executive Director	70.0	2.5	-	-	-	-	72.5	70.0	2.5	-	-	-	-	72.5
6	Edmond Cheah Swee Leng	Independent Non-Executive Director	40.7	2.0	-	-	-	-	42.7	160.7	6.6	-	-	-	-	167.3
7	Lim Hock Chye	Non-Independent Non-Executive Director	36.2	2.0	-	-	-	-	38.2	100.2	6.2	-	-	-	-	106.4
8	Datuk Dr Abdul Hapiz Bin Abdullah	Independent Non-Executive Director	91.4	3.5	-	-	-	-	94.9	235.4	3.5	-	-	-	356.5	595.4
9	Maliki Kamal Bin Mohd Yasin	Independent Non-Executive Director	84.0	3.0	-	-	-	-	87.0	84.0	3.0	-	-	-	-	87.0
10	Christina Foo	Independent Non-Executive Director	82.3	4.5	-	-	-	-	86.8	82.3	4.5	-	-	-	-	86.8



11	Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	Independent Non-Executive Director	69.9	4.0	-	-	-	-	73.9	69.9	4.0	-	-	-	-	73.9
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### Intended Outcome

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

### Practice 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 details of the remuneration of the top 5 senior management are not disclosed in the Annual Report. The Board is of the opinion that disclosure of such information will not add significant value or understanding of the Company's corporate governance practices.</p> <p>Instead, the disclosure of such information could possibly give rise to recruitment and talent retention issues. It will create unnecessary staff rivalry and affect harmonious working relation amongst the senior management staff. It would also encourage poaching by other organisations of the Group's senior management which will have a negative impact on the Group's continuous operation.</p> <p>The Board is of the view that top talents are hard to come by in the current competitive human capital market.</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>	:		

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>	:	The AC was refreshed and reconstituted during the financial year ended 31 May 2023 in response to the resignations of the long-serving Directors. Christina Foo, Chairman of the AC, is not the Chairman of the Board.	
<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 TOR of the AC has a policy that requires a former audit partner of the Company's to observe a cooling-off period of at least three (3) years before they can be appointed as a member of the AC.</p> <p>As of to-date, none of the Company's AC members is a former key Audit Partner of the Company's external audit firm.</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 has been delegated by the Board to assess the suitability, objectivity and independence of Messrs BDO PLT, the External Auditors, as enumerated in the External Auditors Assessment Policy. In carrying out its assessment of the External Auditors, the AC considers the following:</p> <p>(a) Competence The AC shall only consider External Auditors who have not had disciplinary actions taken against them for failure to comply with relevant accounting and reporting standards in the past five (5) years. The AC shall also consider the number of resources that shall be allocated by the External Auditors to the Group, and the qualifications and/or experience of the engagement team leader.</p> <p>(b) Audit quality To reappoint the External Auditors, the AC shall, in addition to its own assessment, seek feedback from Management on the professional working relationship with the External Auditors, the quality of their audit delivery and the quality of people and service. Due consideration shall be given to the ability of the External Auditors to adhere to the external audit plan agreed at the beginning of the audit period, thoroughness of the audit (within reasonable limits) and effectiveness and efficiency of the engagement team, amongst others.</p> <p>(c) Independence Pertaining to independence, the assessment would focus on whether there exists any relationship between the External Auditors and the Directors or senior management and major shareholders of the Group as well as any conflict of interest arising therefrom. The AC gives due consideration to the fees to be paid to the External Auditors for any unreasonable excess above the market rate, which may be perceived to affect the objectivity of the External Auditors. The AC obtains written assurance from the External Auditors that they have complied with the relevant ethical requirements regarding professional independence. With regards to non-audit services, the AC may engage the External Auditors provided that the non-audit services do not, and will not, give rise to questions about the</p>



	<p>External Auditors' independence and objectivity in carrying out the responsibilities entrusted to them.</p> <p>The External Auditors Assessment Policy, which was last reviewed by the Board on 15 September 2023, is available on the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.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**

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>	:	The AC comprises solely of three (3) Independent Directors.

## 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 Chair of the AC, Christina Foo, is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA"). The former AC Chairman, Edmond Cheah Swee Leng, is a Chartered Accountant, a member of MIA and the Institute of Chartered Accountants in England &amp; Wales ("ICAEW") respectively.</p> <p>The members of the AC have the relevant skills, knowledge and industry experience to discharge their duties and responsibilities as a member of the AC. They are financially literate and are able to understand matters relating to financial reporting, taxation, internal control and risk management. Apart from training attended by the Directors, the AC members also received periodic updates from the External Auditors on new accounting standards to enable them to keep abreast with development in the accounting and auditing frameworks.</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 is responsible for the establishment and maintenance of a sound and effective risk management and internal control system in the Group. The Board is also responsible for reviewing the adequacy, effectiveness and integrity of the Group's risk management and internal control system through ongoing and independent reviews carried out by the Company's Internal Audit function which reports to the AC.</p> <p>The Board recognises the fact that the identification and management of risks impacting the business, and the disclosure of these to the shareholders is vital to good governance. A separate RMC has been established during the financial year in line with the Step-up Practice 10.3 of the MCCG. Prior to the establishment of the RMC, the AC has been entrusted by the Board to ensure that an effective and adequate risk management and internal control system is in place at all times.</p> <p>The RMC's objective is to assist the Board in ensuring the Company has in place sound and robust risk management framework. This is to ensure that the risk management framework is implemented effectively to enhance the Company's ability to achieve its strategic objectives especially in pursuing its growth agenda. In discharging the RMC's duties and fulfilling its oversight responsibilities, each RMC member is to provide individual independent opinions to the fact-finding, analysis and decision-making process of the RMC, based on their expertise, experience and industry knowledge.</p> <p>Internal Audit reviews are focused on achieving effective and efficient operations, reliability of reporting, compliance with applicable laws and regulations as well as safeguarding of assets. The system of internal control covers governance, risk management, financial, strategy, organisational, operational, regulatory and compliance control matters. The adequacy and effectiveness of internal controls were reviewed by the AC in relation to the audits conducted by the Internal Auditors during the financial year. Audit issues and actions taken by Management to address the issues tabled by Internal Auditors were deliberated on during the AC meetings where the matters are reported to the Board by the AC Chairman at the Board meetings.</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>	:	The features of the Company’s risk management and internal control framework, as well as the adequacy and effectiveness of this framework are as disclosed in the Statement of Risk Management and Internal Control (“SORMIC”) of the Company’s Annual Report 2023.	
<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 was established by the Board during the financial year. Activities undertaken by the RMC are included in the Risk Management Committee Report in the Annual Report 2023. The RMC's objective is to assist the Board in ensuring the Company has in place sound and robust risk management framework and policies.</p> <p>As of 31 May 2023, the RMC comprises three (3) members of the Board, a majority of whom are Independent Non-Executive Directors.</p>

## Intended Outcome

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

### Practice 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 an integral part of the assurance framework and its principal role is to undertake independent and systematic reviews of the Group's internal control system so as to provide reasonable assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance.</p> <p>The AC is supported by an outsourced internal audit function in discharging its duties and responsibilities. The Internal Audit function is outsourced to an independent consulting company specialised in internal audit services, Sterling Business Alignment Consulting Sdn Bhd ("SBAC"), a corporate member of the Institute of Internal Auditors, Malaysia. The AC reviews the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it is adequately resourced with competent and proficient internal auditors.</p> <p>Each audit review is performed by approximately two (2) to three (3) internal auditors depending on the areas being audited. From the internal audit reviews undertaken by SBAC, opportunities for improvement in relation to the system of internal control were identified and presented on a quarterly basis to the AC. These Internal Audit Reports presented include Management responses and action plans in addressing any weaknesses identified.</p> <p>The AC is chaired by an Independent Non-Executive Director and its members comprise all Independent Non- Executive Directors. Internal audit reports were reviewed and adopted by the AC on a quarterly basis. During the financial year, SBAC has reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.</p> <p>In assessing the independence and performance of SBAC, the AC was satisfied with SBAC's competency, independence and quality of Internal Audit Reports delivered. SBAC has given written assurance to the AC</p>



	that it has complied with all relevant ethical requirements with regards to their professional independence.	
<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>SBAC, the Company's outsourced internal audit firm, and the personnel assigned to conduct the internal audit reviews, have confirmed that they are free from any relationships or conflicts of interest situation with the Company, its Directors, management and shareholders, which could impair their objectivity and independence.</p> <p>The number of staff deployed for each internal audit review ranges between three (3) to four (4) personnel per visit. The lead internal audit team performing the internal audit reviews for the financial year under review include:</p> <p>a) Dr So Hsien Ying is a Certified Internal Control Professional (US) and holds a Doctor of Business Administration (WalesTSD), Master of Business Administration (Hull) and BSc (Hons) Economics (London). Dr So is a permanent member of The Internal Control Institute (US), Member of Malaysian Alliance of Corporate Directors and Associate, Member of The Institute of Internal Auditors Malaysia with over 30 years of experience in business process improvement, internal control review, internal audit and risk management; and</p> <p>b) Cheng Chean, a Chartered Member of the Institute of Internal Auditors Malaysia and a Fellow Member of the Chartered Certified Accountant. Mr Cheng has over 20 years of hands-on experience in the fields of External Audit, Internal Audit and Internal Control Reviews.</p> <p>The internal audit team deploys the International Professional Practices Framework in the conduct of the internal audit assessments as well as in the observance of the attributes by team members, like adhering to the definition of internal auditing, core principles and the code of conduct, which covers, inter alia, the need to be independent of relationship which may impair objectivity and professional independence of team members. Besides, the Internal Auditor team also applied the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework as the basis for evaluating the effectiveness of the internal control systems.</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 acknowledges the importance of timely and thorough dissemination of material information about the Group's business to its shareholders and investors for informed investment decisions in line with the Main Market Listing Requirements of Bursa Securities and best practices as recommended by the MCGG. The Board regards regular communication with the public via various announcements and the issuance of Annual Reports, circulars and press releases as key to building good relationships with its shareholders and investors.</p> <p>The Board strives to disclose such information to the public as soon as practicable through Bursa Securities, the media and the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a>. The Board will take reasonable steps to ensure that all investors have equal access to material information. Selective disclosure is not allowed.</p> <p>The Company discloses all material information required to be disclosed under applicable securities laws, regulations and requirements as per the disclosure principles listed below:</p> <ul style="list-style-type: none"><li>▪ Material information will be announced immediately to Bursa Securities, and later be made available on the Company's website;</li><li>▪ Material information will be kept confidential temporarily if the immediate release of such information would be detrimental to the interests of the Company and/or its shareholders;</li><li>▪ The disclosure must be factual and non-speculative;</li><li>▪ If the Company learns that an earlier disclosure contained material error(s), such disclosures must be corrected immediately; and</li><li>▪ The Company will not comment, affirmatively or negatively, on rumours including those on the Internet. Should Bursa Securities request that the Company make a definitive statement in response to any market rumour that is causing significant volatility in the price of the Company's securities, the EC and/or MD/GCEO will respond appropriately, after consulting with the Board or Advisors if time permits, before a reply is given to Bursa Securities.</li></ul>

	<p>Information is considered material if it can reasonably be expected to have a material effect on the price, value or market activity of the Company's securities or the decision of a holder of security or an investor in his/her investment decisions and actions. The Company releases all material information publicly through Bursa Securities' website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and via the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a>.</p> <p>The general meetings (annual or extraordinary) remain the main platform for the shareholders to engage with Directors or senior management on the the Company's performance and prospects. Minutes on the proceedings at the general meetings are recorded by the Company Secretaries and are available for inspection by the Company's shareholders at the Company's registered office at Unit 30-01, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The minutes of general meetings and a summary of key matters discussed at the general meetings are also posted on the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a>.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

**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>	:	The Notice of Annual General Meeting is given to the Shareholders 28 days prior to the meeting.	
<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>At the Company's AGM, the EC, the MD/GCEO, the Chairmen of the AC, R&amp;NC and RMC, the Directors, the Chief Financial Officer and the Company Secretaries and the External Auditors/lawyers will attend the meetings either remotely or at the Broadcast Venue. Queries raised by the shareholders will be answered by the EC, and/or the MD/GCEO, and/or the Chief Financial Officer at the meetings.</p> <p>For queries where the answers are not readily available at the meeting or were not answered at the meetings, written responses will be emailed to the shareholders or posted at the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a> after the meetings.</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 annual general meetings will be conducted fully virtual through live streaming and online remote voting via the remote participation and voting (“RPV”) facilities at TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> provided by the Company’s Share Registrar, Tricor Investor and Issuing House Services Sdn. Bhd. (“Tricor”).</p> <p>With the RPV facilities, shareholders at remote locations are able to attend, speak (through real time submission of typed text prior to the date of the meeting or during the meeting) and vote at the AGM. Shareholders who wish to appoint proxy, corporate representatives or power of attorneys are also able to lodge the proxy forms, letter of appointments or power of attorneys remotely through the TIIH Online website.</p> <p>Proxy holders, corporate representatives and power of attorneys at remote locations are able to attend, speak (through real time submission of typed text prior to the date of the meeting or during the meeting) and vote at the meetings remotely using the RPV facilities.</p> <p>Tricor has put in place the necessary IT security measures to preserve data privacy and security and to prevent cyber threats.</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

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>At the Company's AGM, the EC ensures that there was meaningful engagement between the Board, the Company's senior management (MD/GCEO and Chief Financial Officer) and the shareholders.</p> <p>Shareholders were given ample time to submit their questions or queries relating to the Company's financial and non-financial matters as well as the Company's plans and strategies prior to the date of the meetings or during the meetings through real time submissions of typed text only using the RPV facilities.</p> <p>Ample time are provided by the EC for the shareholders to raise questions at the meetings. The EC, MD/GCEO, and the relevant Chairman of the Board Committees would answer the questions at the meetings wherever applicable. For questions and queries where answers are not readily available, written responses will be provided to the shareholders concerned via emails or were posted on the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a> after the meeting.</p> <p>Other than the general meetings, shareholders can also pose or raise questions to the Company via the "Contact Us" function at the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.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>	:		
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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 13.5

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 Company conducts its general meetings fully virtual. The Company does not consider having a hybrid general meeting.</p> <p>The Company is using the RPV facilities provided by Tricor as the platform in conducting the fully virtual general meetings. The Company and Tricor have the necessary infrastructure and IT support and tools to support a smooth broadcast of the general meetings and interactive participation by shareholders in the general meetings and viewing the proceedings online remotely using the computer, tablets or handphone. Questions posed by shareholders are made visible to all meeting participants during the meetings itself.</p> <p>The forthcoming AGM that will be conducted virtually will provide an opportunity for shareholders to participate remotely at the AGM and pose relevant questions to the Board via real time submission of typed texts.</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>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the AGM and the Key Matter Discussed will be published in the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a> not later than 30 business days after the meeting.
<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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