

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0083  
**COMPANY NAME** : NOTION VTEC BERHAD  
**FINANCIAL YEAR** : September 30, 2023

## OUTLINE:

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

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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 is responsible for the leadership, oversight, control, development and long-term success of the Group. It is also responsible for instilling the appropriate culture, values and behaviour throughout the Group.</p> <p>The Company's Board Charter defines the following principal duties and responsibilities of the Board which can be found at the Company's website at <a href="http://www.notionvtec.com">www.notionvtec.com</a>:-</p> <ul style="list-style-type: none"><li>(a) together with senior management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;</li><li>(b) review, challenge and decide on Management's proposals for the Company, and monitor its implementation by Management;</li><li>(c) ensure that the strategic plan and direction of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;</li><li>(d) supervise and assess the conduct and performance of the Management to determine whether the business is being properly managed;</li><li>(e) ensure there is a sound framework for internal controls and risk management;</li><li>(f) understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;</li><li>(g) set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;</li><li>(h) ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management;</li></ul>

	<p>(i) ensure that the Company has in place procedures to enable effective communication with stakeholders;</p> <p>(j) ensure that all its directors are able to understand financial statements and form a view on the information presented; and</p> <p>(k) ensure the integrity of the Company's financial and non-financial reporting.</p> <p>The Board deliberated and approved the Business Plan and Budget for the financial year ending 30 September 2024 at the Board Meeting held on 16 August 2023, in which the Group's future plans and current market conditions were taken into consideration during the discussion. Constructive views and valuable insights were provided by the Board to Management for implementation.</p> <p>The Board has delegated some of its responsibilities to the Committees of the Board, namely Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC").</p> <p>The Board Committees' roles and responsibilities in discharging its functions are set out in the Terms of Reference of each Board Committee.</p> <p>While the responsibility for monitoring the effectiveness of the Group's risk management has been delegated to the ARMC, the Board retains ultimate responsibility for determining the Group's "risk tolerance" and oversees the risk management framework of the Group.</p> <p>The Board has also in place policies such as Conflict of Interest Policy, Sustainability Policy, Directors' Fit and Proper Policy, Code of Conduct, Code of Ethics, Whistleblowing Policy and Procedures, Anti-Bribery and Corruption Policy, Group Risk Management Policies and Procedures, External Auditors Assessment Policy, Corporate Disclosure Policies and Procedures, Diversity Policy and Directors' Remuneration Policy to promote good corporate governance.</p> <p>The Board promotes the application of sustainability practices throughout the Group, the benefits of which are believed to translate into better corporate performance and ensure the integrity in the Company's financial and non-financial reporting.</p>
Explanation for departure	:
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure	:

<b>Timeframe</b>	:		
------------------	---	--	--

### Intended Outcome

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

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is led by Mr Thoo Chow Fah, an experienced Executive Chairman who is responsible in instilling good corporate governance practices, leadership and effectiveness of the Board.</p> <p>The roles and responsibilities of the Chairman of the Board are:-</p> <ul style="list-style-type: none"><li>(a) providing leadership for the Board so that the Board can perform its responsibilities effectively;</li><li>(b) representing the Board to stakeholders and to chair and to ensure the efficient organisation and conduct of the Board and/or meeting of the shareholders;</li><li>(c) ensuring the integrity of the governance process and issues;</li><li>(d) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;</li><li>(e) leading Board meetings and discussions;</li><li>(f) encouraging active participation and allowing dissenting views to be freely expressed;</li><li>(g) managing the interface between Board and Management;</li><li>(h) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;</li><li>(i) leading the Board in the adoption and implementation of good corporate governance practices in the Company;</li><li>(j) be the spokesman for the Company; and</li><li>(k) be stakeholder management of the Company in interactions where the interests of the Company.</li></ul> <p>The detailed roles and responsibilities of the Chairman have been set forth in the Board Charter which has been approved by the Board.</p> <p>During the 2023 Board Assessment, the results demonstrated that the Chairman has been effective in establishing excellent board dynamics which contributed to the Board working well together as a team.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The roles and responsibilities of the Chairman and Managing Director, who also assumes the role of the Chief Executive Officer are distinct and separate to ensure that there is a balance of power and authority so that no one individual has unfettered power of decision.</p> <p>Mr Thoo Chow Fah, the Executive Chairman, heads the Board and is responsible for the leadership, effectiveness, conduct and governance of the Board whereas Mr Choo Wing Hong, the Managing Director oversees and manages the day-to-day operations of the Group and undertakes executive decision-making and implements policies and decisions. The separation of powers between the Chairman and the Managing Director are clearly elucidated in the Board Charter.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	Mr Thoo Chow Fah, the Executive Chairman is not a member of the ARMC, NC or RC. Nonetheless, the Chairman participates in the Board Committees' meetings by way of invitation. The Board Committee members are of the view that the Chairman's input and contribution to be valuable to the decision-making process and the Chairman had demonstrated objectivity and professionalism when deliberating on the observations and recommendations during the meetings.
	:	The Board Committees comprise exclusively Independent Non-Executive Directors which ensures the independence is safeguard. As such, the risk of self-review will be mitigated and the participation of the Chairman in the Board Committees' meetings will not impair the objectivity.
<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 (2) Company Secretaries from Boardroom Corporate Services Sdn Bhd namely Ms Tai Yit Chan and Ms Tan Ai Ning who are suitably qualified, competent and capable of carrying out the duties required and have attended training/seminars conducted by The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and other regulatory bodies to keep abreast on the changes to regulations and requirements.</p> <p>The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time and update the Board on the same at Board meetings. The Company Secretaries also notified the Directors and Principal Officers on the closed period for trading in the Company's securities, in accordance with Chapter 14 of the Main Market Listing Requirements ("<b>MMLR</b>") of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>").</p> <p>The Company Secretaries also ensure that deliberations at Board and Board Committee meetings are well captured, minuted and documented.</p> <p>The Company Secretaries play an important role in the general meetings in ensuring that the due processes and proceedings are in place and properly managed. During the meeting, the Company Secretaries assist the Chairman and the Board in the conduct of the meetings and ensure the minutes are properly recorded, particularly questions and issues raised by the shareholders.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions. The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, corporate governance and legislations.</p> <p>The Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.</p>

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

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is conscious of the importance of meeting materials to be disseminated in a timely manner to allow Directors to decipher the information presented and prepare for the Board and Board Committee meetings.</p> <p>The Board, led by the Executive Chairman, has put in place a policy stipulation which calls for all Directors to have full and timely access to information and the Board papers circulated prior to each Board and Board Committee meetings at least five (5) business days prior to the meeting. Comprehensive reports comprising a balance of financial and non-financial information, strategic, operational and regulatory issues are customarily enclosed as accompanying materials. The Company Secretaries are responsible to manage the logistics, record keeping as well as facilitating all Board and Board Committees communication.</p> <p>Board and Board Committee meetings proceedings are well documented by the Company Secretaries. The minutes reflects key deliberations and decisions, rationale for each decisions as well as any significant concerns, dissenting views or abstentions by Directors from voting and deliberating on specific matters. Meeting minutes are typically approved at the subsequent Board or Board Committee meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter outlines the roles of the Board, Chairman, Managing Director as well as Independent Directors and Board Committees.</p> <p>There is a formal schedule of matters reserved to the Board for consideration and decision which is set out in the Board Charter.</p> <p>The Board Charter is periodically reviewed by the Board and updated based on prevailing regulatory promulgations. The Board Charter is available on the Company's website at <a href="http://www.notionvtec.com">www.notionvtec.com</a> which has been incorporated into the Group's governance system, documented policies that the Board has decided upon to meet, among others, its responsibilities, governance and leadership as a description tool of how the Board operates. The Terms of References of the ARMC, NC and RC are also available on the Company's website. The Board Charter and the Terms of References of the Board Committees were last reviewed and updated on 27 November 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

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Code of Conduct and Code of Ethics (collectively referred to as “<b>the Codes</b>”) were last reviewed and updated on 27 November 2023 so that to ensure it is aligned with the amendments to MMLR of Bursa Securities in relation to the conflict of interest.</p> <p>The Codes set out the standards which the Directors, officers and employees (collectively referred to as “<b>Officers</b>”) of the Company and its subsidiaries are expected to comply in relation to the affairs of the Company's businesses when dealing with each other, shareholders and the broader community.</p> <p>The Board is required to observe compliance of the Anti-Bribery and Corruption Policy, Codes as well as the Board Charter and high standard of corporate governance at all times. The Board members are required to declare any personal, professional or business interest that may conflict with director's responsibilities.</p> <p>The Codes are intended to focus on the Board and Management on areas of ethical risk, provide guidance to Officers to help them to recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help to foster a culture of honesty and accountability.</p> <p>The Codes include, inter alia, matters relating to conflict of interest, proper use of the Company's assets and properties as well as knowledge and information on prohibited activities or misconduct involving gifts, gratuities, bribes and corruption, insider trading and money laundering.</p> <p>The Codes are available on the Company's website at <a href="http://www.notionvttec.com">www.notionvttec.com</a>.</p>

	The Board and Senior Management of the Company will periodically review the Anti-Bribery and Corruption Policy and the Codes and thereafter communicate changes to all levels of officers.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised Whistleblowing Policy and Procedures (“WBPP”) that is applicable to all employees of the Group. The Company’s WBPP promotes an environment of integrity and ethical behaviour within the Group.</p> <p>A copy of the WBPP setting out procedures with the objective that provides all employees of the Group and other interested parties an avenue where genuine concerns related to possible improprieties in matters of including financial reporting and unethical or illegal conduct can be objectively investigated and addressed. The details on the WBPP can be found on the Company’s website at <a href="http://www.notionvtec.com">www.notionvtec.com</a>.</p> <p>All whistleblowing reports are conveyed to the Chairperson of ARMC and Head of Human Resource. The ARMC shall review the credibility of any whistleblowing report received based on the significance and implications of the matter, as well as the likelihood of verifying and confirming the allegation from credible sources. If an investigation is required, the internal auditors shall be the named investigator unless the Chairperson of ARMC assigns or appoints another Investigator. Investigators must be impartial and independent of all parties concerned.</p> <p>The WBPP was last reviewed on 21 February 2023 and the WBPP will be reviewed by the Board as and when required.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--



### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised a Sustainability Policy which provides guidance on how to conduct the Group's business sustainably and responsibly.</p> <p>The Board is responsible to ensure that the strategic plan supports long-term value creation and includes strategies on economic, environmental, and social consideration underpinning sustainability. The Board is committed to determine the general course for sustainability development, whilst the Executive Directors supervise and monitor activities related to sustainability.</p> <p>The Senior Management are accountable to the Board and their duties include goal-setting and performing specific tasks corresponding to their functions. The manager of each business segment will then implement sustainability initiatives in accordance with their responsibilities.</p> <p>The Sustainability Policy was adopted by the Board on 27 November 2023 which can be found at the Company's website at <a href="http://www.notionvttec.com">www.notionvttec.com</a>.</p> <p>All information on the Group's sustainability related matters, including key sustainability initiatives and activities are disclosed in the Sustainability Statement of the Annual Report 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

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>Sustainability strategies, priorities and targets have been integrated into the mission and strategic plan of the Company and communicated to the employees. The employees are made aware that sustainability will be the value driver of the Company and forms part of the Company's business model going forward.</p> <p>The Company has an established stakeholder engagement practice for respective stakeholder groups, which drives long-term sustainability by providing opportunities to further align practices with societal needs and expectations.</p> <p>The Annual Report 2023 of the Company includes a Sustainability Statement which discloses the Company's sustainability strategies, priorities and targets as well as performance and it serves as the main communication tool of the Group's sustainability to both internal and external stakeholders.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board recognises the importance of Environmental, Social and Governance ("ESG") issues and will continue keep themselves abreast with and understanding to the sustainability issues which are relevant to the Group and its business through periodical updates by Bursa Securities, Securities Commission and training programme attended by them.  During the financial year under review, an internal training on the ESG had been conducted for the Board and Management in order to equip both Directors and Management with competency in this content.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is taking cognisance of the fast-changing environment in the industry and had in place processes and procedures to measure against the achievement of sustainability targets.</p> <p>The NC undertook an evaluation of the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities.</p> <p>Key criteria used in the assessment of individual Directors during the year were:-</p> <ul style="list-style-type: none"><li>• Presence of a business strategy underpinned by ESG;</li><li>• Robustness of ESG agendas, deliberations and discussions;</li><li>• Frequency of discussions on ESG risks and opportunities; and</li><li>• Monitoring sustainability targets and goals.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.5- Step Up

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>A designated person within Management has been appointed to provide dedicated focus to manage sustainability strategically including the integration of sustainability considerations in the operations of the Group as the Group are embarking a journey towards a sustainable future.</p> <p>Sustainability team which comprised of key representatives from various business divisions is available to support the Board on sustainability governance.</p>

### 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 Terms of Reference of the NC stipulates that the NC shall ensure the composition of the Board is refreshed periodically by reviewing the tenure of each Director and the re-election of a Director should be contingent on satisfactory evaluation of the Director's performance and contribution to the Board.</p> <p>During the year under review, the NC had reviewed and evaluated the effectiveness of the Board as a whole and was of the view that all the Directors' performance and contribution to the Board are satisfactory. The NC was also of the view that the Directors have discharged their responsibilities in a commendable manner.</p> <p>In addition, the Board Charter provides that the tenure of an Independent Director is limited to a cumulative term of nine (9) years. The Independent Director who has served the Board for a cumulative term of nine (9) years and wishes to remain as Independent Director is subject to valid justification and shareholders' approval at the Annual General Meeting ("<b>AGM</b>") through a two-tier voting process.</p> <p>The annual re-election / re-appointment of retiring Directors is contingent upon satisfactory evaluation of the retiring Directors' performance and contribution to the Board and/or Board Committees.</p> <p>On top of that, the Board has formalised and adopted the Directors' Fit and Proper Policy which serves as a guide to the NC and the Board in conducting assessment on potential candidates for appointment as directors as well as existing directors who are seeking for re-election and re-appointment.</p> <p>The NC had conducted the fit and proper assessments on the Director duly appointed during the financial year under review and Directors who are due for retirement and seeking for re-election at the forthcoming Twentieth ("<b>20<sup>th</sup></b>") AGM.</p> <p>Subsequently, the NC proposed the re-election of Directors to the Board for the shareholders' approval at the forthcoming 20<sup>th</sup> AGM.</p>

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



### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The NC and the Board are of the view that the current size and composition are appropriate and effective, taking into account the nature and scope of the Company's operations. The Board is also of the view that the current Board composition fairly reflects the interests of the minority shareholders in the Company and represents the required mix of relevant skills, knowledge and industry experience for the effective discharge of the Board's responsibilities.</p> <p>During the financial year under review, the Company's Independent Directors represent 37.5% of the total Board members. A detailed breakdown of the composition is as below:-</p> <ul style="list-style-type: none"><li>• Five (5) Executive Directors comprising one (1) Executive Chairman and one (1) Managing Director; and</li><li>• Three (3) Independent Non-Executive Directors.</li></ul> <p>An annual assessment of independence of the Independent Directors would be conducted on annual basis. Based on the evaluation results, the Board was satisfied that each Independent Director has fulfilled the independence criteria set out in the MMLR of Bursa Securities and they will continue to demonstrate their independence through their engagement in all meetings, providing objective challenge to the Management and bringing independent judgement to decisions taken by the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.3

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.

Application	:	Applied	
Explanation on application of the practice	:	During the financial year under review, Ms Anita Chew Cheng Im, who had served the Board as an Independent Non-Executive Director for a cumulative term of fifteen (15) years, resigned from the Board on 20 January 2023.  Currently, none of the Independent Directors of the Company have exceeded the cumulative terms of nine (9) years.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In recommending the appointment of Directors and Senior Management, the NC considers salient attributes such as mix of skills and experience, strengths, expected contribution, independence (where applicable) and the multiple facets of diversity to ensure a balanced mix of talents on the Board and Senior Management level.</p> <p>The Board, alongside the NC, undertakes periodic reviews of the composition of the Board and Senior Management to ensure that they remain diverse. The current composition of the Board includes a diverse mix of skill sets, knowledge (e.g. Engineering, accounting, finance, business and management), experience and age (range between 42-71).</p> <p>According to the Company's Board Charter, any Board member, whilst holding in office, is at liberty to accept the appointment as Director of other listed issuers so long as the appointment is not in conflict of interest with the business of the Group and does not detrimentally affect the Director's performance as a Board member. Any future appointments to other listed companies must first be notified to the Board Chairman before being accepted. This is to ensure that his / her time commitments would not impair the ability to discharge his / her duties effectively as a Director 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 5.6**

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 current process with regards to the appointment of new Directors to the Board is based on the recommendation of the NC. The Board relies on the existing network and referrals from existing Directors, Senior Management and major shareholders as primary means to source for new Directors as they represent a tried and tested method of sourcing high-calibre directors with a sound understanding of the business. Should it be necessary, the NC may consider the use of external search firms to find appropriate candidates.</p> <p>The Directors' appointment process is carried out based on methodical and robust process undertaken by the NC.</p> <p>During the financial year under review, Mr Alvin Vong Chen Weng was duly nominated and appointed as Independent Non-Executive Director of the Company.</p> <p>The appointment of Mr Alvin Vong was thoroughly assessed based on his competence, integrity, character, time commitment and experience as stated in Paragraph 2.20A of Bursa Securities' MMLR as well as the candidates' fit and proper criteria in accordance with the Directors' Fit and Proper Policy of the Company. Mr Alvin Vong has also fulfilled the criteria of being an Independent Director as prescribed in Bursa Securities' MMLR.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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

### Intended Outcome

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

### Practice 5.7

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>Shareholders are kept informed on the Board's decision in respect of appointment of director via announcements to Bursa Securities and updating to the Company's website.</p> <p>The details of directors who are standing for re-election are set out in the profiles of the Board of Directors in the Annual Report 2023.</p> <p>The performance, contribution, effectiveness, independence (as the case may be) as well as fitness and propriety of the retiring directors who are standing for re-election were duly assessed by the NC and Board. The justifications to support the re-election of retiring directors were provided in the Notice of AGM for shareholders to make informed decision at the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NC is chaired by Dato’ Abu Bakar Bin Mohd Nor, an Independent Non-Executive Director as provided in the Terms of Reference of the NC.</p> <p>The Board recognises the need for Chairman of NC to be independent to ensure objectivity and independent judgement during deliberations.</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 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>As at 30 September 2023, the Company has one (1) women director namely Ms Teh Su-Ching, representing 12.5% women representation in the Board.</p> <p>The Board acknowledges the importance of board diversity, and with assistance of NC, will consider gender diversity as part of its future selection criteria for candidates for the Board.</p> <p>In addition, the Board supports the initiative to include women representation on the Board to achieve a more gender diversified Board. Henceforth, suitably qualified female candidates who can contribute to the Board will be considered for appointment in the event of any vacancy arises or when a decision is made to increase the size of the Board.</p> <p>Nevertheless, to avoid any mismatch and ineffective appointment of women Directors, the Board will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of our Board when assessing the Board composition or identifying suitable candidates for appointment or re-election to the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the benefits of having mix-gendered board would offer different viewpoints, ideas and market insights that enables better problem solving to gain competitive advantage in serving an increasingly diverse customer base.</p> <p>Accordingly, the Company has formalised and adopted the Diversity Policy which outlines its approach in achieving and maintaining diversity (including gender diversity) on its Board of Directors and in workplace of the Group. Appointment of additional female candidates to the Board will be made when a suitable candidate who can add value to the Board is identified.</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 NC conducted an internally facilitated Board assessment via self and peer evaluation based on questionnaires on yearly basis. The results and recommendations from the evaluation of the Board and Board Committees are reported to the Board for consideration and action.</p> <p>The scope of the assessment comprised the following:-</p> <ul style="list-style-type: none"><li>• the Board's structure, size and composition as well as the composition of the Board Committees;</li><li>• the effectiveness of the Board as a whole and the effectiveness of the committees of the Board;</li><li>• the character, experience, integrity and competency of the Directors and to ensure they have the time to discharge the respective roles;</li><li>• the Board Chairman's Roles and Responsibilities;</li><li>• the mix of skills and experience of each individual Director including the core competencies of the Non-Executive Director;</li><li>• the level of independence of Director; and</li><li>• integration of ESG considerations and sustainability targets into the operations of the Group.</li></ul> <p>Based on the assessment, the NC was satisfied that the existing Board and Board Committees have discharged their respective roles and responsibilities in a conscientious manner.</p>
<b>Explanation for departure</b>	:  

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

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

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges that remuneration is a key ingredient in attracting, retaining and motivating talented and high-calibre individuals that can successfully run and manage the business. In this regard, the Board has adopted a Directors' Remuneration Policy.</p> <p>In setting the remuneration of directors, the Board is guided by the Directors' Remuneration Policy. The Executive Directors shall not participate in decisions regarding their individual remuneration.</p> <p>The remuneration of Non-Executive Directors is determined by the Board as a whole. The remuneration package for Executive Directors has been structured to link rewards to corporate and individual performance while Non-Executive Directors' remuneration reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors.</p> <p>Directors' fees and benefits payable to the Directors of the Company are subject to the shareholders' approval at the Company's AGM in accordance with Section 230 of the Companies Act 2016.</p> <p>The Directors' Remuneration Policy accompanying procedures are made available on the Company's website at <a href="http://www.notionvtec.com">www.notionvtec.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a RC which comprises wholly of Independent Non-Executive Directors. The Terms of Reference of the RC sets out the roles and responsibilities of the RC in relation to remuneration matters was reviewed and revised in November 2021 and is available on the Company's website at <a href="http://www.notionvtec.com">www.notionvtec.com</a>.</p> <p>The Board is satisfied that the performance of RC in discharging its duties and responsibilities with respect to Directors' remuneration including reviews of the remuneration package for the Executive Directors 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**

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 breakdown for all Directors for the financial year ended 30 September 2023 were disclosed in the Corporate Governance Overview Statement of the Annual Report 2023 and the table at the following page.

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	Thoo Chow Fah	Executive Director	-	-	800,000	-	-	281,743	1,081,743	-	-	800,000	-	-	281,743	1,081,743
2	Choo Wing Hong	Executive Director	-	-	1,080,000	-	-	318,942	1,398,942	-	-	1,080,000	-	-	318,942	1,398,942
3	Choo Wing Onn	Executive Director	-	-	800,000	-	-	258,758	1,058,758	-	-	800,000	-	-	258,758	1,058,758
4	Lee Tian Yoke	Executive Director	-	-	800,000	-	-	257,959	1,057,959	-	-	800,000	-	-	257,959	1,057,959
5	Choo Wing Yew	Executive Director	-	-	800,000	-	-	258,147	1,058,147	-	-	800,000	-	-	258,147	1,058,147
6	Teh Su-Ching	Independent Director	84,900	-	-	-	-	14,000	98,900	84,900	-	-	-	-	14,000	98,900
7	Dato' Abu Bakar Bin Mohd Nor	Independent Director	108,000	-	-	-	-	14,000	122,000	108,000	-	-	-	-	14,000	122,000
8	Alvin Vong Chen Weng (Appointed on 17 April 2023)	Independent Director	49,500	-	-	-	-	3,000	52,500	49,500	-	-	-	-	3,000	52,500
9	Anita Chew Cheng Im (Resigned on 20 January 2023)	Independent Director	33,000	-	-	-	-	159,000	192,000	33,000	-	-	-	-	159,000	192,000

**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.

Application	:	Not applicable – adopted Step Up 8.3	
Explanation on application of the practice	:	The Company has adopted the Step Up Practice 8.3 and the detailed information on the Group top five senior management’s remuneration on named basis are disclosed under Practice 8.3.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The remuneration components of the five (5) Executive Directors cum top five (5) senior management namely Mr Thoo Chow Fah, Mr Choo Wing Hong, Mr Choo Wing Onn, Mr Lee Tian Yoke and Mr Choo Wing Yew were disclosed in the Corporate Governance Overview Statement of the Annual Report 2023 and the table at the following page.

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Thoo Chow Fah	Executive Chairman	800,000	-	-	-	281,743	1,081,743
2	Choo Wing Hong	Managing Director	1,080,000	-	-	-	318,942	1,398,942
3	Choo Wing Onn	Executive Director	800,000	-	-	-	258,758	1,058,758
4	Lee Tian Yoke	Executive Director	800,000	-	-	-	257,959	1,057,959
5	Choo Wing Yew	Executive Director	800,000	-	-	-	258,147	1,058,147

**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 Chairman of the Board and the Chairman of the ARMC are held by two (2) distinct individuals.  This ensures that the objectivity on the Board's review of the ARMC's findings and recommendations remain intact.	
<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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Terms of Reference of ARMC provides that any former key audit partner is to observe a cooling off period of at least three (3) years before he could be appointed as a member of the ARMC.</p> <p>None of the members of the ARMC were former key audit partners.</p> <p>The Terms of Reference of the ARMC is made available on the Company's website at <a href="http://www.notionvtec.com">www.notionvtec.com</a>.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 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 ARMC has adopted an External Auditors Assessment Policy which outlined the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the external auditors. This Policy was last reviewed and updated on 21 February 2023.</p> <p>The ARMC is responsible for assessing the capabilities and independence of the external auditors and recommend to the Board the appointment, re-appointment or termination of their services to the Company.</p> <p>The ARMC had assessed and was satisfied with the competence, audit quality, resource capacity of the external auditors, Crowe Malaysia PLT in relation to the audit services provided. From the assessment, the ARMC is also satisfied that there was no threat to the objectivity and independence of the audit arising from the provision of non-audit services of the external auditors. Further, the ARMC has obtained assurance from the external auditors that they are, and have been independent through the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The non-audit services engaged with Crowe Malaysia PLT and its affiliate company during the financial year under review comprised the review of Statement on Risk Management and Internal Control by Crowe Malaysia PLT, and tax advisory pertaining to tax audit for the Company and tax compliance services for the Group by Crowe KL Tax Sdn Bhd.</p> <p>Based on the outcome of its assessment, the ARMC has recommended to the Board for the shareholders' approval to be sought on the reappointment of the external auditors at the forthcoming 20<sup>th</sup> AGM.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>During the financial year under review, the ARMC comprises exclusively of Independent Directors. The compositions of the ARMC are as follows:-</p> <ul style="list-style-type: none"><li>i. Ms Teh Su-Ching (Chairperson, Independent Non-Executive Director);</li><li>ii. Dato' Abu Bakar Bin Mohd Nor (Member, Independent Non-Executive Director); and</li><li>iii. Mr Alvin Vong Chen Weng (Member, Independent Non-Executive Director)</li></ul> <p>As independence is the cornerstone of a well-functioning ARMC, the Board is of the view that the existing composition of the ARMC allows its members to apply professional scepticism, vigilance and moral courage when undertaking their responsibilities on pertinent matters.</p>

## 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>All the members of the ARMC have the necessary financial, banking experience, capital markets and commercial expertise skill required to meet their responsibilities and effectively challenge management's assertions on the Company's financials during the ARMC meeting.</p> <p>All the ARMC members have attended training programmes to keep abreast of relevant industry issues, market development and trends including accounting and auditing standards to enable them to sustain their active participation in the functions of the ARMC.</p> <p>An annual assessment on the performance of the ARMC during the term of office was undertaken by the NC for financial year ended 30 September 2023 and the NC was satisfied with the performance of the ARMC.</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 Group has engaged an Independent professional firm, Tricor Axcelasia Sdn Bhd to review the Internal Control systems to determine if the internal control procedures have been complied with as well as to make recommendations to strengthen the system.</p> <p>Meanwhile, Cirrus Consulting Sdn Bhd was appointed to review the key risks over the strategic, operation, reporting and compliance aspects to ensure proper management and mitigation of weakness.</p> <p>The findings arising from the risk evaluation process and internal audit process as well as the recommendations for improvement are presented to Management and ARMC.</p> <p>The Company has formalised and adopted the Group Risk Management Policies and Procedures which articulates the organisation's risk management philosophy, the processes and practices that are in place to identify, communicate and manage material risk across the organisation.</p> <p>The ARMC is then responsible for evaluation of the Group's level of risk tolerance, assess and monitor risks on division level and engage with management periodically on the action plans.</p> <p>The Board, as a whole would continue to monitor and review the effectiveness and adequacy of the Group's risk management and risk appetite to ensure they continue to be resilient and reliable.</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 Board acknowledges the importance of maintaining a sound risk management and internal control framework to safeguard shareholders' investments and Company's assets. Therefore, a framework to formulate and review risk management policies and risk strategies has been established.  Further information on the Group's risk management framework is presented in the Statement on Risk Management and Internal Control of the 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>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	



### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC of the Company is responsible for monitoring and reviewing the effectiveness of the Group's Internal Audit function.</p> <p>The Board has outsourced this function to an independent professional service firm, namely Tricor Axcelasia Sdn Bhd to provide an independent assurance to the Board on the effectiveness and adequacy of the Group's system of internal control. Details of the internal audit function are set out in the Statement on Risk Management and Internal Control and ARMC Report.</p> <p>The Head of internal audit reports directly to the ARMC and their performance is reviewed by the ARMC on an annual basis.</p> <p>The Internal Auditor attends and reports at ARMC meeting on its work conducted as well as its findings, management's responses and recommendations.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied						
<b>Explanation on application of the practice</b>	:	<p>The internal audit function has been outsourced to an independent professional service firm, Tricor Axcelasia Sdn Bhd.</p> <p>The Internal Auditors reports to the ARMC. This reporting relationship promotes independence and objectivity, which assures adequate consideration of audit recommendations and planned corrective actions, and gives the Internal Audit staff the authority needed for full, free and unrestricted access to all operations, records, property and personnel within the Group. Private session with the Internal Auditors without the presence of the Management is also carried out to ensure that Internal Auditors can freely report any concern they have to the ARMC.</p> <p>The performance of the internal audit work is guided by, in all material respects, the International Professional Practices Framework issued by the Institute of Internal Auditors.</p> <p>The audit personnel from Tricor Axcelasia Sdn Bhd are free from any relationships or conflicts of interest, which could impair the objectivity and independence.</p> <p>Tricor Axcelasia Sdn Bhd assigned five (5) staffs to provide internal audit services for our Group for the financial year ended 30 September 2023. Details on the person responsible for the internal audit are set out below:-</p> <table><tr><td>Name</td><td>:</td><td>Chang Ming Chew</td></tr><tr><td>Qualifications</td><td>:</td><td>i) Certified Information Systems Auditor; ii) Certified Internal Auditor of the Institute of Internal Auditors; iii) Certification in Risk Management Assurance; iv) Professional member of the Institute of Internal Auditors Malaysia;</td></tr></table>	Name	:	Chang Ming Chew	Qualifications	:	i) Certified Information Systems Auditor; ii) Certified Internal Auditor of the Institute of Internal Auditors; iii) Certification in Risk Management Assurance; iv) Professional member of the Institute of Internal Auditors Malaysia;
Name	:	Chang Ming Chew						
Qualifications	:	i) Certified Information Systems Auditor; ii) Certified Internal Auditor of the Institute of Internal Auditors; iii) Certification in Risk Management Assurance; iv) Professional member of the Institute of Internal Auditors Malaysia;						

		v) Fellow Member of the Association of Chartered Certified Accountants (UK); and vi) Member of Malaysian Institute of Accountants
<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>Communication with stakeholders is executed in a timely, concise and transparent manner through announcements via Bursa LINK, on the Company's website and the media such as Youtube Platform.</p> <p>The Company's website includes an Investor Relations ('IR') section which is accessible to the public and provides all relevant information on the Company. This IR section enhances relations with the investors by including quarterly reports, annual reports and the corporate and governance structure of the Company.</p> <p>The Company has in place the Corporate Disclosure Policies &amp; Procedures which is available on the Company's website at <a href="http://www.notionvtec.com">www.notionvtec.com</a>.</p> <p>Another key avenue of communication with its shareholders is the Company's AGM, which serves as the principal forum for dialogue with shareholders where they may raise questions or seek clarifications on the Company's business and reports from the 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**

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board considers the AGM as an invaluable platform for shareholders to engage the Board and Management of the Company in a productive and constructive two-way dialogue. As such, the Board strives to ensure that shareholders are accorded with sufficient time to prepare and accord due consideration to the resolutions that will be discussed and decided upon at the AGM.</p> <p>The Company had served at least 28 days of notice period to the shareholders for its Nineteenth (“19<sup>th</sup>”) AGM held on 2 March 2023. In addition of sending notice to the shareholders, the Company has also published the AGM Notice on the newspaper.</p> <p>As for the forthcoming 20<sup>th</sup> AGM which scheduled to be held on 1 March 2024, the Company would also serve notice period of at least 28 days to the shareholders.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The 19<sup>th</sup> AGM was held through live streaming and online remote voting via Remote Participation and Voting (“<b>RPV</b>”) facilities. All Directors were present at the 19<sup>th</sup> AGM to engage directly with the shareholders.</p> <p>Shareholders and proxies were able to submit their questions electronically before and during the 19<sup>th</sup> AGM. Senior Management and external auditors were also in attendance to respond to the shareholders’ queries.</p> <p>Minutes of the 19<sup>th</sup> AGM is made available to the shareholders and the public for viewing at the Company’s website.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The 19<sup>th</sup> AGM was conducted entirely through live streaming and online remote voting via RPV facilities which is in compliance with Section 327 of the Companies Act 2016, Company’s Constitution and other legal requirements.</p> <p>Shareholder who is unable to attend and vote at the virtual AGM is encouraged to appoint his/her proxy or the Chairman of the meeting to vote in his/her stead. All resolutions set out in the notice of the 19<sup>th</sup> AGM were put to vote via RPV facilities.</p> <p>A step-by-step administrative guide was issued to assist shareholders on the registration participation and voting using the RPV facilities. Similarly, the Company will convene its 20<sup>th</sup> AGM entirely by using RPV facilities.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		



### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman ensures that the general meetings serve as an important opportunity for effective communication with and constructive feedback from the shareholders.</p> <p>The shareholders are then provided with an opportunity to pose questions including but not limited to the financial performance, non-financial performance and strategies of the Company during the 19<sup>th</sup> AGM. All the questions raised by the shareholders and proxies were attended accordingly.</p> <p>The questions raised by the shareholders and responses by the Company are then minuted and uploaded to the Company's website at <a href="http://www.notionvtec.com">www.notionvtec.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The shareholders may submit questions to the Board via Tricor's TIH Online Website at <a href="http://tiih.online">http://tiih.online</a> prior to the AGM or via submission of typed text during the general meetings. The Chairman will read out the questions posed by the shareholders before providing his response to the questions raised.</p> <p>The Company had opted for Tricor Investor &amp; Issuing House Services Sdn Bhd's online meeting platform as the service provider has vast amount of experience in conducting the virtual meeting and a secured online platform which allows shareholders to participate online using smartphone, tablet or computer is in place. Their online platform is a proven and secure application with sufficient hardware and infrastructure in place. Meanwhile, the platform's real-time submission of typed text function encouraged interactive participation between the shareholders and 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**

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 19 <sup>th</sup> AGM is available on the Company's website at <a href="http://www.notionvtec.com">www.notionvtec.com</a> no later than 30 business days after the 19 <sup>th</sup> AGM.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

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

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

Click or tap here to enter text.

