

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7078  
**COMPANY NAME** : AHMAD ZAKI RESOURCES BERHAD  
**FINANCIAL YEAR** : June 30, 2024

## 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>	:	The duties and responsibilities of the Board of Directors ("Board") are stated in the Board Charter which includes setting the Company's strategic goals, ensuring the necessary financial and resources are in place for the Company to meet its goals, setting the Company's values and standards, and ensuring the obligations to shareholders and other stakeholders are understood and met. The duties of the Board are further outlined in the Board Charter posted on the Company's website at <a href="http://www.azrb.com">www.azrb.com</a>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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 Tan Sri Dr Madinah Binti Mohamad ("Tan Sri Dr Madinah"), an Independent Non-Executive Chairman.</p> <p>The Chairman is accorded with the responsibility of leading the Board and overseeing its effective conduct and functioning. The Chairman of the Board is responsible for instilling good governance practices, provides leadership to the Board, chairing the meetings of the Company and the Board, represents the Board to shareholders, and together with the Board, reviews and approves the strategic objective and policies of the Group.</p> <p>The Chairman sets the Board Meeting agenda in consultation with the Management and the Company Secretaries and ensures that board members receive complete and accurate information in a timely manner. When chairing the Board meetings, the Chairman will lead and provide explanation to the Board on the board agenda and encourage participation from other Board members during the Board meeting deliberation.</p> <p>The Chairman will lead and engage with investors, analysts, media and shareholders and communicated to the Board on the feedbacks received, if any. The responsibilities of the Chairman are clearly specified in the Board Charter of the Company, which is available on the Company's website at <a href="http://www.azrb.com">www.azrb.com</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Tan Sri Dr Madinah assumes the role as Chairman whilst the position of the Group Managing Director is assumed by Dato' Sri Wan Zakariah bin Haji Wan Muda.</p> <p>The delineation of the roles of Chairman and Group Managing Director was a conscious effort undertaken by the Board to promote a sound and uncompromising mechanism of checks and balances. The separation of power prevents any single individual from dominating deliberations and the decision-making process.</p> <p>As Chairman, Tan Sri Dr Madinah is responsible for leading the Board in managing and overseeing the strategic direction of the Group. Meanwhile, as Group Managing Director, Dato' Sri Wan Zakariah is in charge of implementing the business strategy and plans as approved by the Board as well as managing the day-to-day activities and operations of the Group.</p> <p>The demarcation of roles and responsibilities of the Chairman and the Group Managing Director is well-encapsulated in the Board Charter which is accessible on the Company's website at <a href="http://www.azrb.com">www.azrb.com</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.4**

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chairman of the Board is not a member of the Audit Committee, Nomination Committee or Remuneration Committee and has not participated in any of the said committees' meetings.
<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>	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	: Choose an item.

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary, who is qualified and experienced, provides advice and the required support to the Board on regulatory requirements and corporate governance matters to ensure that the Board discharges their duties and responsibilities effectively.</p> <p>She attends all Board meetings and ensures that accurate and adequate records of the proceedings of the Board meetings and decisions made are properly recorded.</p> <p>All Directors have access to the advice and services of the Company Secretary, Senior Management and to obtain independent professional advice whenever necessary, at the expense of the Company.</p> <p>The Board is also regularly updated from time to time by the Company Secretary on updates as well as any amendments issued by Bursa Securities, Securities Commission, Companies Commission of Malaysia and other relevant regulatory authorities.</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>Meeting materials for the Board and Board Committees meetings are furnished to Directors in a timely manner prior to the meetings to allow the Directors reasonable time to consider the matters. However, papers that are deemed urgent may still be submitted to the Company Secretary at short notice, subject to the approval of the Chairman and the Group Managing Director. A paperless meeting solution is adopted at the Group level which enables Directors to access papers in a timely and secure manner.</p> <p>The Board also note the decisions and salient issues deliberated by Board Committees through the updates by the respective Chairman of the Committees or the minutes of these Committees. The Board receives and reviews recommendations made by the Board Committees and grants approval, when required.</p> <p>Minutes of meetings are circulated in a timely manner to Directors for review after each meeting and the Board ensures that the minutes of meetings are properly recorded to accurately reflect the proceedings of the meeting and decision made.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>		<p>The Board has formalised a Board Charter which serves as the primary guiding literature on governance matters for Directors. The Board Charter is periodically reviewed to ensure that the content is kept contemporaneous with the latest regulations imposed by regulators and best practices whilst at the same time maintaining its relevance to the evolving circumstances of the Group. The Board Charter outlines the Board's composition, size and tenure, roles and responsibilities, structures and procedures, relation to Management, rights and supply of information, independent directors, trainings, ethical standards, Integrity and Legal Duties, Board Committees, roles of Company Secretary, Code of Business Ethic and related matters.</p> <p>The Board Charter is accessible to stakeholders through the Company's website at <a href="http://www.azrb.com">www.azrb.com</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board adopts and observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, as the Board is fully supportive of the principles of the said Code of Ethics and finds it suitable for the Company to uphold the same principles.</p> <p>AZRB Group is committed to conduct its business transparently and with integrity and have in place a separate Code of Ethics to govern the conduct and discipline of employees, which is under the administration of the Group Human Resource Department. The Group has also adopted the Anti-Corruption policy which will further safeguard its business operations. All employees have been educated on the content and the implications of the Anti-Corruption policy.</p> <p>The Code of Ethics for Company Directors is made available at the Company's website <a href="http://www.azrb.com">www.azrb.com</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 3.2**

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 and adopted a Whistleblowing Policy to set out the mechanism and framework for employees or any parties to report any concerns they may have regarding any suspected and/or known misconduct and wrongdoing in the workplace.</p> <p>The Whistleblowing policy is made available at the Company’s website <a href="http://www.azrb.com">www.azrb.com</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is committed to driving responsible and sustainable business practices throughout the organisation.</p> <p>At the management-level, sustainability is championed by a group of middle and senior management from various business units and departments. They are responsible for ensuring the Group's continued progress and improvement in the areas of economic, environment, social and governance and implementing action plans and communicating them to 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 4.2**

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>	:	The Group's sustainability practices, priorities and performance are disclosed in the Sustainability Statement in the Annual Report that is available in the Company's website and is accessible to all stakeholders and members of the public.	
<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 keeps itself abreast of relevant sustainability developments by way of formal training sessions and industry talks. The details of the training programmes attended by the Board are as stated in the Corporate Governance Overview Statement in the Annual Report.	
<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>	:	The Board adopts an approach that encourages a culture of organisational, team and individual performance and significantly incentivising individuals who deliver sustained performance which is consistent with strategic goals. A weighted proportion of the key performance indicators (“KPIs”) are pegged to sustainability considerations with a nexus to executive compensation packages. The sustainability-linked KPIs contain a mix of short-term and long-term parameters.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board through the Nomination Committee ("NC") performs an annual review of the Board's composition to ascertain if the Board has the appropriate configuration with regards to aspects such as size, diversity, independence and alignment to the Company's objectives and strategic goals.</p> <p>The NC, with a clear mandate as specified within its Terms of Reference, assesses and reviews the tenure of each Director and annual re-election of directors standing for re-election at Annual General Meeting, using the criteria specified in the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance.</p> <p>In line with its duties encapsulated in the Terms of Reference, the NC shall continue to perform annual assessments of each individual Director and evaluate the need to bring new skills and perspectives to the boardroom, as and when the need arises.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	As at 30 June 2024, the Board comprised of eight (8) Directors of whom, four (4) are Independent Non-Executive Directors.	
<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>	:	The tenure of all independent non-executive directors of the Company did not exceed the cumulative term limit of nine 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 Board and Senior Management comprising members from wide range of professionalism, business and financial background, all of which provide the Group with a wealth of expertise, experiences and networks to draw upon.</p> <p>The Company's overriding objective in any new appointment is to select a suitable candidate with a view to achieving a high-performing Board and Senior Management Team. Appointments to the Board and Senior Management are based on merit, in the context of character, skills, experience and competency the Board and Senior Management as a whole requires to be effective. The Company believes that such merit-based appointment helps the Company to achieve effective stewardship and management of the Group.</p> <p>The Directors are to allocate sufficient time to the Company to perform their duties effectively including being prepare for the meetings and contributing effectively to the business of the Company. They should notify the Board on any new directorships. The identification and appointment of new Directors undergo a process led by the Nomination Committee which reviews the required mix of skills, experience and other qualities of the Directors to ensure that the Board is functioning effectively and efficiently.</p> <p>The Board has adopted a Directors' Fit &amp; Proper Policy, which serves as a guide for the Nomination Committee and the Board in their review and assessment of candidate to be appointed as Director as well as Directors seeking re-election. The Board makes the final decision on the appointment of new Directors prior to release of announcements of the appointment to Bursa Malaysia.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board seeks recommendations and opinions of distinguished members in corporate community for possible candidates.	
<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>	:	The profiles of Directors are published in the Company's Annual Report and website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in AZRB, if any.	
<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 Nomination Committee is chaired by the Senior Independent Non-Executive Director, Dato' Ir. Haji Che Noor Azeman bin Yusoff.	
<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 June 2024, the Company has one (1) woman director, out of eight (8) directors, representing 12.5% of the Board composition.</p> <p>The Board is endeavour to increase board gender diversity and will make the appropriate efforts to include women on the list of candidates to be considered for Board and Senior Management positions.</p> <p>The Board value diversity in composition and contribution. The primary objective in identifying and inducting new members will always be based on the individual's level of experience, qualification and willingness to actively contribute to the success of the Company, regardless of gender, race or nationality.</p> <p>In order to ensure that the Board incorporates diverse perspectives into its discussions, the Board takes additional effort to consider reports and feedback received from Management teams which is composed of a healthy representation of female individuals. Through these efforts, the Board can harness diverse insights and viewpoints, including that from female individuals.</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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>Although there is no written policy on gender diversity, the Board and Management of the Company has always welcomed the contributions of all peoples, regardless of gender, race or nationality. The recruitment of Directors and Senior Management are based on merits. The primary requirement is for all members of the Company and Group to be able to contribute positively to the success of the Company and Group. For record purposes, within the Group we have few women directors sitting on the various boards and amongst the Senior Management, there are five (5) ladies out of a total of sixteen (16) members.</p> <p>Steps have been taken to ensure that the selection and recruitment practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious biases that might discriminate against female candidates. The Board will also endeavour to establish a diversity policy for the Board and Senior Management in the near future.</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

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 Board has in place an annual formal performance assessment to assess the effectiveness of the Board and the Board Committees as well as individual Directors including Independent Directors. The Board regards the evaluation exercise as a platform to surface any areas of concerns and bring about constructive changes.</p> <p>During the year under review, the performance assessment was conducted internally under the purview of the Nomination Committee and facilitated by the Company Secretaries. Assessment instruments based on a self and peer assessment process, across which an input rating mechanism was formulated.</p> <p>The assessment criteria for the Board, Board Committees and individual Directors are primarily anchored on regulatory enumerations and emerging best practices which amongst others take into consideration of the following key aspects:</p> <ul style="list-style-type: none"><li>• Board mix and composition (including independence and skill sets);</li><li>• Quality of information and decision making;</li><li>• Boardroom activities, i.e. Directors' involvement in providing input on matters relating to the Company's strategic or financial operations, as well as ability to critically challenge and ask the right questions;</li><li>• Board Committees' performance evaluation;</li><li>• Board Chairman's role;</li><li>• Key responsibilities and functions as noted in the Board Charter and Terms of References of the respective Board Committees;</li><li>• Personal commitment/ contribution to interaction e.g. meeting attendance, continuing education programmes, agenda setting and meeting preparation;</li></ul>

	<ul style="list-style-type: none"> <li>• Governing the Company's operations e.g. understanding and technical knowledge of specific industry/ Company's activities/ processes; and</li> <li>• Commitment to serve the Company with due diligence and integrity.</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 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 Company has established a formal and transparent process for approving policy and procedures on the remuneration of Directors and Senior Management. The policies and procedures serve as guidelines for the Board in remunerating Directors and senior Management with a view to attract, retain and motivate talented and high-calibre individuals. The Board has established a Remuneration Committee to assist the Board in its oversight function on matters pertaining to Directors' and Senior Management's remuneration.</p> <p>In determining the level and component parts of Directors' remuneration, the Remuneration Committee takes into consideration the demands, complexities and performance of the Group as well as the skills and experience that are required of 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>	:	The Board has a Remuneration Committee ("RC") which operates within its defined Terms of Reference. The main function of the RC is to set the remuneration packages and benefits extended to the Directors of the Group, drawing from outside advice, ensuring that compensation is competitive and consistent with the Company's culture, objectives and strategy, sufficient to attract and retain the Directors needed to run the Company successfully.  Terms of Reference of the RC is embedded in the Board Charter that is available on the Company's website at <a href="http://www.azrb.com">www.azrb.com</a>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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>	:	Disclosure as per table below

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dr Madinah binti Mohamad	Independent Director	240.0	15.6			31.2		286.8	240.0	15.6			31.2		286.8
2	Dato' Sri Wan Zakariah bin Haji Wan Muda	Executive Director	0	13.0					13.0	156.0	140.1	1,194.6		61.4		1,552.1
3	Dato' Ir. W Zulkifli bin Haji Wan Muda	Executive Director	0	12.0					12.0	12.0	135.0	1,080.0		53.0		1,280.0
4	Dato' Roslan bin Tan Sri Jaffar	Executive Director	0	13.0					13.0	53.0	20.0	922.5		41.8		1,037.3
5	Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	Non-Executive Non-Independent Director	150.0	18.0					168.0	210.0	21.2			4.0		235.2
6	Dato' Ir. Haji Che Noor Azeman bin Yusoff	Independent Director	0	19.0					19.0	180.0	22.3			17.1		219.4
7	Lee Chee Khoon	Independent Director	120.0	19.0					139.0	180.0	21.0			0		201.0
8	Dato' Hj. Wan Mohd Hilmi Bin Wan Kamal	Independent Director	26.6	1.0					27.6	26.6	1.0			0		27.6
9	Input info here															
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here



13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure									
<b>Explanation on application of the practice</b>	:										
<b>Explanation for departure</b>	:	<p>Remuneration paid to the top (5) Senior Management (excluding the Executive Directors) of the Company for the financial year ended 30 June 2024 are as follows:-</p> <table border="1" data-bbox="558 940 1316 1220"> <thead> <tr> <th>Top 5 Senior Management</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>From 300,000 - 350,000</td> <td>2</td> </tr> <tr> <td>From 500,000 - 550,000</td> <td>2</td> </tr> <tr> <td>From 600,000 - 650,000</td> <td>1</td> </tr> </tbody> </table> <p>At this particular juncture, the Board is of the opinion that disclosure of senior management's remuneration package would not be in the best interest of AZRB due to competitive considerations.</p> <p>The Board employs a robust process to ensure that the remuneration of Senior Management is commensurate with the Company's performance, with due consideration given to attracting, retaining and motivating Senior Management to lead and manage the Company effectively. Board based remuneration benchmarking is undertaken to ensure that the remuneration accorded to Senior Management lies within market norms. Excessive remuneration pay-outs are not made to Senior Management personnel in any instance.</p>		Top 5 Senior Management	Number of Senior Management	From 300,000 - 350,000	2	From 500,000 - 550,000	2	From 600,000 - 650,000	1
Top 5 Senior Management	Number of Senior Management										
From 300,000 - 350,000	2										
From 500,000 - 550,000	2										
From 600,000 - 650,000	1										
<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 Chairman of the Audit Committee, Mr. Lee Chee Khoon is not 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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	None of the Audit Committee members at present or in the past were former key audit partners of the Company's external auditors. It is not a practice of the Board to appoint any former key audit partners as member of the Audit Committee.	
		If the need arises in future to consider former key audit partners as member of the Audit Committee, the Audit Committee will incorporate a policy which requires a former key audit partner to observe a cooling off period of at least three (3) years before he can be appointed as an Audit Committee member.	
<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>	:	During the financial year under review, the Audit Committee has carried out an assessment on the performance of the external auditors for the financial year covering areas such as calibre, performance, audit team, audit scope and planning, independence and objectivity, audit communications as well as audit fees prior to submission to the Board for approval.	
<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> :	Not Adopted
<b>Explanation on adoption of the practice</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 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	All members of the Audit Committee have the necessary skills to discharge their duties and are able to understand matters under the purview of the Audit Committee. The qualification and experience of the individual Audit Committee members are disclosed in the Profile of Board of Directors in the Annual Report.  The Audit Committee members will undertake relevant training/seminars from time to time to keep abreast with current developments in the market place as well as the current changes in laws and regulatory requirements. The Audit Committee is also regularly updated during the Audit Committee meeting by the External Auditors on the current changes to the accounting and audit standards and policies.
<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>	:	The Board has established an effective risk management and internal control framework to guide the implementation of its business decision well within the acceptable risk of the Group. The details of the risk management and internal control policy are disclosed under the section of Statement of Risk Management and Internal Control of the Annual Report 2024.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board discloses the features of its risk management and internal control framework, the adequacy and effectiveness of the framework as set out in the Statement on Risk Management and Internal Control ("SORMIC"). The SORMIC provides an overview of the Company's key internal control features which are designed to safeguard the Group's tangible and intangible assets. The SORMIC articulates the differentiated risk management roles and responsibilities of the different levels within the Group, its risk management framework, internal audit function as well as internal controls set in place including behaviour controls and people controls.</p> <p>The SORMIC which has been reviewed by the external auditors can be found in the Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has established Audit and Risk Committee ("ARC") that assists the Board in overseeing the risk management process within the Group.  The ARC comprises a majority of independent directors.

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established an internal audit function which assists the Audit Committee in the discharge of its duties and responsibilities. The internal audit function is effective and able to function independently. The internal auditor helps the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</p> <p>The internal auditor is responsible for reporting to the Audit Committee in quarterly meetings. The Audit Committee Chairman will then report on any pertinent issues that need to be brought to the attention of the Board. The internal audit function and activities are set out in the Statement on Risk Management and Internal Control and Audit Committee Report in the Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group’s Risk Management, Compliance, Business Continuity Management and Internal Audit is currently placed under Group Corporate Assurance led by En Rozman bin Shariff. En Rozman is a Certified Enterprise Risk Governance, an Enterprise Risk Management Certified Professional, a certified compliance officer by The Certified Compliance Officers’ Programme (CCOP)– Ahmad Ibrahim Kulliyah of Laws (UIA) and also a certified “Train the Trainer” from HRD Corp. He won the ASEAN Risk Awards – Risk Manager of the Year 2018. He has extensive experience in the areas of governance, risk management and internal control.</p> <p>En Rozman and other internal audit personnel, are free from any family relationships with Directors and/or the major shareholder and do not have any conflict of interest with the Group. During the year under review, the IA Department housed 3 personnel.</p> <p>The internal audit process is conducted based on IIA’s International Professional Practices Framework which covers review on the effectiveness of internal controls, security of assets, compliance with applicable laws and regulations, and other areas which could have a significant risk and impact to the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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 an effective communication channel between the Company and stakeholders to provide a clear picture of the Group's performance and position. The Board continuously ensures that it maintains a high level of disclosure and communication with its stakeholders through various practicable channels. The annual reports and the announcements made are the primary modes of communication to report on the Group's business, activities and financial performance to its stakeholders. In addition to various announcements made during the year, the timely release of financial results on a quarterly basis provides stakeholders with an overview of the Group's performance and operations.</p> <p>The Company's Corporate website at <a href="http://www.azrb.com">www.azrb.com</a> provides an avenue for stakeholders and members of the public to assess information pertaining to the Group, which is being updated regularly.</p> <p>The General Meeting also serves as a principal forum to communicate with shareholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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>	:	For financial year ended 30 June 2023, the Notice of Annual General Meeting (“AGM”) was issued on 31 October 2023 and the AGM was held on 12 December 2023, with a notice period of more than 28 days.	
<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>	:	All Directors were present at the Company's 26 <sup>th</sup> Annual General Meeting. The Chair of all the respective Board Committees, Senior Management and External Auditors were also in attendance to respond to the shareholders' queries.	
<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>	:	At the 26 <sup>th</sup> Annual General Meeting (“AGM”) held on 12 December 2023, the Company had leveraged technology to facilitate for the conducting of the Remote Participation and Voting (“RPV”).  The entire AGM proceedings was conducted virtually through live streaming via remote participation and voting facilities whereby shareholders and proxies were able to access, participate and vote remotely. The Board’s priority is the health and safety of all the Company’s shareholders and by leveraging on technology, the participation and engagement with all shareholders at the General Meetings can be maintained.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The 26 <sup>th</sup> Annual General Meeting ("AGM") held on 12 December 2023 was conducted through live streaming with an online remote participation and voting. During the AGM, the Chairman briefed the meeting on the Group's performance and shareholders were given sufficient time to raise any questions via real time submission of typed texts in the communication chat box. The Chairman and Executive Directors responded to all the questions posed by the shareholders.
<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>	: The Company's 26 <sup>th</sup> Annual General Meeting ("AGM") was conducted through live streaming and online remote voting.  Shareholders or their proxies were advised/informed to attend, post questions via real time submission of typed texts and vote via the technology platform provided by the Share Registrar and Poll Administrator. During the general meeting, the Board endeavoured to address all questions posed by shareholders. The questions received from shareholders were shown live in their native form to further promote transparency.
<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 26 <sup>th</sup> Annual General Meeting, which includes the questions raised by the shareholders together with the responses by the Company and outcome of the voting results, was made available to the shareholders at the Company’s website at <a href="http://www.azrb.com">www.azrb.com</a> no 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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