

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0195  
**COMPANY NAME** : BINASAT COMMUNICATIONS BERHAD  
**FINANCIAL YEAR** : June 30, 2022

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board collectively leads and is responsible for the business affairs and overall performance of the Company and its subsidiaries. For the Board to assume responsibility for the Company's leadership and collectively responsible for meeting the objectives and goals of the Company, the Board has put in place the necessary framework and structure in which the Board Charter, constitutes and forms an integral guide on the role for the Directors in discharging their fiduciary duties and responsibilities.</p> <p>The Board plays an important role in determining the long term and strategic direction of the Group for the purpose of enhancing shareholders' value and ensuring long term sustainability of the Group. The Board retains full and effective control of the Group's strategic plans, implements an appropriate system of risk management and ensures the adequacy and integrity of the Group's system of internal control.</p> <p>In order to ensure effective discharge of its stewardship role, the Board delegates specific responsibilities to the Board Committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. Each of the Board Committees operates within its respective Terms of Reference approved by the Board.</p> <p>Although specific powers are delegated to the Board Committee, the Board keeps itself abreast of the key issues and/or decisions made by each Board Committee through the reports made by Chairman or representative of each Committee and the tabling of Board Committee Minutes of the applicable period for notation by the Board. The ultimate responsibility for decision making, however, lies with the Board.</p>

<b>Explanation for departure</b>	: The Board is committed to maintaining a corporate culture that ensures ethical standards, proper conduct and compliance through internal control and policies within the Group. Ethical standards are formalised through the Code of Conduct for Company Directors which governs the ethics and conduct of the Directors, Management and employees of the Group. The Board members are required to observe the Code of Ethics for Company Directors including compliance at all times with this Code of Ethics and the Board Charter as well as to observe high standards of corporate governance at all times. The Board members are required to declare any personal, professional or business interest that may conflict with the directors' responsibilities.  The salient features of the Code of Ethics and Code of Conduct are published on the Company's website at <a href="http://www.binacom.com.my">www.binacom.com.my</a>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

**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>Tan Sri Datuk Cham Hak Lim, an Independent Non-Executive Chairman, is the Chairman of the Board. His profile can be viewed on page 11 of the Annual Report 2022 of the Company.</p> <p>The key responsibilities of the Chairman, amongst others, including but not limited to the following:-</p> <ul style="list-style-type: none"> <li>• Lead the Board and ensure its effectiveness in all aspects.</li> <li>• Preside at Board and shareholders meetings and ensuring the proceedings thereof comply with good conduct and practices.</li> <li>• Facilitate the deliberation and discussion to enable the Board to arrive at clear and quality decisions on issues discussed.</li> <li>• Manages the interface between Board and management.</li> <li>• Ensures that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.</li> <li>• Undertaking any responsibility assigned by the Board from time to time</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company's Chairman and Managing Director are held by different individuals.</p> <p>There is a clear division of roles and responsibilities between the Chairman and Managing Director to ensure there is a balance of power and authority in the Company. The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director has the overall responsibility for the day-to-day running of the business and implementation of the Board's policies and decision.</p> <p>The Chairman of the Company is Tan Sri Datuk Cham Hak Lim, an Independent Non-Executive Chairman, whilst the Managing Director is Mr Na Boon Aik.</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>	:	<p>The Chairman of the Board, Tan Sri Datuk Cham Hak Lim is also a member of the Audit and Risk Management Committee Nomination Committee and Remuneration Committee of the Company.</p> <p>Currently, the Board only consists of 3 non-executive directors and has yet to identify additional suitable candidates for director(s). The Board will review the composition of Board Committees once additional directors are appointed.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.5**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is supported by the Company Secretaries who are qualified to act pursuant to Section 235(2) of the Companies Act 2016. The Company Secretaries are responsible for ensuring that the Board procedures are followed and the applicable rules and regulations for the conduct of the affairs of the Board are complied with. The Company Secretaries are also responsible for secretarial functions such as compliance with all statutory and regulatory requirements, providing corporate advisory to the Board, recording the proceedings of all Board meetings and Board Committee meetings and proper maintenance of statutory records.</p> <p>The Company Secretaries advise the Board on its roles and responsibilities and keep our Board updated on matters relating to new statutory and regulatory requirements and corporate governance and promptly disseminate communications received from the relevant regulatory/governmental authorities. The Board has unrestricted access to the advice and services of the Company Secretaries.</p> <p>The Company Secretaries have undertaken continuous professional development by attending training during the year under review.</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has full and unrestricted access to all information pertaining to the Group’s business and affairs including major financial, operational, corporate, business development and compliance matters. The agenda and board papers for consideration are distributed in advance before each meeting. This enables the Board to study the facts and have productive discussion and make informed decision at the meeting.</p> <p>In addition to the provision of meeting materials, Directors may seek independent professional advice if necessary, at the Company’s expense in the furtherance of their duties.</p> <p>All proceedings of the Board meetings are duly minuted and circulated to all Directors for their perusal prior to confirmation of the minutes by the Chairman as a correct record.</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 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 adopted by the Board serves as a source of reference and primary guide to the Board as it sets out the role, functions, composition, operation and processes of the Board. There is a schedule of matters specifically reserved for the Board's decision set out in the Board Charter.</p> <p>The Board Charter was last reviewed on 31 May 2022 and the Board will review the Board Charter periodically and as and when necessary to ensure that it remains current and relevant with the latest business and regulatory environment. The Board Charter is accessible on the website of the Company at <a href="http://www.binacom.com.my">www.binacom.com.my</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has formalised a Code of Conduct for the Directors and adheres to the Code of Conduct expected for Directors as set out in the Company’s Directors’ Code of Ethics promulgated by the Companies Commission of Malaysia which governs the underlying core ethical values and commitment to lay standards of integrity, transparency, accountability and corporate social responsibility.</p> <p>In compliance with Malaysian Anti-Corruption Commission (“MACC”) Act, the Company had adopted the Anti-Bribery and Anti-Corruption Policy which governs the prevention of corruption and unethical practices with the Group.</p> <p>A copy of the Code of Ethics and Code of Conduct and the Anti-Bribery and Anti-Corruption Policy are available at the website of the Company at <a href="http://www.binacom.com.my">www.binacom.com.my</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**

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 Company has formalised Whistleblowing Policy which is available on the website of the Company at <a href="http://www.binacom.com.my">www.binacom.com.my</a></p> <p>The Whistleblowing Policy provides an avenue for raising concerns related to possible improprieties in matters of financial reporting compliance and other malpractice at the earliest opportunity, in an appropriate manner and without fear of retaliation.</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>	:	One of the key responsibilities of the Board under its Board Charter is to review and adopt strategic plan supporting for the long-term value creation, including formation of strategy on economic, environment and social considerations.  Sustainability-related activities undertaken by the Company has been disclosed in the Sustainability Statement of the Company’s Annual Report 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.2**

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The updates on sustainability issues were only made known once a year through the sustainability statement which was published in the Company's Annual Report.</p> <p>The Board takes cognizance of the importance of communication between the Company and the various stakeholders in relation to the Group's strategic plans to support its long-term sustainability commitments.</p> <p>Moving forward, the Group will ensure that its communication with the shareholders and various stakeholders is more proactively.</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**

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board is mindful of the importance of the matter. The Board will take necessary actions to ensure that all members of the Board receive adequate information to equip themselves on the subject matter by identifying suitable training for them.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	During the financial year ended 30 June 2022, the Company has enhanced its Board and Board Committees performance evaluation form by including questionnaires on environmental, social and governance (“ESG”) issues.	
		However, the performance evaluation of senior management of the Group has yet to adopt such sustainability criteria.	
		The Company will work on including sustainability related Key Performance Indicators for senior management.	
<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.

<i>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.</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 5.1**

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 Nomination Committee oversees the overall composition of the Board in terms of size, mix of skills, experience and core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis.</p> <p>In addition, the Board Charter provides that the tenure of an independent director does not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) 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 justify and seek annual shareholders' approval through a two-tier voting process.</p> <p>The annual re-election of retiring Directors has been contingent on satisfactory evaluation of the Director's performance and contribution to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the financial year under review, the Board has five (5) members, comprising of one (1) Independent Non-Executive Chairman, two (2) Independent Non-Executive Directors, one (1) Managing Director and one (1) Executive Director. The Independent Directors constitute 50% of the Board. The Board composition also complies with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad which requires a minimum of two (2) Directors or one-third of the Board, whichever is higher, to be Independent Directors.</p> <p>The Board members are from different backgrounds with diverse perspectives. Such make-up is fundamental to the strategic success of the Group, as each Director has an in-depth knowledge and experience in a variety of areas providing valuable direction to the Group. With more than half of the Board composed of Independent Directors, the Company is able to facilitate greater check and balances during boardroom deliberations and decision making. The Independent Directors provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations or the ability to provide independent judgement in the best interest of the Company.</p> <p>A brief profile of each Director is presented in the Profile of Directors section of the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.3**

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

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

Application	:	Applied	
Explanation on application of the practice	:	None of the Independent Directors has served the Board exceeding a cumulative period 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.

*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 Company has a Fit and Proper Policy which serves as a guide to the Nomination Committee and the Board in their review and assessment of potential candidates for appointment onto the Board and Directors who are seeking for re-election.</p> <p>The fit and proper criteria will ensure that each of the Directors has the character, integrity, experience, competence, time and confidence to stand up for a point of view to effectively discharge his/her role as a Director.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.6**

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>Term of Reference of Nomination Committee (“NC”) provides that the sources for the identification of candidates for appointment to the Board shall not be restricted to recommendations from existing Board members, Management or major shareholders. NC may also engage independent sources including directors’ registry, industry and professional association, open advertisements and independent search firms to identify suitably qualified candidates.</p> <p>The current process with regard to the appointment of new Directors to our Board is based on the recommendation of NC. Our Board relies on the existing network and referrals from existing Directors, Key Senior Management and major shareholders as primary means to source for new Directors as they represent a tried and tested method of sourcing for high-calibre Directors with sound understanding of the business.</p> <p>During the financial year ended 30 June 2022, there was no new Director appointed to the Board of the Company.</p> <p>The Board is mindful on this Practice and would consider utilising the independent sources to identify suitable qualified candidate, when necessary.</p> <p>The NC will explain why other sources were not used if the selection of candidate(s) was solely based on recommendation made by the existing Board members, Management or major shareholder, when necessary.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

**Practice 5.7**

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

Application	:	Applied	
Explanation on application of the practice	:	The Board provided its statement of recommendation for the re-election of Dato’ Seow Thiam Fatt in Explanatory Note 3 in the Notice of the 6th AGM dated 28 October 2022.	
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 5.8**

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Nomination Committee, Dato’ Tan Yee Boon is the Independent Non-Executive Director of the Company.	
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 5.9**

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Currently, there is no female representative on Board. The Board has been taking steps to seek out female candidates based on meritocracy with the optimum mix of skills, knowledge and experience to fill board positions.	
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 5.10**

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>	:	The Board presently has not established any gender diversity policy. However, the Board is aware of the recommendation set out in the Malaysian Code of Corporate Governance (“MCCG”) and will evaluate the policies from time to time, and if found suitable and necessary, adopts as the Group’s policies.	
		Nevertheless, the Board is supportive of gender diversity in Board composition and senior management.	
<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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, facilitated by Nomination Committee (“NC”), had carried out an annual evaluation for assessing the effectiveness of the Board as a whole, the Board Committees and contribution of each individual director as well as the independence of Independent Non-Executive Directors.</p> <p>The evaluation was conducted on self and peer evaluation model through customised questionnaires that set out the assessment criteria as reviewed by the NC, which covered areas such as the Board mix, Board composition, quality of information and decision making, Boardroom activities and Board relationship with management. For individual director assessment, the assessment includes evaluation of character, experience, integrity, competence and time commitment, independent directors are also required to evaluate their level of independence based on the criteria of independence of Bursa Securities Listing Requirements.</p> <p>The Directors completed the evaluation questionnaires on confidential basis. The results and comments by the directors will then be summarised and discussed at the NC meeting and subsequently, reported to the Board at the Board meeting held thereafter.</p> <p>Based on the results of the assessment, the NC was satisfied with the existing Board’s composition and concluded that each director has the requisite competence to serve on the Board and had sufficiently demonstrated their commitment to the Company in terms of time and participation during the financial year under review. All assessments and evaluations carried out by the NC in the discharge of its functions have been properly documented.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised and adopted policies and procedures to determine the remuneration for Directors' and Key Senior Management. The policies and procedures are premised on the need for the remuneration practices of the Company to be competitive, ensuring the Company is able to attract and retain high-calibre Directors.</p> <p>The Remuneration Committee is responsible for recommending to the Board for approval the remuneration packages of the Executive Directors, Chief Executive and Senior Management, taking into consideration individual performance, time commitment, experience, level of responsibilities, as well as the performance of the Group and market conditions.</p> <p>As for Non-Executive Directors, the level of fee should reflect the experience and level of responsibilities undertaken by the said Non-Executive Directors. With the recommendation from the Nomination Committee, the Board as a whole determines the fee for the Non-Executive Directors and seek approval from the shareholders at the AGM. All individual Directors shall abstain from making decisions in respect of his own remuneration.</p> <p>The Directors and Senior Management's Remuneration Policy and Procedures is published on the Company's website at <a href="http://www.binacom.com.my">www.binacom.com.my</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 Remuneration Committee ("RC") that consists exclusively of Independent Non-Executive Directors. The composition of the RC is as follows:-</p> <table><tr><th>Name</th><th>Designation</th><th>Directorate</th></tr><tr><td>Dato' Tan Yee Boon</td><td>Chairman</td><td>Independent Non-Executive Director</td></tr><tr><td>Tan Sri Datuk Cham Hak Lim</td><td>Member</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Dato' Seow Thiam Fatt</td><td>Member</td><td>Senior Independent Non-Executive Director</td></tr></table> <p>The Remuneration Committee is responsible to recommend the remuneration framework for Non-Executive Directors as well as remuneration packages of Executive Directors and Senior Management.</p> <p>The Terms of Reference of the Remuneration Committee is made available on the Company's website at <a href="http://www.binacom.com.my">www.binacom.com.my</a>.</p>	Name	Designation	Directorate	Dato' Tan Yee Boon	Chairman	Independent Non-Executive Director	Tan Sri Datuk Cham Hak Lim	Member	Independent Non-Executive Chairman	Dato' Seow Thiam Fatt	Member	Senior Independent Non-Executive Director
Name	Designation	Directorate												
Dato' Tan Yee Boon	Chairman	Independent Non-Executive Director												
Tan Sri Datuk Cham Hak Lim	Member	Independent Non-Executive Chairman												
Dato' Seow Thiam Fatt	Member	Senior Independent Non-Executive Director												
<b>Explanation for departure</b>	:													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														



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

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The detailed disclosure on named basis for the remuneration of individual directors is set out below and also in the Corporate Governance Overview Statement in the Annual Report 2022.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Datuk Cham Hak Lim	Independent Director	84	-	-	-	-	-	84	84	-	-	-	-	-	84
2	Na Boon Aik	Executive Director	-	-	-	-	-	-	-	-	-	900	10	-	109	1,019
3	Zulamran bin Hamat	Executive Director	-	-	-	-	-	-	-	-	-	420	10	-	51	481
4	Dato' Seow Thiam Fatt	Independent Director	60	-	-	-	-	-	60	60	-	-	-	-	-	60
5	Dato' Tan Yee Boon	Independent Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
6	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	Input info here	Input info here
7	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	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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Save for the remuneration components of Managing Director and Executive Director cum Chief Executive Officer which have been disclosed on a named basis in the Corporate Governance Overview Statement in the Annual Report 2022, the remuneration of certain individual senior management is not disclosed on named basis due to confidentiality and sensitivity of each remuneration package.</p> <p>The aggregate remuneration and band of remuneration of the top five senior management was disclosed in the Corporate Governance Overview Statement in Annual Report 2022.</p> <p>The remuneration of senior management is commensurate with their individual performance, taking into consideration of the Group’s performance.</p>	
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>	:	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>	:	<p>The Chairman of the Audit and Risk Management Committee is Dato' Seow Thiam Fatt, the Senior Independent Non-Executive Director of the Company. The Chairman of the Board is Tan Sri Datuk Cham Hak Lim.</p> <p>Having the position of Board Chairman and Chairman of the Audit and Risk Management Committee assumed by different individuals allows the Board to objectively review the Audit and Risk Management Committee's findings 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**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC recognises the importance to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. The Audit and Risk Management Committee ("ARMC") has included in its Term of Reference the cooling off period of at least three (3) years for a former key audit partner to observe before being appointed as a member of the ARMC.</p> <p>Presently, none of the members of our ARMC were former audit partners.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit and Risk Management Committee ("ARMC") is responsible for assessing the capabilities and independence of the external auditors and also recommends to the Board on their appointment, re-appointment or termination of their services to the Company.</p> <p>As stated in the Term of Reference ("TOR") of the ARMC, the ARMC is to assess the competence, audit quality, independence and suitability of the External Auditors and the appropriateness of audit fees to support a quality audit.</p> <p>In addition, the TOR of ARMC has determined that the provision of non-audit contracts which cannot be entered into with the External Auditors in order to safeguard the independence and objectivity of External Auditors.</p> <p>ARMC had assessed the performance (including independence) of the external auditors based on the competence, audit quality and resource capacity of external auditors as well as the non-audit services provided by the external auditors.</p> <p>The external auditors are precluded from providing any services that may impair their independence or conflict with their role as external auditors. A written assurance had been provided to ARMC by the external auditors confirming 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>
<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>	:	The Audit and Risk Management Committee ("ARMC") of the Company comprises three (3) members who are exclusively Independent Non-Executive Directors. The composition of the ARMC is as follows:-		
		<b>Name</b>	<b>Designation</b>	<b>Directorate</b>
		Dato' Seow Thiam Fatt	Chairman	Senior Independent Non-Executive Director
		Tan Sri Datuk Cham Hak Lim	Member	Independent Non-Executive Chairman
		Dato' Tan Yee Boon	Member	Independent Non-Executive Director

**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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The members of the Audit and Risk Management Committee (“ARMC”) collectively have the necessary skills and a wide range of experience and expertise to fulfil its duties and responsibilities. The profile of the ARMC members are provided in the Annual Report 2022.</p> <p>Based on the outcome of the performance assessment on the ARMC by the Nomination Committee (“NC”), the NC and Board is satisfied with the performance of the ARMC.</p> <p>The training programs that the members of the ARMC have attended during the financial year ended 30 June 2022 are disclosed in the Annual Report 2022.</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**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations that is not limited to financial aspects of the business but also operational and regulatory compliance. The Audit and Risk Management Committee has been entrusted by the Board to ensure effectiveness of the Group's internal control systems. The ultimate objectives are to protect the Group's assets and safeguard shareholders' investments.</p> <p>The Board acknowledges that while the internal control system is devised to cater for particular needs of the Company and risk management system is to provide reasonable assurance against material misstatements or loss.</p> <p>The Statement on Risk Management and Internal Control as set out in this Annual Reports provides an overview of the state of risk management and internal controls within the Group.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The key features of the risk management and internal control system together with its adequacy and effectiveness are set out in the Statement on Risk Management and Internal Control in the Company's Annual Report 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Internal Audit Function of the Group is outsourced to a professional services firm, Sterling Business Alignment Consulting Sdn Bhd, which reviews and evaluates the adequacy and effectiveness of the Group's risk management and internal control system and report directly to the Audit and Risk Management Committee ("ARMC").</p> <p>The Internal Auditors conducted independent audit within the Group and reported their findings directly to the ARMC. Private session with the Internal Auditors without the presence of the Management is also carried out to ensure the Internal Audit function can freely report any concern they have directly to the ARMC.</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

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied						
<b>Explanation on application of the practice</b>	:	<p>The internal audit function of the Group is outsourced to an independent professional firm, i.e. Sterling Business Alignment Consulting Sdn Bhd (“Sterling” or “Internal Auditors”). The Internal Auditors report functionally to the Audit and Risk Management Committee of the Company.</p> <p>The Internal Audit personnel from Sterling are free from any relationships or conflict of interest, which could impair the objectivity and independence during the course of the internal audit work.</p> <p>The details of the audit personnel from Sterling is as follows:</p> <table><tr><td><b>Principal Engagement Director</b></td><td>So Hsien Ying</td></tr><tr><td><b>Qualifications</b></td><td><ul style="list-style-type: none"><li>- Certified Internal Control Professional (US);</li><li>- Master in Business Administration (Finance);</li><li>- BSc Economics (Hons) (London);</li><li>- Permanent Member of the Internal Control Institute US</li><li>- Member of the Malaysian Alliance of Corporate Directors; and</li><li>- Associate Member of the Institute of Internal Auditors Malaysia</li></ul></td></tr><tr><td><b>Experiences</b></td><td>27 years of professional experience in business process improvement, internal control review, internal audit and risk management</td></tr></table>	<b>Principal Engagement Director</b>	So Hsien Ying	<b>Qualifications</b>	<ul style="list-style-type: none"><li>- Certified Internal Control Professional (US);</li><li>- Master in Business Administration (Finance);</li><li>- BSc Economics (Hons) (London);</li><li>- Permanent Member of the Internal Control Institute US</li><li>- Member of the Malaysian Alliance of Corporate Directors; and</li><li>- Associate Member of the Institute of Internal Auditors Malaysia</li></ul>	<b>Experiences</b>	27 years of professional experience in business process improvement, internal control review, internal audit and risk management
<b>Principal Engagement Director</b>	So Hsien Ying							
<b>Qualifications</b>	<ul style="list-style-type: none"><li>- Certified Internal Control Professional (US);</li><li>- Master in Business Administration (Finance);</li><li>- BSc Economics (Hons) (London);</li><li>- Permanent Member of the Internal Control Institute US</li><li>- Member of the Malaysian Alliance of Corporate Directors; and</li><li>- Associate Member of the Institute of Internal Auditors Malaysia</li></ul>							
<b>Experiences</b>	27 years of professional experience in business process improvement, internal control review, internal audit and risk management							

	<b>Number of Resources:</b>		Sterling deployed 2 to 3 personnel per audit review depending on areas of audit
	<p>The Internal Auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system.</p> <p>The internal audit function is carried out in accordance with the International Professional Practices Framework set by the Institute of Internal Auditors.</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 recognises the importance of effective, transparent, regular and timely communication with its shareholders and other stakeholders to keep them informed on the Group's latest financial performance, business and corporate developments.</p> <p>Shareholders and stakeholders can access the Company's website at <a href="http://www.binacom.com.my">www.binacom.com.my</a> for latest information on the operations, financial and market information of the Company.</p> <p>The Board has established the Corporate Disclosure Policy for the purpose of reinforcing the Company's commitment on the continuous disclosure obligations with an aim of ensuring that all communications to the stakeholders about the business and affairs of the Company are informative, timely, factual, accurate, consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements.</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>	:	The Company is a not under the category of large companies as defined in the Malaysian Code of Corporate Governance (MCCG) to adopt integrated reporting. MCCG defines a “Large Company” as a company included on the FTSE Bursa Malaysia Top 100 Index or a company with market capitalisation of RM2 billion and above at the start of the company’s financial year.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Notice for Annual General Meeting (“AGM”) has been given to the shareholders at least 28 days prior to the meeting to ensure that shareholders were given sufficient time to read and consider the resolutions to be resolved.</p> <p>The notice of Company’s 5th AGM was issued on 29 October 2021 for the AGM held on 30 November 2021.</p> <p>In order to facilitate informed decision making by the shareholders, notice of meeting is also accompanied by explanatory notes on the items of business to further explain the nature of business of the 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**

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>All the Directors were present at the Extraordinary General Meeting (“EGM”) and the 5th Annual General Meeting of the Company held in 2021 to engage directly with shareholders.</p> <p>The Board will ensure that all Board members, particularly the chairman of each Board committee will make their endeavours to attend general meeting to facilitate engagement with shareholders and to address any relevant questions and concerns raised by the shareholders.</p> <p>During the EGM and 5<sup>th</sup> AGM, the Chairman of the meetings encouraged shareholders to actively participate by submitting their questions in real-time. All questions raised by the shareholders were attended to accordingly.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In view of the Covid-19 pandemic and as part of the Company's precautionary measures, the Extraordinary General Meeting and the 5<sup>th</sup> Annual General Meeting ("AGM") of the Company was held as a fully virtual meeting via the Remote Participation and Electronic Voting ("RPEV") facilities provided by Red Ape Solutions Sdn Bhd at its portal at <a href="https://agm.omesti.com">https://agm.omesti.com</a>.</p> <p>A step-by-step administrative guide was issued to assist shareholders on the registration, participation and voting using the RPEV facilities. The Administrative Details were also published in the Company's website prior to the EGM and 5th AGM to encourage shareholders' participation.</p> <p>The meetings were conducted in accordance with Section 327 of the Companies Act, 2016 and Clause 67 of the Company's Constitution, as well as with reference to the Guidance on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 13.4

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

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Extraordinary General Meeting ("EGM") and the 5th Annual General Meeting ("5<sup>th</sup> AGM") of the Company were conducted virtually. The Company had issued the administrative details for the EGM and 5th AGM which encompassed the guidance on the conduct of the virtual meeting.</p> <p>The shareholders were allowed to submit their questions electronically through the online platform provided by Red Ape Solutions Sdn Bhd at its portal at <a href="http://agm.omesti.com">http://agm.omesti.com</a> prior to the EGM and the 5th AGM, or used the question box to transmit questions to the Board of Directors via Remote Participation and Electronic Voting ("RPEV") facilities during live streaming of the EGM and the 5<sup>th</sup> AGM.</p> <p>The Chairman of the EGM and the 5th AGM had also informed the shareholders during the live streaming of the EGM and the 5th AGM that they could submit their questions to the Board during the EGM and the 5th AGM via the RPEV facilities; and subsequently, the answers to all questions were addressed by the Executive Director cum Chief Executive Officer, before the commencement of the poll voting.</p> <p>The shareholders were given ample time to pose their questions before the EGM and the 5th AGM or during the EGM and the 5th AGM. The Company had ensured that all questions were answered.</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>In view of the Covid-19 pandemic, the Extraordinary General Meeting ("EGM") and 5th Annual General Meeting ("5<sup>th</sup> AGM") ("Meetings") of the Company were held virtually.</p> <p>The Board in ensuring the conduct of the virtual meetings that facilitates meaningful engagement between the Board, senior management and shareholders, has undertaken the following:</p> <ul style="list-style-type: none"><li>➤ Provided administrative details on the conduct and participation of the meetings to shareholders prior to the meetings.</li><li>➤ Employed necessary infrastructure and tools (i.e. software application) to support the smooth broadcast and interactive participation by shareholders.</li><li>➤ Conducted real time question and answer sessions during the meetings to address enquiries from shareholders.</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**

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>	:	During the FY 2021, the Company held an Extraordinary General Meeting on 24 September 2021 and its 5th Annual General Meeting on 30 November 2021 ("Meetings") respectively. The Minutes of the Meetings, issues or concerns raised by shareholders and responses by the Company were uploaded on the Company's website for shareholders' perusal within 30 business days after the completion of the 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>	:	
<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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