

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0200
COMPANY NAME : REVENUE GROUP BERHAD
FINANCIAL YEAR : 30 JUNE 2020

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Rule 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 Rule 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.

Application :	Applied
Explanation on application of the practice :	<p>(1) Revenue Group Berhad ("REVENUE" or "the Group") is collectively led by an effective Board of Directors ("Board") which will provide overall governance and stewardship and oversight of the Group. The Board is tasked with the responsibility of leading and managing the Group and setting the strategic directions of REVENUE.</p> <p>In order to ensure the effectiveness in the discharge of its function and responsibilities, the Board has set up various Committees to assist the Board in leading and directing the Group towards realising the Group's corporate objectives in a sound and sustainable business operation and safeguarding shareholders' value. The Committees set up are:</p> <ul style="list-style-type: none">(a) Audit and Risk Management Committee ("ARMC")(b) Nomination Committee ("NC")(c) Remuneration Committee ("RC") <p>The Chairman of the respective Committees will report to the Board on the outcome of the Committees meetings for the Board's consideration and final decision.</p> <p>The Board Charter and Terms of Reference of the respective Committees are available on the Group's website at www.revenue.com.my.</p> <p>(2) The key responsibilities of the Board are:</p> <ul style="list-style-type: none">(a) To provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;(b) To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;

	<p>(c) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems, to safeguard our Group's reputation, our employees and assets and to ensure compliance with applicable laws and regulations:</p> <p>(d) To ensure that our Group has effective Board Committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance ("Code");</p> <p>(e) To review and approve our annual business plans, financial statements and annual reports;</p> <p>(f) To monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group; and</p> <p>(g) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board Committees and deliberate on the recommendations thereon.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

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.

Application :	Applied	
Explanation on application of the practice :	<p>(1) The Board is led by Encik Nor Azzam Bin Abdul Jalil, the Independent Non-Executive Chairman of the Group.</p> <p>(2) The roles and responsibilities of the Chairman of the Board have been clearly specified in Item 6.2 of the Board Charter, which is available on the Group’s website at www.revenue.com.my. The key roles of our Chairman include:</p> <p>(a) Leading the Board in setting the values and standard of the Group;</p> <p>(b) Overseeing the effective discharge of the Board’s supervisory role;</p> <p>(c) Facilitating the effective contribution of all Directors;</p> <p>(d) Conducting the Board’s function and meetings;</p> <p>(e) Briefing all the Directors in relation to issues arising at meetings;</p> <p>(f) Ensuring effective communication with shareholders and relevant stakeholders;</p> <p>(g) Scheduling regular and effective evaluations of the Board’s performance;</p> <p>(h) Ensuring the provision of accurate, timely and clear information to Directors; and</p> <p>(i) Promoting constructive and respectful relations between the Board members and the Management.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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.

Application	: Applied
Explanation on application of the practice	<p>(1) The positions of our Group's Chairman and the Managing Director and Group Chief Executive Officer ("Group CEO") are held by two different individuals and the roles and responsibilities are separate and clearly segregated to ensure an appropriate balance of authority, accountability and independence in decision making. The Chairman and Managing Director and Group CEO of our Group are:</p> <p>(a) Chairman: Encik Nor Azzam Bin Abdul Jalil; and</p> <p>(b) Managing Director and Group CEO: Mr. Eddie Ng Chee Siong.</p> <p>(2) The roles of the Chairman and Executive Directors have been specified in Item 6.2 and Item 6.3 of our Board Charter respectively, which is available on the Group's website at www.revenue.com.my. Please refer to Practice 1.2 of the CG Report pertaining to the role of the Chairman of our Group. The key roles of our Managing Director and Group CEO include:</p> <p>(a) Develop and recommend to the Board the long-term strategy and vision of the Group;</p> <p>(b) Develop and recommend to the Board the annual business plans, budgets, action plans and policies;</p> <p>(c) Ensure the management of the day-to-day business affairs, continuous improvement and development, implementation and achievement of corporate policies and strategies sanctioned by the Board;</p> <p>(d) Ensure that the Group has an effective management team and structure, management development program and succession plans;</p> <p>(e) Ensure that effective internal controls and governance measures are deployed;</p> <p>(f) Keep the Board fully informed of all important aspects of the Group's operations and ensuring information is distributed to the Board members;</p> <p>(g) Develop and maintain effective relations with significant external agencies such as regulatory bodies, government agencies, investing public and other trade associations and institutions; and</p> <p>(h) Serve as the chief spokesperson of the Group.</p>

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

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

Application :	Applied	
Explanation on application of the practice :	<p>(1) The Board is supported by qualified and competent Company Secretaries, Mr. Tan Tong Lang, Mr. Heng Chiang Pooh and Ms. Thien Lee Mee. They are qualified to act as the Company Secretaries under Section 235(2) of the Companies Act, 2016 and are member of Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) and Licensed Secretary (“LS”).</p> <p>(2) The Company Secretaries provide advice and assist the Board and Committees in achieving good corporate governance by ensuring compliance to statutory laws, legislation, regulatory requirements, listing requirements and other relevant rules and regulations.</p> <p>(3) The Company Secretaries shall also maintain proper statutory records, register and documents for the Group which are essential to assist the Board to achieve, meet and discharge their fiduciary responsibilities in accordance with good corporate governance practice. In addition, the Company Secretaries are also responsible in ensuring proper conduct at the Annual General Meetings, Extraordinary General Meetings, Board Committees’ Meetings and any other meetings and the preparation of minutes thereat.</p> <p>(4) All Board member have unrestricted access to the advice and services of the Company Secretaries in relation to the Board’s affairs and the Group’s business.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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

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>(1) To facilitate the Directors' time planning, the annual meeting calendar is prepared and discussed in advance during Boards meeting. The calendar provides Directors with scheduled dates for Board meetings, Board Committees meetings and Annual General Meeting ("AGM").</p> <p>(2) With the meeting dates fixed in advance, notices and meeting papers are distributed seven (7) days prior to the meetings. This ensures that Directors have full and timely access to information, as well as sufficient time to review the information and then discuss and/or deliberate the decision making at the meeting.</p> <p>(3) The Management and other advisers engaged by the Group are invited to attend the meeting to report and/or provide additional information and/or clarification.</p> <p>(4) Information furnished to the Board on an on-going basis includes reports on the financial, business development and regulatory.</p> <p>(5) All Directors have full and unrestricted access to any information pertaining to the Group's affairs. Other information and/or report will also be supplied upon the specific request by the Board to enable them to discharge their duties and responsibilities.</p> <p>(6) All proceedings of Board meetings were minuted by the Company Secretary.</p> <p>(a) The minutes would be distributed to all Directors on a timely manner and tabled for confirmation at the next meeting; and</p> <p>(b) Signed copies of the minutes were kept in the minutes book maintained by the Company Secretary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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.

Application	:	Applied	
Explanation on application of the practice	:	(1) The Board Charter which has been formalised and adopted by the Board, serves as a primary reference which sets out the composition of the Board, appointments of Directors, re-election of Directors, roles & responsibilities of the Board, Board Committees, Chairman, Executive Directors and Independent Non-Executive Directors. (2) The roles and responsibilities of the Board Committees, as well as the issues and decisions which required the Board Committees collective decision are also spelled out in the Terms of Reference of the respective Board Committees. (3) The Board will review the Board Charter from time to time to ensure that the Board Charter remains consistent with the Board’s objectives, current law and practices. The Board Charter and Terms of Reference of the respective Board Committees are available on the Group’s website at www.revenue.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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 3.1

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 :	(1) The Board is mindful that its leadership and stewardship is pivotal in creating an ethical corporate culture. The Board has formalised and adopted the Code of Conduct & Ethics Policy which serve as a primary guidance on the ethical and behavioural conduct of the Group. (2) The Code of Conduct & Ethics Policy sets out the principles on dealing with conflicts of interest, insider dealings, compliance to laws and others. (3) The Board will review the Code of Conduct & Ethics Policy from time to time to ensure that it remains relevant and appropriate. The Code of Conduct & Ethics Policy is available on the Group’s website at www.revenue.com.my .	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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.

Application	:	Applied	
Explanation on application of the practice	:	<p>(1) The Board has in place a Whistle Blowing Policy and it serves as a platform and laid out the procedures for employees to raise genuine concerns about any suspected and/or known unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place and/or has taken place and/or may take place in the future at the earliest opportunity, without being subject to victimisation, harassment or discriminatory treatment.</p> <p>(2) The Whistle Blowing Policy sets out the protection to Reporting Individual who has made the disclosure or report in good faith, the confidentiality and safeguarding in dealing with such disclosure or report, the communication channel and the procedurals flow of making the disclosure or report.</p> <p>(3) The Board will review the Whistle Blower Policy from time to time to ensure that it remains relevant and appropriate. The Whistle Blower Policy is available on the Group’s website at www.revenue.com.my.</p> <p>(4) The Whistle Blowing Policy was last reviewed on 28 May 2020.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

At least half of the Board comprises Independent Directors. For Large Companies, the board comprises majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	(1) The Board consists of eight (8) members, comprising four (4) Executive Directors and four (4) Independent Non-Executive Directors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application :	Not applicable None of the Independent Director(s) has been serving beyond nine (9) years	
Explanation on application of the practice :		
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3 – Step Up

The board has a policy which limits the tenure of its independent directors to nine (9) years.

Application	:	Applied
Explanation on application of the practice	:	<p>(1) The Group has established a policy that the tenure of the Independent Directors shall not exceed a cumulative term of nine (9) years as specified under Item 3.4.1 of our Board Charter.</p> <p>(2) Upon completion of the nine (9) years, an Independent Directors may continue, to serve on the Board subject to the Directors' re-designation as Non-Independent Director. In the event the Board intends to retain the Independent Director as an Independent Director after serving a cumulative term of nine (9) years, shareholders' approval will be sought.</p>

Intended Outcome

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

Practice 4.4

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.

Application	:	Applied																		
Explanation on application of the practice	:	(1) The appointments of our Board members and Senior Management are made based on merit, in the context of diversity in skills, experience, age, background, gender, ethnicity and other factors which is in the best interests of our Group.																		
		(2) The current Board composition reflects a balance of Executive and Independent Non-Executive Directors with a mix of qualified and experienced professionals in the field of banking and finance, accountancy, legal and corporate finance. The combination of different professions and skills will enable an effective deliberation among Board members with objective assessment and insights.																		
		(3) The Board also embraces age diversity to encourage diversity in perspective and balance the Board’s insight, experience and approach in the decision-making.																		
		<table><tr><td></td><td colspan="4">Age Group</td></tr><tr><td></td><td><40</td><td>41-49</td><td>50-59</td><td>>60</td></tr><tr><td>No. of Directors</td><td>1</td><td>6</td><td>1</td><td>-</td></tr></table>					Age Group					<40	41-49	50-59	>60	No. of Directors	1	6	1	-
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	<table><tr><td></td><td colspan="2">Ethnicity</td><td colspan="2">Gender</td></tr><tr><td></td><td>Bumiputra</td><td>Non-Bumiputra</td><td>Male</td><td>Female</td></tr><tr><td>No. of Directors</td><td>1</td><td>7</td><td>7</td><td>1</td></tr></table>					Ethnicity		Gender			Bumiputra	Non-Bumiputra	Male	Female	No. of Directors	1	7	7	1	
	Ethnicity		Gender																	
	Bumiputra	Non-Bumiputra	Male	Female																
No. of Directors	1	7	7	1																
		(4) The Board, together with the NC, will take into consideration the appointment and recruitment of suitable candidate based on his/her skills, knowledge, expertise, experience, professionalism, integrity, commitment, competencies and contribution.																		
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 4.5

The Board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	(1) The Group does not have a written policy on the gender diversity, however, the Board is supportive of diversity in gender, ethnicity and age as such diversification would enlarge the pool of skills, talents, perspective and ideas within the Board. (2) The Board currently consist of one Female Independent Director. For any vacant Board position in the future, the Board when sourcing for suitable candidates, consideration is given to identify suitably qualified woman candidates in line with the recommendation of the Malaysian Code on Corporate Governance.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.6

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.

Application	:	Applied
Explanation on application of the practice	:	<p>(1) The Board does not set specific criteria for the assessment and selection of candidates for appointment as Director of the Group. Consideration would be taken on the need and requirement to meet the regulatory requirements such as the Companies Act, 2016 and the Listing Requirements, the experience, integrity, independence of the candidate, understanding of our Group's business environment, possession of the required skill, qualification, experience and expertise that would add value to the Board.</p> <p>(2) The Board will utilise a variety of approaches and sources to identify suitable candidates, which may include sourcing from independent recruitment firms and open advertisements.</p> <p>(3) The NC carries out its responsibilities in respect of the selection, nomination and appointment process of Director(s) to the Board of our Group under the relevant laws and regulations. The functions of the NC has been listed under Item 5.1 of the Terms of Reference of the NC.</p> <p>(4) The Terms of Reference of the NC is available on the Group's website at www.revenue.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	(1) Encik Nor Azzam Bin Abdul Jalil is the Chairman of our NC and is an Independent Non-Executive Chairman. (2) The present composition of our NC consists of three (3) members of the Board, all of whom are Independent Non-Executive Directors.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application :	Applied
Explanation on application of the practice	<p>(1) The NC is responsible to undertake the annual evaluation of the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director based on the following criteria, amongst other:</p> <p>(a) For Board and Board Committees:</p> <ul style="list-style-type: none">- Composition;- Board Process;- Adequacy of information and processes;- Accountability;- Performance; and- Code of Conduct & Ethics. <p>(b) For individual Directors:</p> <ul style="list-style-type: none">- Abilities, competences and knowledge;- Integrity and personality;- Participation at Board and Board Committees' meetings including the contribution to the business strategies and performance of the Group;- Attendance of meetings;- Independency; and- Corporate Governance. <p>(2) The NC also assessed the training needs of the Board and remind the Board on the needs of continuous professional development and training to enhance their skills and knowledge to keep themselves abreast with the changes in the business environment, market condition, legislations and regulations affecting the Group.</p> <p>(3) The NC reviewed the Independence of the Independent Directors for the financial year ended 30 June 2020 and is satisfied with the independency demonstrated.</p> <p>(4) All assessments and evaluations carried out will be documented and minuted by the Company Secretary. The results of all assessment and comments by Directors are summarised and deliberated at the NC meeting and thereafter the NC's Chairman will report the results and deliberation to the Board.</p>

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

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 6.1

The Board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application :	Applied	
Explanation on application of the practice :	<p>(1) The Board has authorised the RC to establish a formal and transparent procedure for developing remuneration policies on executive remuneration and for fixing the remuneration packages of individual Directors and senior management.</p> <p>(2) The Board as a whole, with the assistance of the RC, determines the fees for Independent Non-Executive Directors, with each Director concerned abstaining from any decision with regards to his/her own remuneration.</p> <p>(3) The remuneration policies and procedures has been listed under Item 7.1 of the Terms of Reference of the RC.</p> <p>(4) The Board will review the remuneration policies and procedures from time to time to ensure that it remains relevant and appropriate. The Terms of Reference of the RC is available on the Group’s website at www.revenue.com.my.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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 6.2

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.

Application	:	Applied
Explanation on application of the practice	:	(1) The Board has set up a RC which comprises entirely of Independent Non-Executive Directors in order to assist the Board in determining the remuneration of the Directors and Senior Management. (2) The RC's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Executive Directors and Senior Management that fairly guided by market norms and industry practice. (3) The remuneration will take into consideration of the demands, complexities and performance of the Group, as well as the skills and experience required. (4) The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the Annual General Meeting based on recommendations of the Board. (5) The Terms of Reference of the RC is available on the Group's website at www.revenue.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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 7.1

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.

Application :	Applied						
Explanation on application of the practice :	(1) In line with the Code, disclosure of the remuneration of Directors’ of the Group is made on a named basis.						
	(2) Details of the nature and amount of each major element of the remuneration of each Director for the financial year ended 30 June 2020 are as follow:						
	RM’000	Fees	Salary	Bonus	Benefits-in-kind	Others	Total
	Group						
	Non-Executive Directors						
	Nor Azzam Bin Abdul Jalil	80.9	-	-	-	11.0	91.9
	Ooi Guan Hoe	56.9	-	-	-	11.0	67.9
	Ng Chee Keong	56.9	-	-	-	11.0	67.9
	Loo Jo Anne	-	-	-	-	-	-
	Subtotal	194.7	-	-	-	33.0	227.7
	Executive Directors						
	Ng Chee Siong	-	660.0	55.0	80.4	86.7	882.1
	Ng Shih Chiow	-	660.0	55.0	63.3	86.7	865.0
	Ng Shih Fang	-	660.0	55.0	50.5	86.7	852.2
	Lai Wei Keat	-	318.0	25.0	17.4	42.1	402.5
	Subtotal	-	2,298.0	190.0	211.6	302.2	3,001.8
Total							
	194.7	2,298.0	190.0	211.6	335.2	3,229.5	
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

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 7.2

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 :	<div>(1) The Group does not comply with the recommendation to disclose the detailed remuneration of each member of Senior Management in bands of RM50,000 on a named basis.</div> <div>(2) The Board is of the view that the disclosure of the Senior Management’s remuneration components will not be in the best interest of the Group given the competitive human resources environment as such disclosure may give rise to talent recruitment and retention issue. Also premised on the security and confidentiality of the remuneration package of our Senior Management, the Board has adopted a disclosure of our Senior Management remuneration in bands of RM50,000 on an unnamed basis.</div> <div>(3) The aggregate remuneration paid to the Senior Management of the Group during the financial year analysed into bands of RM50,000 are as follows:</div> <table><tr><th>RM’000</th><th>No. of Senior Management</th></tr><tr><td>50,001 to 100,000</td><td>1</td></tr><tr><td>100,001 to 150,000</td><td>3</td></tr><tr><td>150,001 to 200,000</td><td>0</td></tr><tr><td>200,001 to 250,000</td><td>1</td></tr><tr><td>250,001 to 300,000</td><td>3</td></tr></table>		RM’000	No. of Senior Management	50,001 to 100,000	1	100,001 to 150,000	3	150,001 to 200,000	0	200,001 to 250,000	1	250,001 to 300,000	3
RM’000	No. of Senior Management													
50,001 to 100,000	1													
100,001 to 150,000	3													
150,001 to 200,000	0													
200,001 to 250,000	1													
250,001 to 300,000	3													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
Measure :														
Timeframe :														

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 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application :	Not adopted
Explanation on application of the practice :	

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 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	(1) The Board has established an ARMC which is chaired by our Independent Non-Executive Director, Mr. Ooi Guan Hoe, who is a member of Malaysian Institute of Accountants since 2002. (2) Meanwhile, the Chairman of our Board is Encik Nor Azzam Bin Abdul Jalil and therefore the Chairman of our Board and the Chairman of our ARMC is held by two different Independent Non-Executive Directors. (3) The Terms of Reference of the ARMC is available on the Group’s website at www.revenue.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application :	Applied	
Explanation on application of the practice :	(1) No former key audit partner of the Group has been appointed to the Board or employed by the Group. (2) The Board has established a Policy Statement on the Independence of External Auditor which require any former key audit partner to observe a cooling-off period of at least (2) two years before being appointed as a member of the ARMC.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application :	Applied
Explanation on application of the practice :	<ol style="list-style-type: none"> (1) The ARMC has been established and is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the external auditor. (2) The ARMC has been explicitly accorded the power to communicate directly with both the external auditor and/or internal auditor without the presence of the Non-Independent Executive Directors and/or Senior Management. (3) The Board has established a Policy Statement on the Independence of External Auditor which has set the rules for engaging external auditor, the selection criteria, annual assessment, non-audit services. (4) In assessing or determining the suitability, objectivity and independence of the external auditor, the ARMC has taken into consideration of the followings: <ol style="list-style-type: none"> (a) Quality and thoroughness of the audit approach and methodology; (b) Independence of the external audit firm and specifically the audit engagement partner; (c) Skills and knowledge of the external audit firm; (d) Understanding of the industry of the Group; (e) Partner rotation and succession planning; and (f) Value for money. (5) The terms of engagement for audit services provided by the external auditors are reviewed by the ARMC prior to the submission to the Board for approval. (6) The ARMC has obtained annual assurance of independence from the external auditors after the external audit.

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Adopted
Explanation on application of the practice :	(1) As at the date of this report, the ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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>(1) The Chairman and members of the ARMC possess a wide range of necessary skills to discharge its duties and are financially literate and are able to understand matters under the purview of the ARMC, as well as the financial reporting process.</p> <p>(2) Mr. Ooi Guan Hoe, the Chairman of our ARMC, is a member of Malaysian Institute of Accountants and has been involved in Investment Banking for more than 15 years. The other members of the ARMC, Encik Nor Azzam Bin Abdul Jalil has been involved in commercial banking for more than 25 years whilst Mr. Ng Chee Keong has been involved in the legal profession for more than 15 years. The qualification and experience of the individual members are disclosed in the Annual Report 2020.</p> <p>(3) The ARMC has also sought the external auditor to updates the developments in accounting and governance standards during ARMC meetings.</p> <p>(4) During ARMC meetings, the Committee will review the unaudited quarterly result and audited financial statements with the Senior Management with the presence of the external auditor before recommending them for approval by the Board and issuance to stakeholders.</p> <p>(5) The list of trainings/seminars/conferences attended by the members of ARMC has been disclosed in the Annual Report 2020.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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 9.1

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

Application :	Applied	
Explanation on application of the practice :	<p>(1) The Board has authorised the ARMC to provide oversight on the establishment and implementation of a risk management framework and internal control systems. The ARMC reviews the effectiveness of the risk management framework and internal control systems by identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans of risk management.</p> <p>(2) The ARMC has established a Risk Management Framework and Compliance Framework (“Frameworks”) and these Frameworks provides an on-going process for identifying, evaluating and managing the significant risks faced by the Group that may affect the achievement of the Group’s business objectives.</p> <p>(3) Any issue affecting the Group from achieving its business objectives and the implementation of the action plans to address the risks identified will be discussed during the ARMC meetings.</p> <p>(4) The Board is of the view that the Group’s risk management and internal control framework and systems are in place for the financial year ended 30 June 2020 and up to the issuance of the Annual Report 2020.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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 9.2

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

Application :	Applied	
Explanation on application of the practice :	<p>(1) The Board has disclosed the features of its risk management and internal control framework, the adequacy and the effectiveness of the framework are set out in the Statement on Risk Management and Internal Control (“SORMIC”) in the Annual Report 2020.</p> <p>(2) The ARMC regularly evaluates the adequacy and effectiveness of the Group’s risk management and internal control systems by reviewing the actions taken on lapses/deficiencies identified in Risks Register provided by our Group’s Risk and Compliance Manager.</p> <p>(3) The ARMC also reviews the external auditor and internal auditor’s recommendations (if any) and management responses to these recommendations to ensure that they are working adequately and promptly.</p> <p>(4) The SORMIC which has been reviewed by the external auditor provides an overview of the state of risk management and internal control within the Group governed by the Frameworks. Based on their review, nothing has come to their attention that causes them to believe that the SORMIC is not prepared, in all aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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 9.3 - 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.

Application :	Not Adopted
Explanation on application of the practice :	The function of Risk Management Committee is currently assumed by the ARMC.

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 10.1

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 :	(1) The Board has authorised the ARMC to review the effectiveness of the internal audit function. (2) The ARMC is assisted by our Group's Risk & Compliance Manager, Mr. Chan Choo Meng, who reports independently and directly to the Board. Any issue affecting the Group from achieving its business objectives and the implementation of the action plans to address the risks identified, will be discussed during the ARMC meetings. (3) The Risk & Compliance Manager has unrestricted access to all documents and records of the Group which deemed necessary in the performance of his function. (4) The ARMC is also supported by the Internal Audit team, which has been outsourced to GovernanceAdvisory.com Sdn Bhd. Its primary role is to assess the adequacy and effectiveness of the risk, control and governance framework of the Group. The Internal Audit report directly to the ARMC and its role are to independently review the internal control system established by the Senior Management, its adequacy and effectiveness with the objectives set and to make appropriate recommendations for further improvement. (5) The Board, under the recommendation by the ARMC, has agreed to continue to engage an external and independent professional consulting firm as part of its effort to provide adequate and effective internal control system for our financial year ended 30 June 2020.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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 10.2

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.

Application	:	Applied
Explanation on application of the practice	:	<p>(1) During the year, the internal audit engagements was headed by our Risk & Compliance Manager, Mr. Chan Choo Meng. Mr. Chan Choo Meng has more than 35 years of experience in the banking industry and was primarily involved in the fraud management function of Alliance Bank Malaysia Berhad prior to joining our Group in 2016.</p> <p>(2) Mr. Chan Choo Meng has confirmed to the ARMC that all reviews and internal audit assignment conducted were conducted objectively and independently free from any conflicts of interest and relationships and was in accordance with the Group's Frameworks.</p> <p>(3) The Group has also appointed GovernanceAdvisory.com Sdn Bhd, a firm registered under corporate member of Institute of Internal Auditors Malaysia ("IIAM") as the outsource Internal Auditor. The internal audit exercise will be led by Mr. Jason Tee. Mr. Jason Tee holds a B.C. (Hon) in Accounting and he is a member of IIAM.</p> <p>(4) The internal audit plan was circulated to the ARMC for approval prior to the execution of the assignment. The internal audit engagements will be carried out in accordance with the International Professional Practices Framework (IPPF) set by the IIAM.</p> <p>(5) During FYE 2020, the Group had conducted review on the corporate governance and risk management systems of the Group on 21 November 2019 and 28 May 2020, focusing on the Collection Function (Terminal) and Operational Review - Anypay Sdn Bhd and Buymall Services Sdn Bhd respectively.</p> <p>(6) The Board, under the recommendation by the ARMC, has agreed to continue to engage an external and independent professional consulting firm as part of its effort to provide adequate and effective internal control system for our financial year ended 30 June 2020.</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 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 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application :	Applied
Explanation on application of the practice :	<p>(1) The Board is committed to provide effective, transparent and regular communication with its shareholders and other stakeholders regarding the business, operations and financial performance of the Group to enable them to make informed decisions.</p> <p>(2) The Group endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of legal and regulatory framework governing the release of material and price-sensitive information. Such material and price-sensitive information will not be released unless it has been duly announced or made public through proper channels.</p> <p>(3) Presently, the Board and the Senior Management of the Group communicate regularly with its shareholders and other stakeholders through the following channels of communication:</p> <p>(a) Bursa Malaysia Securities Berhad ("Bursa Securities")</p> <p>The Group releases all material information publicly through Bursa Securities' website and the shareholders and other stakeholders, as well as the general public may obtain such announcements and financial information from the website of Bursa Securities.</p> <p>(b) Corporate website</p> <p>The Group's corporate website, www.revenue.com.my, has incorporated an Investor Relation section which provides relevant information on the Group and is accessible by everyone.</p> <p>(4) The AGM also serves as a principal forum for dialogue with the shareholders where they will be given the opportunity to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group.</p> <p>(5) As an ongoing effort to strengthen the Group's relationship with the shareholders, the Group will arrange programmes for meetings or interview with the investment community or press.</p>

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

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 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application :	Applied	
Explanation on application of the practice :	<p>(1) The Annual Report of the Company contained the Financial Statements for the financial year and other information and disclosures to enable the shareholders and investors to have a better understanding of the Company’s business and performance.</p> <p>(2) The Company also maintains a corporate website which allows the shareholders and the public to access the information about the Company which includes corporate information, financial information, announcements and other relations.</p> <p>(3) As the Company does not fall under the definition of “large companies”, adopting a globally recognised integrated reporting framework is not in its current focus.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>(1) The Company despatches the notice of its Annual General Meeting (“AGM”) to shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).</p> <p>(2) The Notice of Annual General Meeting are dispatched at least 28 days before the Annual General Meeting to accord sufficient time for the shareholders to make the necessary arrangements to attend and participate in person or by proxy.</p> <p>(3) The notes to the Notice of the 3rd Annual General Meeting have provided all relevant information supporting each proposed resolution to enable the shareholders to evaluate and vote accordingly.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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 12.2

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 :	(1) The date of our Third (3 rd) AGM has been fixed in advance to enable the Directors and Senior Management to make necessary arrangement in order to attend the planned AGM. (2) Barring unforeseen circumstances, all Directors and Senior Management will be present at the forthcoming AGM of the Group and to provide meaningful response and to address questions and/or concerns raised by the shareholders.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate:

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application :	Applied	
Explanation on application of the practice :	(1) In line with the Government’s Initiative to curb the spread of the COVID-19 and Guidance Note on Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 and subsequent revisions, the Third (3 rd) AGM of the Company is scheduled to be held on 7 December 2020 via virtual meeting by using the Remote Participation and Voting Facilities.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

**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.

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