

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5248
COMPANY NAME : Bermaz Auto Berhad
FINANCIAL YEAR : April 30, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the performance and affairs of the Company and its subsidiaries (collectively known as "the Group") and the provision of leadership and guidance for setting the strategic direction of the Group.</p> <p>The Board has in place a Mission Statement which sets out the primary goals and purposes of the Company and to provide a roadmap for the employees to achieve the objectives.</p> <p>The Board is also committed to instill good ethics and values amongst its members and its employees in tandem with its Mission Statement through its core values of Honesty, Integrity, Commitment, Loyalty and Humanity. This is clearly reflected through the adoption of a Code of Ethics for Directors, a Code of Conduct and Business Ethics for employees, a Whistleblowing Policy and a Fit and Proper Policy. The Board believes that the success of the Group's business should be built based on these foundations.</p> <p>In order to realise the Mission of the Company, the Board as a whole, led by the Executive Chairman, works together with the Group Chief Executive Officer ("Group CEO") and management to promote good corporate culture and behaviour within the Group that is ethical, prudent and professional.</p> <p>The duties and powers of the Board are governed by the Constitution of the Company, the Companies Act 2016, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant regulatory requirements that are in force.</p> <p>All members of the Board are aware of their responsibility to make decisions objectively and prudently to promote success in the Group and in the best interest of the shareholders and other stakeholders. The roles</p>

	<p>and responsibilities of the Board which are set out in the Board Charter, serves as a reference point for Board activities. The Board Charter is available on the Company's website at www.bauto.com.my.</p> <p>To ensure the corporate strategies of the Group are being properly implemented, the Board has delegated such task to the Executive Chairman and Group CEO to manage the daily operations of the Group. The Executive Chairman and the Group CEO leads the management in making and implementing the day-to-day decisions of the Group's business operations as well as managing the resources and the associated risks involved in pursuing the Group's corporate objectives.</p> <p>The Executive Chairman and/or the Group CEO will brief the Board at the quarterly Board meetings on the Group's business operations and/or the management's initiatives (where applicable).</p> <p>Non-Executive Directors are not involved in the daily management of the Group but contribute their own particular expertise and experience in the development of the Group's overall business strategy. Their active participation as members of the various Board Committees also contributed to the enhancement of corporate governance and controls of the Group.</p> <p>The Board has established and is supported by the following Board Committees which consist of a majority of Independent Non-Executive Directors to provide independent oversights on management and to ensure that there are appropriate checks and balances while discharging their oversight function: -</p> <ul style="list-style-type: none"> (i) Audit Committee (ii) Nomination and Remuneration Committee (iii) Risk Management Committee (v) Sustainability Committee (vi) Employees' Share Scheme Committee <p>Each of the Board Committees operates within their respective Terms of Reference ("TORs") that also outlines their respective functions and authorities. The TORs are periodically reviewed by the respective Board Committees and any updates/amendments shall be tabled to the Board for approval to ensure that the TORs remain relevant and adequate in governing the responsibilities of the Board Committees and reflects the latest developments in the Listing Requirements of Bursa Securities and the Malaysian Code on Corporate Governance ("MCCG"). The Board Committees shall table their recommendations to the Board for deliberation and approval as the ultimate decision making and responsibility lies solely with the Board.</p>
<p>Explanation for departure</p>	<p>:</p>

<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 1.2

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>The present Chairman of the Board is Tan Sri Dato' Sri Yeoh Choon San. He was previously the Chief Executive Officer prior to his redesignation as the Executive Chairman of the Company on 1 January 2019. He is responsible for providing leadership to the Board and ensuring smooth and effective functioning of the Board.</p> <p>The Executive Chairman is elected by the Board and will preside at all Board meetings and general meetings of the Company. The Executive Chairman will ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted.</p> <p>The Executive Chairman contributes his expertise and experience in leading the Board in the determination of the Company's strategies and policies so that the Board can perform its responsibilities effectively. The Executive Chairman also encourages active participation and healthy discussion at meetings to ensure that any dissenting views will be freely expressed and discussed. In addition, the Executive Chairman leads the Board in establishing and monitoring good corporate governance practices in the Group.</p> <p>The other roles and responsibilities of the Executive Chairman of the Board is set out in the Board Charter which is available on the Company's website at www.bauto.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

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>The positions of Chairman and Group CEO are held by two different individuals. The distinct and separate roles of the Chairman and Group CEO with their clear division of responsibilities ensures that there is a balance of power and authority, such that no individual has unfettered decision-making powers.</p> <p>The Executive Chairman, Tan Sri Dato' Sri Yeoh Choon San is responsible for providing leadership to the Board and ensuring the smooth and effective functioning of the Board as well as managing specific operational function within the Group together with the Group CEO.</p> <p>Whereas the Group CEO, Dato' Lee Kok Chuan is responsible for overseeing the day-to-day management of the Group's businesses and implementing Board's policies and decisions.</p> <p>Their key roles and responsibilities are set out in the Board Charter of the Company, which is available on the Company's website at www.bauto.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

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>	
Application :	Applied
Explanation on application of the practice :	The Executive Chairman of the Board, Tan Sri Dato' Sri Yeoh Choon San, is not a member of the Audit Committee and the Nomination and Remuneration Committee and does not participate in any of these committees' meetings unless invited to do so by the Board Committee members. In addition, majority of the Board Committee members comprises mainly Independent Non-Executive Directors, which allows these Board Committees to carry out their duties and provide an unfettered and unbiased independent judgement and recommendations to the Board.
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

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.

Application	: Applied
Explanation on application of the practice	<p>The Board is assisted by qualified and competent Company Secretaries. The Company Secretaries play an important role in good governance by helping the Board and Board Committees to function effectively and in accordance with their TORs and best practices.</p> <p>The Company Secretaries also play an advisory role and advises the Board and Board Committee(s) on the Company's Constitution and their roles and responsibilities as well as to inform them of any changes in the statutory, corporate governance and/or other relevant regulatory requirements. The Company Secretaries will briefly inform the Board and Board Committee(s) on the implication(s) and/or action(s) required, if any, arising from such changes and the impact on the Group and its Directors.</p> <p>The Company Secretaries organize and attend all Board and Board Committees' meetings and are responsible to ensure that the said meetings are properly convened, the proceedings are accurately and properly recorded and all resolutions are minuted and maintained at the registered office of the Company.</p> <p>The Company Secretaries have also been attending the relevant training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the latest changes in law, regulatory and corporate governance requirements so as to be able to provide appropriate updates and/or advice to the Board and/or Board Committee(s).</p> <p>The roles and responsibilities of the Company Secretaries are set out in the Board Charter which is available on the Company's website at www.bauto.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

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>All Directors have full access to information through the Board and Board Committees' papers, which are circulated in a timely manner to all Board and/or Board Committees' members prior to the meeting(s), where applicable. The Board and/or Board Committees' papers normally provide details such as periodic financial information, operational matters, regulatory compliance matters, investment proposals and/or management proposals which may require the Board Committees' recommendation to the Board for deliberation and approval, as the case may be.</p> <p>Board and Board Committees meetings are scheduled in advance prior to each calendar year to encourage maximum attendance by the members. An annual schedule of Meetings ("Schedule") is prepared and circulated to the Board in advance of each new financial year to facilitate better planning by all Directors. The Company Secretaries provide the Directors in advance with all the meeting dates of the Board, Board Committee and the Annual General Meeting, as well as the closed period(s) for dealings in securities of the Company.</p> <p>Board and Board Committees papers are disseminated at least five (5) working days prior to the meeting as stated in the Board Charter, except for meetings called on an ad-hoc basis for special matters. This is to enable the Directors to have sufficient time to go through the papers and understand the purpose for the meeting as well as to discuss or seek further clarification at the meeting. The Board and/or Board Committees' papers normally include minutes of preceding meetings, summary of dealings in shares by the Directors or affected persons, circular resolutions, reports on the Group's financials, operations, corporate developments/proposals as well as reports from external parties, where applicable.</p> <p>The Directors are also provided with electronic devices such as iPads, for a more efficient communication and dissemination of the Board Papers.</p> <p>The management, external advisers and the Directors of the Group (where applicable), are invited to attend the Board and Board Committees' meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting</p>

	<p>agendas. Besides direct access to management, Directors may obtain external independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter in furtherance of their duties.</p> <p>All deliberations and decisions of the Board and Board Committees are recorded by the Company Secretaries including disclosures of interests by any interested Directors and their abstention from voting and deliberating on a particular transaction. Minutes of meetings would be circulated to all Directors on a timely basis for review and thereafter for confirmation at next meeting of the Board and/or Board Committees (where applicable).</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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	:	<p>The Board has adopted a Board Charter which clearly sets out the roles and responsibilities of the Board, Board Committees and individual Directors in promoting the standards of corporate governance and practices. In addition, there is a formal schedule of matters reserved for the Board's deliberation and decision as set out in the Board Charter to ensure that the direction and control of the Group are in the hands of the Board.</p> <p>The Board Charter is subject to review by the Board periodically to ensure it remains consistent with the Board's objectives and responsibilities, current laws and practices.</p> <p>The Board Charter was revised on 12 September 2022 to reflect the recent changes in the regulatory requirements and the updated MCCG.</p> <p>A copy of the Board Charter is available on the Company's website at www.bauto.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 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 adopted a Code of Conduct and Business Ethics ("Code") which provides the ground rules and guidance for proper standard of conduct and ethical behaviour for all Directors and employees of the Group when dealing with both internal and external parties and compliance with all applicable laws, rules and regulations in all its business activities.</p> <p>The Code covers, among others, the policies and procedures in managing conflicts of interest, preventing the abuse of power, corruption, insider trading, money laundering and unethical conduct or violation of laws, rules and regulations.</p> <p>The Board has also adopted a Code of Ethics for Directors which is incorporated in the Board Charter. The said Code of Ethics was formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors.</p> <p>The Code is available on the Company's website at www.bauto.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 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>The Board has formalised a Whistleblowing Policy which serves as an internal communication channel in relation to whistleblowing at work place and to enable employees or the relevant parties to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct on a confidential basis in accordance with the Malaysian Whistleblower Protection Act 2010 or other similar law prevailing in other countries where the subsidiary companies are located, without fear of any form of victimization, harassment, retribution or retaliation.</p> <p>The Whistleblowing Policy provides contact details of the Executive Chairman, Group CEO, Group Head, Human Resource and Group Head, Corporate Planning/Internal Controls of the Company as the avenue for the employees or relevant parties to raise concerns of non-compliance to them. The Chairman of Audit Committee was included as a point of contact during the financial year under review to further enhance the effective implementation of the Whistleblowing Policy.</p> <p>The Whistleblowing Policy is available on the Company's website at www.bauto.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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board integrates sustainability, whenever possible, into all critical business decisions regarding the Group's overall direction and annual target-setting process. Business functions must set and meet concrete sustainability targets to systematically implement the general approach established by the Board. The Board is also responsible for ensuring compliance with all aspects of the law and internal regulations while providing adequate risk management and control.</p> <p>The Board meets at least annually to discuss on sustainability matters including reviewing the material matters to ensure they stay relevant and up to date.</p> <p>Internal business functions are responsible for leading progress on the Board's sustainability-related decisions and are steered and monitored by the Sustainability Committee ("SC") and the management team.</p> <p>Topical issues relating to sustainability matters are discussed as and when they arise during weekly management meetings attended by the Executive Chairman and Group CEO of the Company.</p> <p>The Board and Sustainability Committee are responsible for the oversight and steering of the Group's sustainability matters undertaken by management including setting the targets setting the targets, formulating the action plans to achieve the targets or to address any gaps within reasonable timelines, disseminate, educate and promote employee awareness and understanding of the Company's approach to sustainability within the Group to ensure continuous employee engagement to support the Company's actions on sustainability matters and issues the Group.</p> <p>Further details of sustainability disclosure for the financial year under review is disclosed in the Sustainability Statement as set out in the Company's Annual Report 2023.</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 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.

Application	:	Applied	
Explanation on application of the practice	:	Sustainability strategies, priorities and targets as well as performance against these targets have been incorporated into the strategic plan of the Group and is communicated to its internal and external stakeholders via annual report, virtual townhall session with Executive Chairman, media release, corporate website and trainings. The detailed narrative as well as specific disclosures on strategies, priorities and achievements on how the Company has continued to make progress on its journey of sustainability are communicated to its internal and external stakeholders through its Sustainability Statement as set out in the Company's Annual Report 2023.	
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 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The management provides update to the Board and the Sustainability Committee on any sustainability issues relevant to the Group and/or on the sustainability efforts being undertaken by the Group in accordance with the Environmental, Social and Governance (“ESG”) criteria.</p> <p>The Board, through the Nomination and Remuneration Committee, assessed the training programmes attended by each Director during the financial year to ensure they stay abreast with the latest developments in the industry as well as the sustainability issues relevant to the Group and its business, including climate related risks and opportunities. With the ever-growing emphasis on sustainability as well as the increased expectations for the Group to behave responsibly, the Board will continue to engage with subject matter experts, internally and externally, to ensure that the Board has the knowledge to guide and steer the Group in the correct sustainability path and/or strategy.</p> <p>BAuto's management team, headed by the Executive Chairman and the Group CEO, devises strategies to manage and minimise its environmental footprint. Progress reports and proposals on energy management, climate change and pollution reduction, supported by financial indicators and cost-benefit analysis, are tabled for discussion at management and/or Board and Sustainability Committee meetings, as and when necessary.</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 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.

Application	:	Applied	
Explanation on application of the practice	:	The Board effectiveness evaluation for the financial year ended 30 April 2023 (“FYE 2023”) included an assessment on the Board’s oversights of sustainability risks and opportunities and issues that are critical to the Group’s performance whilst the performance evaluation for senior management takes into account the Group’s progress and performance of its sustainability priorities in addressing material sustainability risks and opportunities.	
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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Group Head of Investment and Special Projects has been entrusted by the Sustainability Committee to oversee the Group's sustainability reporting as well as to monitor the Group's progress in complying its sustainability performance in the respective pillars.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee ("NRC") had reviewed and evaluated the effectiveness of the Board as a whole based on the summary of results from the performance evaluation completed by the Directors and was satisfied that the Directors have discharged their responsibilities in a commendable manner. The NRC was also of the view that all the Directors have contributed to robust deliberation and decision making during the Board and Board Committees meetings.</p> <p>During the financial year under review, the NRC had undertaken an annual assessment and evaluation of the Directors due for re-election ("Retiring Directors") in accordance with the provisions of the Companies Act 2016, the Constitution and the Fit and Proper Policy of the Company. From the results of the assessment conducted, the NRC was satisfied with the overall performance and contribution of the Retiring Directors and had accordingly recommended to the Board for re-election of the Retiring Directors.</p> <p>The NRC has recommended to the Board that the Retiring Directors who will be retiring under Clause 117 of the Company's Constitution are recommended to be re-elected at the forthcoming 13th Annual General Meeting ("AGM") of the Company since they have discharged their duties and responsibilities effectively as Directors of the Company as prescribed in Paragraph 2.20A of Bursa Securities' MMLR, have met the requisite criteria and qualities under the Company's Directors' Fit and Proper Policy and have been able to contribute positively to the Board and the Company with active participation at the Board/Board Committees' Meetings due to their vast experience and diverse skills set.</p> <p>The Retiring Directors have given their confirmations that they have met the criteria of Independent Director under Chapter 1 of Bursa Securities' MMLR and indicated their willingness to continue in office as Independent Non-Executive Directors of the Company as evidenced in their 2023 Independent Director Evaluation Forms.</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 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently has seven (7) members comprising four (4) Independent Non-Executive Directors (“INEDs”), a Non-Independent Non-Executive Director, an Executive Chairman and a Group CEO.</p> <p>The present composition of the Board is in compliance with Paragraph 15.02 of the Listing Requirements of Bursa Securities, i.e. at least 2 or 1/3 of the Board of Directors, whichever is the higher, are Independent Directors. The present Board composition is also in compliance with the recommendation by MCCG for large companies to have a majority of Independent Directors. The Company’s present Board composition comprises 57% Independent Directors.</p> <p>The independence of each Director is reviewed by the NRC on an annual basis. All the four (4) INEDs have satisfied the independence criteria as defined under Paragraph 1.01 of the Listing Requirements of Bursa Securities and they are able to continue to demonstrate their independent judgement and objectivity in the Board’s decision-making process.</p> <p>The Board had identified Datuk Syed Hisham Bin Syed Wazir as the Senior Independent Non-Executive Director (“SINED”) due to his vast board experiences and knowledge in the automotive industry, leadership skills and is the longest serving Independent Non-Executive Director of the Company. As the SINED, shareholders and other Directors may approach him should they have any concerns regarding the Group and its management.</p> <p>In addition, Dato’ Wan Kamaruzaman Bin Wan Ahmad being a nominee director of Employees Provident Fund Board, which is a statutory institution managing funds belonging to the general public and a substantial shareholder of the Company, will help to ensure the interest of shareholders as a whole is safeguarded.</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

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	:	<p>To further enhance its Board diversity and strike an appropriate balance between continuity of experience and Board refreshment, the Company had adopted the policy to limit the tenure of Independent Non-Executive Directors to a cumulative term of not more than nine (9) years in its Board Charter, which is in line with the provisions in the MCCG on tenure of Independent Directors.</p> <p>The length of service of the Independent Non-Executive Directors of the Company as at 30 April 2023 is as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Name of Independent Non-Executive Directors</th><th>Date of appointment</th><th>Length of service</th></tr></thead><tbody><tr><td>1</td><td>Datuk Syed Hisham Bin Syed Wazir</td><td>19/12/2016</td><td>6.4 years</td></tr><tr><td>2</td><td>Dato' Kalsom Binti Abd. Rahman</td><td>2/4/2018</td><td>5.1 years</td></tr><tr><td>3</td><td>Puan Adibah Khairiah Binti Ismail @ Daud</td><td>8/4/2019</td><td>4.1 years</td></tr><tr><td>4</td><td>Mr Martin Giles Manen</td><td>11/11/2020</td><td>2.5 years</td></tr></tbody></table> <p>The tenure of all the Independent Non-Executive Directors of the Company are below 9 years.</p>	No.	Name of Independent Non-Executive Directors	Date of appointment	Length of service	1	Datuk Syed Hisham Bin Syed Wazir	19/12/2016	6.4 years	2	Dato' Kalsom Binti Abd. Rahman	2/4/2018	5.1 years	3	Puan Adibah Khairiah Binti Ismail @ Daud	8/4/2019	4.1 years	4	Mr Martin Giles Manen	11/11/2020	2.5 years
No.	Name of Independent Non-Executive Directors	Date of appointment	Length of service																			
1	Datuk Syed Hisham Bin Syed Wazir	19/12/2016	6.4 years																			
2	Dato' Kalsom Binti Abd. Rahman	2/4/2018	5.1 years																			
3	Puan Adibah Khairiah Binti Ismail @ Daud	8/4/2019	4.1 years																			
4	Mr Martin Giles Manen	11/11/2020	2.5 years																			
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 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: The Board Charter of the Company was revised on 12 September 2022 whereby Paragraph 3.1 stipulates that an Independent Non-Executive Director of the Company shall serve the Board for a cumulative term of nine (9) years only without any further extension. The Board Charter is available on the Company's website at www.bauto.com.my .

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of boardroom diversity and values the benefits that diversity can bring to its board of directors.</p> <p>The Board also recognises that having a range of different skills, backgrounds, experience and diversity are essential to ensure a broad range of viewpoints to facilitate optimal decision makings and effective governance.</p> <p>The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria of a director is based on an effective blend of competencies, skills, extensive experience and knowledge so as to strengthen the Board.</p> <p>The NRC is responsible for identifying, assessing and recommending the right candidate(s) to the Board as well as reviewing and assessing the composition and performance of the Board. In making its recommendations, the NRC will consider, among others, the following selection criteria:</p> <ul style="list-style-type: none">a) Specific knowledge, skills and relevant working experience (capability).b) Training and qualifications (competence).c) Time commitment of the candidate.d) Independence and any conflicts of interest.e) External directorship of the candidate.f) Probity, integrity and reputation.g) Other considerations include age, ethnicity and gender. <p>The selection criteria for the recruitment process and annual assessment of Directors are contained in the TOR of the NRC which is available on the Company's website at www.bauto.com.my.</p> <p>When identifying suitable candidate(s) for appointment or assessing Board composition, the NRC will consider candidate(s) on merit against objective criteria and with due regard on the benefits of diversity on the</p>

	<p>Board and the needs of the Board in order to maintain an optimum mix of skills, knowledge and experience of the Board members.</p> <p>The Board has in place a Board Diversity Policy and it is available on the Company's website at www.bauto.com.my.</p> <p>The Group Head of Human Resource manages, among others, the recruitment of key senior management in the Group and will assess the working experience, skills, competencies, integrity and commitment of the potential candidate before recommending them to the NC and Board for approval and recruitment.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board delegates to the NRC the responsibility of recommending the appointment of any new Director. The NRC is responsible to ensure that the procedures for the appointment of new Directors are transparent, rigorous and made based on merits.</p> <p>The Board and NRC are guided by the following process and procedures for the appointment of a new Director:</p> <ol style="list-style-type: none">1) The candidate is identified upon the recommendation by the existing Directors, senior management, major shareholders and/or from independent sources such as professional recruitment firms, Director's registry and open advertisements.2) If the selection of candidates are solely based on recommendations from the existing Directors, senior management and/or major shareholders of the Company, the NRC should provide explanation or justification as to why other sources were not considered.3) In evaluating the suitability of a candidate to the Board, the NRC considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidate, and in the case of a candidate being proposed for appointment as INED, the candidate's independence.4) Recommendation to be made by NRC to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary.5) Decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees.

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 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	:	<p>The NRC would evaluate the candidates based on the “Fit and Proper” standards as set out in the Fit and Proper Policy by taking into consideration factors such as diversity (including gender), skills, talent and experience, where appropriate, and recommends accordingly to the Board for appointment and re-appointment.</p> <p>In order to assist shareholders of the Company to decide on the appointment and/or reappointment of Directors, relevant information pertaining to the Directors such as their personal profile, record of attendance of meetings and shareholdings in the Group (where applicable) are appropriately disclosed in the Annual Report.</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 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The TOR of NRC stipulates that it shall have at least three (3) members, all of whom shall be Non-Executive Directors with the majority being Independent Directors. The Chairman of NRC shall be an Independent Director or a Senior Independent Director.</p> <p>The NRC members currently comprises exclusively of Non-Executive Directors with the majority being Independent Directors as follows:</p> <ol style="list-style-type: none">1) Datuk Syed Hisham Bin Syed Wazir (Chairman / Senior Independent Non-Executive Director)2) Dato' Wan Kamaruzaman Bin Wan Ahmad (Member / Non-Independent Non-Executive Director)3) Dato' Kalsom Binti Abd. Rahman (Member / Independent Non-Executive Director)4) Puan Adibah Khairiah Binti Ismail @ Daud (Member / Independent Non-Executive Director) <p>Other Board members and members of the public may convey any concerns regarding the Group and its operations to the SINED, who also acts as the sounding board for the Company.</p> <p>The roles and responsibilities of the Senior Independent Director are set out in the Board Charter, which is available on the Company's website at www.bauto.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 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and recognises the benefits of this diversity.</p> <p>The Board recognises the importance of promoting boardroom diversity in the Company but it goes beyond just gender diversity. The Company needs to meet the expectations of its various stakeholders such as shareholders, employees, customers, suppliers and the environment.</p> <p>Hence, boardroom diversity should ideally comprise Directors that have the relevant competencies, skills and knowledge and are able to provide a diversity of thought, experiences and perspectives to strengthen the Board.</p> <p>Currently, the Board has two (2) women Directors namely, Dato' Kalsom Binti Abd. Rahman and Puan Adibah Khairiah Binti Ismail @ Daud which represents about 29% ratio of the Board and is just below the 30% women directors' threshold recommended by the MCGG.</p> <p>Although the Company has yet to achieve the 30% gender diversity, it will nevertheless continue to promote a corporate culture that embraces gender diversity in the boardroom as well as in the Group.</p> <p>When sourcing for any future Board vacancy, the NRC will give due consideration to identify suitably qualified women candidate to fill the said position in line with the best practice of the MCGG.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board took cognizance of Practice 5.9 and will at the appropriate time, takes into consideration of independent sources in identifying suitable qualified female candidates including but not limited to, sourcing her from the Women Directors' Registry and/or Institute of Corporate Directors Malaysia, where applicable. The Board will continue to review this MCGG practice in the next 2 financial years or until such time the practice is fulfilled, whichever the earlier.

Timeframe	:	Within 2 years	
------------------	---	----------------	--

Intended Outcome

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

Practice 5.10

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>For FYE 2023, the Company does not have a specific policy on gender diversity for the Board and senior management of the Group. As set out in the explanation for Practice 5.9 above, the Board acknowledges the importance of gender diversity in addition to other factors such as the relevant competencies, skills and knowledge of Directors in providing a diversity of thought, experiences and perspectives to strengthen the Board. The Board also supports gender diversity at senior management level of the Group. However, besides gender diversity, the Board will also need to consider other factors such as the importance of recruiting and retaining the right talent of senior management based on their requisite knowledge, skills set and experiences.</p> <p>For the FYE 2023, the Group has on average about 33% women representation at management level and 22% at senior management level. This reflects the Board and the Company's firm support for gender diversity within the Group.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The NRC and the Company will ensure that gender diversity shall continue to play an important role in the Group's recruitment exercise.
Timeframe	:	Within 2 years

Intended Outcome

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

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The NRC carries out the Board and Directors Effectiveness Evaluation ("BDEE") exercise annually. For the FYE 2023, the NRC had engaged with an External Consultant, Institute of Corporate Directors Malaysia ("ICDM") to facilitate the BDEE for the year 2023.</p> <p>ICDM's BDEE assessed the effectiveness of the Board and Directors through a combination of one-on-one confidential interviews, sighting of governance documents in confidentiality, online surveys and peer reviews and board-working facilitation.</p> <p>The ICDM assessment report (including its findings) ("ICDM Report") was presented to NRC for its review. The ICDM Report serves as a guidance for NRC (and the Board) to ensure that the Board and its Directors are functioning effectively and discharging their fiduciary duties and oversight responsibilities accordingly. The ICDM Report also highlighted the gaps and training areas required for the Board.</p> <p>After going through the ICDM Report, the NRC is satisfied with the findings and accordingly recommended to the Board for deliberation and approval. Based on the ICDM Report, the Board concurred and approved with the findings and assessment in the ICDM Report, which will be used as a basis to further enhance the Board's effectiveness.</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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had adopted a Remuneration Policy to support the Directors and senior management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, motivate, retain and reward Executive Directors and senior management who will manage and drive the Company's success.</p> <p>The NRC is entrusted by the Board to review and recommend matters relating to the remuneration of Directors and key senior management. The NRC shall periodically evaluates the remuneration of the Executive Directors based on, among others, the market competitiveness, business results individual performance and such other basis as it deemed appropriate</p> <p>The remuneration package for the Executive Chairman and Group CEO depends on the performance of the Group during the financial year and includes, among others, the performance in terms of revenue and pre-tax profit. The Executive Chairman is entitled to receive a yearly contractual incentive of 8% of the Group's annual pre-tax profits subject to a cap of RM2.0 million. This has been disclosed in the yearly annual report of the Company.</p> <p>The Executive Chairman and the Group CEO concerned shall not participate in the decisions of their respective remunerations. If required, the NRC may invite other senior management personnel of the Company to attend such meeting to brief the NRC on the remuneration matters and/or engaged external professional firm to assist the NRC in its evaluation.</p>

	<p>The remuneration packages of Non-Executive Directors who serve on the Board and Board Committees are reviewed by the NRC annually and thereafter recommended to the Board for its consideration with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board will then recommend on yearly basis the Directors' fees and other benefits payable to Non-Executive Directors to the shareholders for approval at each AGM of the Company in accordance with Section 230 (1) of the Companies Act 2016.</p> <p>The remuneration package of senior management is reviewed annually during Company's annual performance review to reflect the level of responsibilities, and contributions made in order to retain high performing and talented individuals.</p> <p>The Remuneration Policy of the Company is available on the Company's website at www.bauto.com.my.</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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the NRC which consists of four (4) Non-Executive Directors, the majority of whom are INEDs. The NRC is tasked to implement its policies and remuneration on remuneration including reviewing and recommending matters relating to the remuneration of board and key senior management.</p> <p>The NRC's responsibilities include reviewing and recommending to the Board the remuneration package for Directors and key senior management and ensure it is consistent with the Group business strategy and long-term objectives to attract, retain and motivate Directors and key senior management who will create sustainable value and returns for the Company's stakeholders.</p> <p>The NRC may also obtain independent professional advice at the Company's expense in furtherance of their duties whenever the need arises.</p> <p>The duties and responsibilities of the NRC are governed by its TOR, which is available on the Company's website at www.bauto.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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that information relating to Directors' remuneration is made transparent to all shareholders.</p> <p>Other emoluments are only payable to Executive Directors and mainly consists of employer's provident fund contributions, social security welfare contributions and employees' insurance scheme.</p> <p>The details of Directors' remuneration on named basis are set out in the table below:</p>

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 Dato' Sri Yeoh Choon San	Executive Director	-	-	-	-	-	-	-	-	34.1	2,398.0	2,142.0	24.6	738.0	5,336.7
2	Dato' Lee Kok Chuan	Executive Director	-	-	-	-	-	-	-	-	31.3	2,258.1	644.5	24.6	426.4	3,384.9
3	Datuk Syed Hisham Bin Syed Wazir	Independent Director	80	20.4	-	-	-	-	100.4	80	20.4	-	-	-	-	100.4
4	Dato' Kalsom Binti Abd. Rahman	Independent Director	80	13.2	-	-	-	-	93.2	80	13.2	-	-	-	-	93.2
5	Puan Adibah Khairiah Binti Ismail @ Daud	Independent Director	80	16.2	-	-	-	-	96.2	80	16.2	-	-	-	-	96.2
6	Mr Martin Giles Manen	Independent Director	80	18.0	-	-	-	-	98.0	80	18.0	-	-	-	-	98.0
7	Dato' Wan Kamaruzaman Bin Wan Ahmad	Non-Executive Non-Independent Director	80	10.4	-	-	-	-	90.4	80	10.4	-	-	-	-	90.4
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
----	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the view that the detailed disclosure of senior management's remuneration component on a named basis will not be in the best interest of the Group, as it will give rise to recruitment and talent retention issues and may lead to the performing senior management staff being lured away by competitors. This may result in the Group losing high calibre personnel who have been contributing to the Group's performance. In addition, such disclosures may also cause disharmony and/or unhealthy rivalry among the key senior management.</p> <p>Currently, the remuneration package of senior management is reviewed annually during the Group's annual performance review and measured against the targets set for the year.</p> <p>The Board will ensure that the remuneration for the senior management personnel commensurate with their performance in order to attract, retain and motivate them to contribute positively to the Group's performance.</p> <p>Nonetheless, disclosure on the total remuneration of top five (5) senior management in the bands of RM50,000 on an aggregate basis are provided in the Corporate Governance Overview Statement in the Company's Annual Report 2023.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board will closely monitor any changes in the market practice and will review its response to Practice 8.2 annually.
Timeframe	:	Within 3 years

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") comprises three (3) members, all of whom are Independent Non-Executive Directors ("INEDs").</p> <p>The AC Chairman is led by Mr Martin Giles Manen and he is a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA). He is not the Chairman of the Board.</p> <p>The TOR of the AC has been revised during the FYE 2023 in order to be in line with Practice 9.1 of the MCCG which stipulates that the Chairman of the AC is distinct from the Chairman of the Board to promote independence of the AC.</p> <p>The AC Chairman is tasked to report to the Board on the salient points discussed during each AC meeting for their notation and onward deliberation.</p> <p>The duties and responsibilities of the AC Chairman are set out in the TOR of the AC, which is available on the Company's website at www.bauto.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

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The External Auditor Policy of the Company has encapsulated the requirement for a cooling-off period of at least three (3) years for any former key external audit partner and other team members prior to any one of them being considered for appointment as a member of the AC or as a Director. This is to safeguard the independence and objectivity of the appointment of the AC members.</p> <p>For the FYE 2023, none of the AC member is a former key external audit partner of the Company.</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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is responsible to review, assess and monitor the performance, suitability, objectivity and independence of External Auditors on an annual basis.</p> <p>The AC had adopted the External Auditors Policy ("EA Policy") which governed the assessment and monitoring of the External Auditors so that the External Auditors' competence, objectivity, professionalism and independence are maintained in driving its effectiveness. The EA Policy sets out the policies and procedures on appointment and re-appointment of External Auditors, the annual assessment of the External Auditors as well as the declaration of independence by the External Auditors as specified in the By-Laws (on Professional Ethics, Conduct and Practice) issued by the Malaysian Institute of Accountants.</p> <p>The Board has delegated to the AC to undertake an annual assessment of the quality of audit which encompassed the performance and quality of the External Auditors and their independence, objectivity and professionalism. The assessment process involves identifying the areas of assessment, setting the minimum standard and devising tools to obtain the relevant data. The areas of assessment include, among others, the External Auditors' caliber, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees. Assessment questionnaires were used as a tool to obtain input from the Company's personnel who had constant contact with the external audit team throughout the year.</p> <p>In addition, the TOR of the AC also requires the AC to assess the suitability, objectivity and independence of the External Auditors annually.</p> <p>To support the AC's assessment of their independence, the External Auditors had provided the AC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.</p>

	<p>At the AC meeting held on 13 March 2023, the External Auditors namely, Messrs Ernst & Young PLT (“EY”) has presented to the AC its 2023 Audit Plan which included EY’s confirmation that EY is independent throughout the conduct of the audit engagement in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. The External Auditors had also on 3 August 2023 declared their independence to the AC.</p> <p>In compliance with the requirements of the Malaysian Institute of Accounts, the External Auditors will rotate their engagement partner-incharge of the Audited Financial Statements of the Company and the Group once every seven (7) years and the said engagement partner cannot be re-engaged to undertake a significant role in the audit of the Company for at least two (2) successive years. This is to ensure that the External Auditors maintain their independence from BAuto Group. At present, the audit engagement partner has held the position for the fourth (4th) year of audit.</p> <p>The AC also ensures that the External Auditors are independent of the activities they audit and had approved the permitted non-audit services in advance. Approvals for pre-approved permitted services to be performed by the External Auditors and its affiliates below certain thresholds are delegated to the management as per the EA Policy. Any proposed service not included in the permitted services must be approved in advance by the Audit Committee before engagement commences. The recurring non-audit services performed by the External Auditors and its affiliates were in respect of the annual reviews for tax compliance and the Statement on Risk Management and Internal Control.</p> <p>Following its assessment of the re-appointment of the External Auditors, the AC is satisfied with the External Auditors' independence and had recommended the said re-appointment to the Board. The Board after deliberating on the AC's assessment and recommendation on the re-appointment of the External Auditors, agreed and approved the AC's recommendation on the said re-appointment and will table it for shareholders' approval at the forthcoming AGM.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
------------------	---	--	--

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The AC comprises the following members all of whom are INEDs:</p> <ol style="list-style-type: none">1) Mr Martin Giles Manen (Independent Non-Executive Director / Chairman)2) Datuk Syed Hisham Bin Syed Wazir (Senior Independent Non-Executive Director / Member)3) Puan Adibah Khairiah Binti Ismail @ Daud (Independent Non-Executive Director / Member) <p>All the INEDs have satisfied the independence test based on the criteria set out in the Listing Requirements of Bursa Securities.</p>

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the AC possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities pursuant to the TOR of the AC.</p> <p>Two (2) members of the AC including the AC Chairman are also Chartered Accountants of the Malaysian Institute of Accountants by profession. The AC members are financially literate and are able to understand, analyse and challenge matters under the purview of the AC including the financial reporting process, monitoring of internal controls procedures, effectiveness of risk management framework, digital infrastructure, cybersecurity and data protection.</p> <p>The AC members reviewed and frequently challenged the management and internal auditors of the Company on the timeline for improvement of internal control process to conclude its effectiveness.</p> <p>The AC members are aware of the need to continuously develop and to broaden their knowledge in the areas of accounting and auditing in order to carry out their roles and duties effectively. Various training has been undertaken by the AC members on an ongoing and timely basis to keep themselves abreast of relevant industry developments. The trainings attended by the AC members during the FYE 2023 are set out in the Corporate Governance Overview Statement under "Directors' Training" in the Company's Annual Report 2023.</p> <p>Aside from that, the External Auditors will brief and update the AC on the financial reporting standards at the AC Meetings accordingly.</p> <p>The Board reviews the effectiveness of the AC through the NRC via annual board assessment. For the FYE 2023, the Board is satisfied with</p>

	<p>the AC's performance and that the necessary skills, experience, knowledge and other relevant field of expertise of the AC members had contributed to the overall effectiveness of the AC.</p> <p>The detailed report on the activities of the AC for FYE 2023 is set out in the Company's Annual Report 2023.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibility in reviewing the adequacy, integrity and maintaining a sound risk management and internal control system to safeguard stakeholders' interests and the Group's assets.</p> <p>The Board has delegated and entrusted the Risk Management Committee ("RMC") of the Company, which comprises a majority of Independent Directors, with the overall responsibility to oversee the risk management framework of the Group, reviews the risk management policies formulated by the management and makes relevant recommendations to the Board for its deliberation and approval. Based on the approved risk management policies, management will be able to identify, evaluate, control, monitor and report to the Executive Chairman and/or Group CEO the principal business risks faced by the Group on an on-going basis, including remedial measures to be taken to address the risks. The Group continues to maintain and review its risk management and internal control procedures to ensure, as far as is possible, the protection of its assets and safeguard its shareholders' interests.</p> <p>The implementation of the internal control systems are undertaken by the management, which will highlight any risk identified and propose the appropriate remedial actions to mitigate and/or minimise such risk.</p> <p>The AC and RMC reviews and oversees the proper functioning of the Group's risk management framework.</p> <p>The RMC has adopted the Enterprise Risk Management ("ERM") framework to proactively identify, evaluate and manage key risks to an optimal level. In line with the Group's commitment to deliver sustainable value, this framework aims to provide an integrated approach entity-wide. It outlines the ERM methodology focussing on risk ownership and continuous monitoring of key risks identified.</p> <p>The RMC reviews the sustainability process by providing an independent enquiry and assessment of the risk concerned with the process owners (line managers) based on the Group's sustainability policies. The respective departmental heads are responsible for identifying, analysing and evaluating the sustainability risks/issues as well as developing,</p>

	<p>implementing and monitoring the actions taken and reporting the results to RMC.</p> <p>The key elements of the risk management and internal control structure are as follows:</p> <ul style="list-style-type: none"> (a) An organisational structure in the Group with formally defined lines of responsibility and delegation of authority. (b) Quarterly review of the Group's business performance by the Board, which also covers the assessment of the impact of changes in business, competitiveness and sustainable environment. (c) Active participation and involvement by the Executive Chairman and Group CEO, both of whom are RMC members, and the Chief Financial Officer in the daily running of the business and regular discussions with the respective heads of department on operational issues. (d) Monthly financial reporting by the Chief Financial Officer to the Executive Chairman and Group CEO. 	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has adopted an ERM framework to proactively identify, evaluate and manage key risk issues critical to achieving the Group's strategic objectives and opportunities for competitive advantage.</p> <p>The ERM framework supports better risk structuring, reporting and analysis, it allows the RMC to strategically manage risks from the Group's perspective, determine risk response strategies and make holistic decisions to optimise the Group's operation.</p> <p>The features of the risk management and internal control framework of the Group and its adequacy and effectiveness are set out in the Statement on Risk Management and Internal Control as contained in the Company's Annual Report 2023.</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 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.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established a RMC comprising the following members, a majority of whom are INEDs, to oversee the risk management framework of the Group, reviews the risk management policies formulated by management and makes relevant recommendations to the Board for approval:</p> <ol style="list-style-type: none">1) Mr Martin Giles Manen (Chairman/Independent Non-Executive Director)2) Datuk Syed Hisham Bin Syed Wazir (Member/Senior Independent Non-Executive Director)3) Dato' Kalsom Binti Abd. Rahman (Member/Independent Non-Executive Director)4) Tan Sri Dato' Sri Yeoh Choon San (Member/Executive Chairman)5) Dato' Lee Kok Chuan (Member/Group CEO) <p>The RMC presents the Risk Register of the Group to the Board on a quarterly basis.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>As in previous financial years, the internal audit function for FYE 2023 is outsourced to an independent professional consulting firm, Messrs. PKF Risk Management Sdn Bhd (“PKF”), which adopts the International Professional Practices Framework (“IPPF”) in carrying out the internal audit assignments and reports directly to the AC.</p> <p>The internal audit function of the Company is effective and remains independent all the time. The internal audit function is set out in the Statement of Risk Management and Internal Control and AC Report in the Company’s Annual Report 2023.</p> <p>The primary scope of work of PKF is to conduct regular and systematic review of the system of internal controls so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively.</p> <p>PKF’s role is to provide the AC with independent and objective reports on the adequacy and effectiveness of the system of internal controls and procedures in the operating units within the Group, and the extent of compliance with the Group’s established policies, procedures and guidelines, and also compliance with applicable laws, regulations, directives and other external enforced compliance requirements. Observations from internal audits are presented to the AC together with management’s responses and proposed action plans for its review. The action plans are then followed up during subsequent internal audit review with implementation status reported to the AC.</p> <p>The summary of activities undertaken by PKF during the FYE 2023 is set out in the AC Report in the Company’s Annual Report 2023.</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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an independent consulting firm, PKF and is headed by Dr Wong Ka Fee, the Director of Risk and Governance Advisory. Dr Wong Ka Fee has over 15 years of professional experience in internal audit, risk management, compliance review and business advisory.</p> <p>He is a Fellow Financial Accountant with Institute of Financial Accountants (UK), a Fellow Member of Association of International Accountants (UK), a Fellow Member of Institute of Public Accountants (Australia), a Chartered Member of the Institute of Internal Auditors Malaysia and an Associate Member of Association of Certified Fraud Examiners. He earned his Doctoral degree in Behavioral Finance from Universiti Utara Malaysia and double Master degrees from two different prestigious Universities from United Kingdom. i.e. Master of Science in Management Consultancy from Liverpool John Moores University and Master of Business Administration from University of Wales.</p> <p>PKF's internal audit personnel is free from any relationship or conflict of interest, which could impair its objectivity and independence. The independence of the internal audit function is evidenced from its direct reporting to the AC.</p> <p>The Internal Audit Department in PKF has a staff strength of 9 employees for the FYE 2023. All the personnel involved in the internal audit review are university graduates and/or have professional qualifications in the related accounting fields.</p> <p>The internal audit function is guided by the Code of Professional Standards – International Professional Practices Framework issued by the IIA (The Institute of Internal Audit) that sets out the objectives, authority, independence, scope and responsibility of the internal audit function.</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 12.1

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

Application :	Applied
Explanation on application of the practice :	<p>The Company recognises the importance of being transparent and accountable to its stakeholders and has used various channels of communications to enable the Board and management to continuously communicate, disclose and disseminate comprehensive and timely information to investors, shareholders, financial community and the public generally.</p> <p>The various channels of communications with stakeholders are through the following:</p> <ul style="list-style-type: none">(a) quarterly announcements on financial results and other periodical or relevant announcements to Bursa Securities.(b) circulars and annual reports.(c) general meetings of shareholders.(d) periodic meetings and briefings with investors, analysts and fund managers and briefing where appropriate.(e) Company's website at www.bauto.com.my where stakeholders can access corporate information such as Board Charter, TORs of the Board Committees, Board Policies, press releases, financial information, Company announcements and others. <p>The above channels of communication will help to enhance stakeholders' understanding of the business and operations of the Group and to make informed investment decision.</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 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has yet to adopt integrated reporting for Annual Report 2023. The management of the Company will look into adopting integrated reporting in the near future.	
		At present, the Board is of the view that the Company's Annual Report is comprehensive enough for stakeholders to make informed decisions. The current Annual Report provides stakeholders with a fairly comprehensive overview on the Company's financial and non-financial information including future prospects. Components such as Management's Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control and Sustainability Statement form an integral part of the non-financial information.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Company would review the need to adopt the integrated reporting based on a globally recognised framework at the appropriate time. The Board will continue to review this Practice annually.	
Timeframe	:	Within 3 years	

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company despatches its notice of meeting together with the Administrative Details at least twenty-eight (28) days before the AGM. Pursuant to paragraph 2.19B of the Listing Requirements of Bursa Securities, the Company's Constitution, as well as in line with its sustainability initiatives, the Company has discontinued and discouraged the delivery of printed copies of documents to its shareholders, where possible. Hence, the Annual Report can be viewed and downloaded from the websites of the Company and Bursa Securities.</p> <p>In 2022, the notice of the Twelfth AGM was despatched to the shareholders on 30 August 2022 for the AGM held on 6 October 2022. The notice period to the shareholders is more than 28 days.</p> <p>The additional time given to the shareholders will enable them to have sufficient time to consider the resolutions that will be tabled at the AGM as well as to make the necessary arrangement to attend and participate personally or through a proxy or a corporate representative at the AGM.</p> <p>The Administrative Details are to provide information regarding attendance and the conduct of the meeting. Each Agenda item included in the Notice of AGM is accompanied by a brief explanatory statement to provide an overview on the resolution being proposed.</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 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>Last year's AGM was attended by all the Directors of the Company.</p> <p>In each AGM, the Executive Chairman, Group CEO, Chief Financial Officer, other Board and Board Committees' members and the Company Secretaries are present to provide meaningful responses to the questions posed by the shareholders. The External Auditors are also present to provide professional and independent clarification on any concerns that may be raised by the shareholders in connection with the in connection with the Annual Report (including the Audited Financial Statements), if any. Such questions were normally addressed by the EC and in some instances by the GCEO as directed by the Executive Chairman in order to allow the shareholders and proxies to make informed decisions when casting their votes. Questions that were not addressed during the AGM due to time constraint were accordingly responded in the Minutes of AGM. The Board took note of all the constructive feedbacks and suggestions posed by shareholders.</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 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>In accordance with Clause 70 of the Company's Constitution, the Company may convene a meeting of members at more than one (1) venue using any technology or method that enables the members to participate and to exercise the members' rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue of the meeting.</p> <p>In view of the COVID-19 pandemic and as part of the Company's precautionary measures, the Twelfth AGM of the Company was held on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting facilities ("RPEV facilities") provided by Boardroom Share Registrars Sdn Bhd via its online website at https://meeting.boardroomlimited.my. This allows shareholders to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via the RPEV facilities.</p> <p>In terms of data protection and cyber security, the meeting platform allowed the shareholders to securely authenticate into the Twelfth AGM via a secure login screen using their unique credentials.</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 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Company regards the AGM as the principal forum for dialogue and interactions with private and institutional shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the Company's shareholders. The AGM will provide an opportunity for shareholders to seek clarifications from the Board and its management on the information set out in the Company's Annual Report, the Group's operations and/or its businesses. The External Auditors are also present to address any questions raised by the shareholders relating to the Audited Financial Statements. Members of the Board and Board Committees, the Chief Financial Officer, the management and External Auditors were present at last year's AGM and provided meaningful responses to the questions posed by the Company's shareholders during the said meeting. Questions that were not addressed during the AGM due to time constraint were accordingly responded in the Minutes of AGM. The minutes of the Twelfth AGM duly approved by the Chairman is available online on the Company's website at www.bauto.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

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>	
Application :	Applied
Explanation on application of the practice :	<p>At the Company's Twelfth AGM which was held virtually on 6 October 2022, shareholders and proxy holders submitted their questions prior to the meeting. Besides that, shareholders and proxy holders had posed questions to the Board via real time submission of typed texts at the meeting platform during live streaming of the AGM. The Chairman of the Meeting read out the questions posed by the shareholders, which were then duly replied by the Executive Chairman, Group CEO and/or the Chief Financial Officer accordingly.</p> <p>The Company had conducted the Twelfth AGM virtually from the Boardroom Smart Investor Portal as it is a well-tested and secure application and has sufficient hardware and infrastructure in place.</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 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>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of the AGM was made available at the Company's website at www.bauto.com.my no later than 30 business days after the conclusion of the Twelfth AGM.
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 PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

Click or tap here to enter text.

