

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0048  
**COMPANY NAME** : ANCOM LOGISTICS BERHAD  
**FINANCIAL YEAR** : May 31, 2024

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for setting out the Group's overall strategic direction and to formulate and chart the strategic direction and set out the Group's short-term and long-term plans and objectives, monitoring business and financial performances, ensuring there is efficient and effective risk management, internal control and management framework and that the Group has the necessary resources to meet its objectives for its long-term sustainability and enhance shareholders' value. The Board provides clear and effective entrepreneurial leadership to the Management. In addition to its stewardship responsibilities, the Board also ensure that the Management has in place an achievable strategic plan and objectives.</p> <p>The Board undertakes the following responsibilities during the financial year in order to meet these objectives:</p> <ul style="list-style-type: none"><li>• Formulate and chart the Group's strategic direction and set out the Group's short-term and long-term plans and objectives;</li><li>• Review and approve the Group's key operational policies and major investments in new business/ projects and funding decisions of the Group;</li><li>• Oversee and review the Group's business operations and financial performances;</li><li>• Ensure the Group's strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations;</li><li>• Oversee the development, implementation and review of the succession plan for the Directors and key senior management;</li><li>• Understand the principal risks of the Group's business;</li><li>• Review/Monitor the risk management framework and the adequacy and integrity of the Group's internal control system and management information system to ensure compliance</li></ul>

	<p>with the relevant laws, rules, regulations, directives, guidelines and the business objectives of the Group's business objectivity;</p> <ul style="list-style-type: none"> <li>• Ensure the Company has in place procedures to enable effective communication with stakeholders;</li> <li>• Ensure the integrity of the Company's and the Group's financial and non-financial reporting; and</li> <li>• Formulate and promote ethical and good corporate governance within the Group.</li> </ul> <p>In carrying out the above tasks, the Board took into consideration the interests of the Company, its shareholders and other stakeholders to ensure that the Company's obligations to the shareholders and the other stakeholders are met.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board is headed by the Non-Independent Non-Executive Chairman, Dato' Abdul Latif Bin Abdullah ("Chairman"). The key responsibilities of the Chairman as stated in the Board Charter, which is available on the Company's website at <a href="http://www.ancoml;ogistics.com.my">www.ancoml;ogistics.com.my</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The position of the Chairman is held by Dato' Abdul Latif Bin Abdullah, while the position of Executive Vice Chairman ("EVC") is held by Dato' Siew Ka Wei.</p> <p>The roles and responsibilities of the Chairman and EVC are set out in the Board Charter which is available in the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 1.4**

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chairman is not a member of the Remuneration & Nomination ("R&N") Committee and the Audit Committee.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by two (2) Company Secretaries, qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016, and each with more than twenty (20) years of experience in company secretarial practices.</p> <p>The Company Secretaries are responsible, in consultation with the Board, in formulating the Company's Constitution and Board policies and procedures. They are responsible for the efficient administration of the Company's secretarial practices, particularly with regard to ensuring compliance with the Company's Constitution, Board policies and procedures, and statutory and regulatory requirements.</p> <p>They are also responsible for regularly updating and apprising the Board of new regulations including corporate governance practices issued by the relevant authorities.</p> <p>One of the key responsibilities of the Company Secretaries is to prepare and organise Board and Committee meetings as well as shareholder meetings. The Company Secretaries also attend all Board and Committee meetings and to take minutes of the proceedings and the resolutions made at the Board and Committee meetings.</p> <p>The Company Secretaries are also responsible for ensuring that the Company files its various documents/returns and maintains its statutory records in accordance with the requirements of the law. They are also tasked with facilitating the orientation of new Directors and assisting in Director training and development; monitoring corporate governance developments; and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.</p> <p>The Company Secretaries work closely with the Chairman and EVC to ensure timely and appropriate information flow within the Board and to the Committees and Management. They are also the focal point for stakeholder communication.</p>
<b>Explanation for departure</b>	:	

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



### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In consultation with the EVC and the respective Committees' Chairmen, the Company Secretaries will prepare the agenda and the relevant meeting papers for the Board's and Committee's meetings.</p> <p>To ensure the Directors are provided with sufficient information and time to prepare for Board/Committee meetings, the Secretaries will endeavour to circulate the meeting materials at least seven (7) days in advance of the Board/Committee meetings working within the time-constraint in preparing those material, otherwise the papers will be presented during the meetings when adequate time will be allowed for the directors to seek explanation and clarifications.</p> <p>The Company Secretaries will also attend these meetings and take minutes which accurately reflect the deliberations and decisions of the Board/Committees, including whether any Directors abstained from voting or deliberating on a particular matter or when the Directors decided to vote against and the reasons for such abstinence and the dissenting views for voting against.</p> <p>The Company Secretaries will strive to prepare the minutes for the Board and Committee's review and comment in a timely manner</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board is guided by the Board Charter in discharging its duties. The Company's Board Charter is available on the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a> . The Board Charter was last reviewed by the Board on 13 September 2024.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board, in discharging its oversight role, conducts its business in according to its Code of Conduct and Ethics. The Company's Code of Conduct and Ethics is available on the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a> .  The Code of Conduct and Ethics was last reviewed by the Board on 13 September 2024.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Whistle-Blowing Policy that provides a mechanism and avenue for employees and any external party to report any breach or suspected breach of any laws or regulations or to raise concerns on any improper conducts or misconducts, in a safe and confidential manner.</p> <p>The Whistle-Blowing Policy sets out the type of “improper conducts” so that the Board, management, employees and other stakeholders are clear as to what constitute improper conducts /misconducts.</p> <p>The Board has the overall responsibility for overseeing the implementation of the Whistle-Blowing Policy, and all whistle-blowing reports are addressed to the Chief Integrity Officer, the Chairman of the Audit Committee and the Company Secretary, via email or ordinary post.</p> <p>Any reports received will be investigated as per the processes stipulated in the Whistle-Blowing Policy and the Audit Committee and the Board will be notified of the outcome of the investigations.</p> <p>The Whistle-Blowing Policy will be updated from time to time to reflect changes and amendments to the relevant rules, requirements and regulations.</p> <p>The Whistle-Blowing Policy is available at the Company’s website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a>. The Whistle-Blowing Policy was last reviewed by the Board on 13 September 2024.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

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

**Practice 4.1**

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board holds overall responsibility for the Company’s sustainability initiatives. It actively considers sustainability factors in its decision-making processes, particularly regarding the development and implementation of company strategies, business plans, and risk management frameworks.</p> <p>To enhance operational efficiency, the Board has delegated authority for managing sustainability efforts, encompassing economic, environmental, and social considerations, to the EVC. The EVC is tasked with leading the Group's comprehensive sustainability framework, which focuses on identifying, assessing, managing, and reporting on significant sustainability matters.</p> <p>This delegation ensures effective execution of the sustainability process, facilitating strategic decision-making and the coordination of sustainability action plans. Additionally, the EVC is accountable for achieving both business and sustainability outcomes, thus reinforcing the Company’s commitment to sustainability as a core aspect of its long-term strategy.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is committed to collaborating closely with all stakeholders as it embarks on its journey toward sustainable growth. This includes defining key initiatives in areas such as environmental stewardship, social responsibility, and economic viability. The Company is also dedicated to ensuring effective communication with its shareholders and other stakeholders regarding these sustainability strategies, priorities, and targets.</p> <p>Stakeholders are defined as entities or individuals significantly affected by the Group's activities, products, and services, and whose actions can influence the Group's ability to successfully implement its strategies and achieve its objectives.</p> <p>Throughout the year, as part of its business operations, the Company engaged with a diverse range of stakeholders. The methods of engagement varied depending on the specific stakeholders involved. This included face-to-face meetings with government regulators, customers, suppliers, and bankers, as well as email communication and written letters to interested members of the public and employees. During the financial year, the Company conducted over two meetings with key stakeholders and collected feedback that informed its sustainability initiatives.</p> <p>The Company has also held meetings with shareholders during general meetings.</p> <p>For a comprehensive overview of the Company's ongoing sustainability strategies, priorities, targets, material sustainability matters, and its performance against these targets during the financial year, please refer to the Sustainability Statement in the Company's Annual Report 2024, which is available on the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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



### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board consistently stays informed and up-to-date with the latest sustainability agendas relevant to the Group and its operations. Recognising the growing interest from regulators and stakeholders in sustainability matters, particularly those related to climate-related risks, the Board is committed to engaging with stakeholders to identify further enhancements in conducting its business sustainably.</p> <p>To ensure it remains current with external trends in sustainability practices, Ancom Nylex Berhad (“ANB”), the holding company, has appointed an ESG Senior Manager during the financial year who provide targeted training for both the Board and senior management of the Group in sustainability practices. These training sessions are designed to enhance the Group’s sustainability efforts and initiatives, ensuring that all members understand the implications of sustainability issues, including climate-related risks and opportunities.</p> <p>The Board also regularly reviews industry reports and participates in sustainability forums to exchange knowledge and best practices. This proactive approach enables the Board to make informed decisions that align with the Group’s commitment to sustainability.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 4.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board conducted a materiality evaluation internally in 2024, that included an assessment of its oversight regarding sustainability risks and opportunities that are vital to the Group's overall performance. This evaluation ensured that the Board is aligned with the sustainability objectives and challenges facing the Company.</p> <p>Additionally, the performance evaluation for senior management incorporated a detailed review of the Group's progress on its sustainability priorities. This assessment focused on how effectively senior management addressed material sustainability risks and opportunities, ensuring that sustainability considerations are integrated into the operational strategy.</p> <p>The evaluation process utilised certain specific metrics to gauge performance and included feedback from relevant stakeholders, reinforcing our commitment to transparency and accountability. The insights gained from these evaluations will inform future strategies and action plans aimed at enhancing our sustainability efforts.</p> <p>This evaluation process is part of the Group's ongoing commitment to embedding sustainability into the Group's corporate governance framework and ensuring that both the Board and senior management remain accountable for the Group's sustainability goals.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	Within 1 year

### Intended Outcome

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

### Practice 4.5- Step Up

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

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
<b>Application</b>	: Applied
<b>Explanation on adoption of the practice</b>	: <p>To ensure a strategic focus on sustainability of the ANB Group, the Board of ANB has established a dedicated management-level Sustainability Committee. This committee is responsible for overseeing the strategic management of material sustainability matters, including the formulation and implementation of the Group's sustainability priorities and initiatives.</p> <p>The Sustainability Committee is chaired by the Managing Director/Group Chief Executive Office ("MD/GCEO") of ANB, who has been tasked by the ANB Board with the overall responsibility for sustainability matters within the Group. Supporting the MD/GCEO is a secretariat led by the ESG Senior Manager of ANB. The committee comprises various members from the management team of the Group, each responsible for monitoring progress within their respective sustainability pillars.</p> <p>In the financial year, the ESG Senior Manager presented to the Board on the progress and status of the ESG initiatives undertaken by the Group. This structure not only ensures accountability but also integrates sustainability considerations into the Group's operations, aligning with the Company's long-term strategic goals.</p> <p>By designating specific leadership for sustainability, the Board is committed to embedding these critical considerations into the Group's business practices, thereby enhancing the Group's overall resilience and success.</p>

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The appointment of a new Director is a matter for consideration and decision by the Board, upon recommendation from the R&amp;N Committee. The Board shall review its composition and evaluate the need to bring new skills and perspective to the boardroom periodically.</p> <p>In assessing the suitability of candidates and making its recommendation, the R&amp;N Committee shall consider the character, competence, experience, integrity, time commitment, expected contribution and performance of the candidates, as well as diversity factors including ethnicity and age distribution of the Directors, to maintain a balanced Board composition. The composition of the Board shall be guided by the Diversity Policy adopted by the Company.</p> <p>The fit and proper assessment on any person identified to be appointed as a Director shall be conducted prior to the appointment. The Board and the R&amp;N Committee, in conducting the fit and proper assessment, shall be guided by the Directors' Fit and Proper Policy adopted by the Company.</p> <p>New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the Company's meetings or matters before accepting his/her appointment to the Board.</p> <p>Directors who are due for annual re-election are subject to the Board being satisfied with the performance, contribution, and independence of the Director (through the annual evaluation of the individual Directors) and conduct the fit and proper assessment prior to making recommendation for re-election of the retiring Director.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied											
<b>Explanation on application of the practice</b>	:	<p>Dato' Abdul Latif Bin Abdullah, the Chairman of the Company, re-designated as a Non-Independent Non-Executive Chairman on 17 October 2023.</p> <p>Following to the change, the Board comprises:</p> <table border="1"> <thead> <tr> <th>Designation</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Non-Independent Non-Executive Chairman</td> <td>1</td> </tr> <tr> <td>EVC</td> <td>1</td> </tr> <tr> <td>Non-Independent Non-Executive Director</td> <td>1</td> </tr> <tr> <td>Independent Non-Executive Directors</td> <td>4</td> </tr> </tbody> </table> <p>At present, the Independent Directors represent 57.1% of the Board.</p>		Designation	Number	Non-Independent Non-Executive Chairman	1	EVC	1	Non-Independent Non-Executive Director	1	Independent Non-Executive Directors	4
Designation	Number												
Non-Independent Non-Executive Chairman	1												
EVC	1												
Non-Independent Non-Executive Director	1												
Independent Non-Executive Directors	4												
<b>Explanation for departure</b>	:												
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>													
<b>Measure</b>	:												
<b>Timeframe</b>	:												

**Intended Outcome**

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

**Practice 5.3**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The tenure of each of the four (4) Independent Directors of the Company have not exceeding a cumulative term of 9 years.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

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



### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to encourage diversity and inclusion in the Board.</p> <p>In assessing the suitability of candidates and making its recommendation, the R&amp;N Committee shall consider the character, competence, experience, integrity, time commitment, expected contribution and performance of the candidates, as well as diversity factors including ethnicity and age distribution of the Directors, to maintain a balanced Board composition. The composition of the Board shall be guided by the Diversity Policy adopted by the Company.</p> <p>New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the Company's meetings or matters before accepting his/her appointment to the Board.</p> <p>No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person whose character and conduct is suspected or becomes an active politician. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party.</p> <p>The Board does not involve itself in the appointment of Senior Management. The appointment of Senior Management is the responsibilities of the EVC.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The R&amp;N Committee is responsible for identifying and selection of the potential candidates as Directors through various channels such as professional bodies in addition to considering candidates proposed by the Directors, management and shareholders.</p> <p>The Board does not utilise independent sources to identify suitably qualified candidates for appointment during the financial year.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board will utilise independent sources to identify suitable potential candidates for appointment as Directors of the Company when the need arises in the future.
<b>Timeframe</b>	:	Within 1 year

## Intended Outcome

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

## Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and the R&amp;N Committee have evaluated the performance and contribution of the retiring Directors who are seeking for re-election at the coming annual general meeting before tabling the resolution to re-elect the Directors for shareholders' approval at the annual general meeting.</p> <p>The profile of the Directors seeking for re-election, as well as information of any interest, position or relationship that might influence their ability to act in the best interest of the Company as a whole, if any, is provide in the Annual Report and Explanatory Notes to the Notice of Annual General Meeting, to aid the decision of the shareholders whether or not to vote for the re-election of the retiring Directors.</p> <p>The Board will also provide a statement as to whether it supports the re-election of the retiring Directors in the Explanatory Notes with reasons.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the R&N Committee, Datin Joanne Marie Lopez, is an Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board currently consists of seven (7) members, including one (1) female director, Datin Joanne Marie Lopez, an Independent Non-Executive Director. The Board recognised the importance of gender diversity and is committed to actively pursue the appointment of additional women directors in the near future.	
		At present, the female representation on the Board is 14.3%.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board will, at the opportune time, seek additional women candidates as Board members in line with its gender diversity policy.	
<b>Timeframe</b>	:	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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has taken note of the recommendation in the CG Code pertaining to the establishment of a policy on boardroom diversity including gender diversity.</p> <p>The Board has formulated a formal Diversity Policy, which is available on the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a>.</p> <p>The Board is supportive of gender diversity in the boardroom as recommended by the CG Code to promote the representation of women on Board.</p> <p>Selection of female candidates will be, in part, dependent on the pool of women candidates with the necessary skills, knowledge and experience relevant to the Group's main businesses. The ultimate decision to appoint female candidates will be based on merit and contribution that the chosen candidates will bring to the Board. Where suitable candidates are found in future, the Board will increase representation from female members.</p> <p>The Board takes cognisance that the logistics industries, the Group's main business, is predominantly male-dominated industry.</p> <p>The Diversity Policy was last reviewed by the Board on 13 September 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

**Practice 6.1**

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The R&amp;N Committee conducts an annual assessment of the overall Board’s effectiveness. In FY2024, this assessment evaluated all Board members in accordance with the criteria outlined in the Directors’ Fit and Proper Policy, which is available on the Company’s website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a>.</p> <p>The assessment results indicated that, during the FY2024, all Directors confirmed their compliance with the criteria outlined in the Directors’ Fit and Proper Policy, while all Independent Directors affirmed they met the "Independence" criteria as required by Bursa Malaysia Listing Requirements.</p> <p>The Company did not perform an Individual Peer Review during the FY2024.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The R&amp;N Committee is responsible for recommending the remuneration of the Non-Executive Directors, including the Directors' fees and benefits as per the Remuneration Policy which links the Directors' remuneration with their performance as well as the skills and experience required of them. The Remuneration Policy is available on the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a>.</p> <p>The R&amp;N Committee also assumes the task of recommending to the Board the remuneration package for the EVC. Consistent with the previous years, the EVC does not receive any remuneration from the Company and its subsidiaries during the financial year. The EVC is also not paid any Director's fee.</p> <p>The Remuneration Policy was last reviewed by the Board on 15 September 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Terms of Reference of the R&N Committee is available on the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a> . The Terms of Reference was last reviewed by the Board on 13 September 2024.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the remuneration received/receivable by the Directors during the financial year are as disclosed in the table below:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Siew Ka Wei	Executive Vice Chairman	0	0	0	0	6.1	0	6.10	0	0	0	0	6.1	0	6.1
2	Dato' Latif Bin Abdullah	Non-Independent Non-Executive Chairman	61.9	2.9	0	0	6.6	0	71.4	61.9	2.9	0	0	6.6	0	71.4
3	Tan Sri Datuk Dr. Ampikaipakan A/L S. Kandiah	Independent Non-Executive Director	65.0	4.6	0	0	0	0	69.6	65.0	4.60	0	0	0	0	69.6
4	Datuk Mohd Farid Bin Mohd Adnan	Independent Non-Executive Director	70.0	4.6	0	0	0	0	74.6	70.0	4.6	0	0	0	0	74.6
5	Datuk Lee Cheun Wei	Non-Independent Non-Executive Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Dato' Mohammad Medan Bin Abdullah	Independent Non-Executive Director	68.1	4.2	0	0	0	0	72.3	68.1	4.2	0	0	0	0	72.3
7	Datin Joanne Marie Lopez	Independent Non-Executive Director	54.6	2.5	0	0	0	0	57.1	54.6	2.5	0	0	0	0	57.1

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The details of the remuneration of the top five (5) senior management are not disclosed in the Annual Report.</p> <p>The Board is of the opinion that disclosure of such information will not add significant value or understanding of the Company's corporate governance practices.</p> <p>Instead, the disclose of such information could possibly give rise to recruitment and talent retention issues. It will create unnecessary staff rivalry and affect harmonious working relation amongst the senior management staff. It would also encourage poaching by other organisations of the Group's senior management which will have a negative impact on the Group's continuous operation.</p> <p>The Board is aware that top talents are hard to come by in the current competitive human resource market.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

No	Name	Position	Company ('000)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1								
2								
3								
4								
5								



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit Committee, Tan Sri Datuk Dr. Ampikaipakan A/L S.Kandiah, is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>It is a policy in the Terms of Reference of the Audit Committee that former key audit partners of the Company's External Auditors shall observe a cooling-off period of at least three (3) years before they can be appointed as members of the Audit Committee.</p> <p>Currently, none of the members of the Audit Committee are former key audit partners of the Company's External Auditors.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee has been delegated by the Board to assess the suitability, objectivity and independence of BDO PLT, the External Auditors, as enumerated in the External Auditors Assessment Policy.</p> <p>In carrying out its assessment of the External Auditors, the Audit Committee considers the following:</p> <p>(a) Competence</p> <p>The Audit Committee shall only consider External Auditors who have not had disciplinary actions taken against them for failure to comply with relevant accounting and reporting standards in the past five (5) years.</p> <p>The Audit Committee shall also consider the amount of resources that shall be allocated by the External Auditors to the Group, and the qualifications and/or experience of the team leader.</p> <p>(b) Audit quality</p> <p>To reappoint the External Auditors, the Audit Committee shall, in addition to its own assessment, seek feedback from Management on the professional working relationship with the External Auditors, the quality of their audit delivery and the quality of people and service.</p> <p>Due consideration shall be given to the ability of the External Auditors to adhere to the external audit plan agreed at the beginning of the audit period, thoroughness of the audit (within reasonable limits) and effectiveness and efficiency of the engagement team, amongst others.</p> <p>(c) Independence</p> <p>Pertaining to independence, the assessment would focus on whether there exists any relationship between the External Auditors and the Directors or senior management and major</p>

	<p>shareholders of the Group as well as any conflict of interest arising therefrom. The Audit Committee shall also give due consideration to the fees to be paid to the External</p> <p>Auditors for any unreasonable excess above the market rate, which may be perceived to affect the objectivity of the External Auditors.</p> <p>The Committee shall obtain written assurance from the External Auditors that they have complied with the relevant ethical requirements regarding professional independence.</p> <p>With regards to non-audit services, the Audit Committee may engage the External Auditors provided that the non-audit services do not, and will not, give rise to questions about the External Auditors' independence and objectivity in carrying out the responsibilities entrusted to them.</p> <p>The External Auditors Assessment Policy, which was last reviewed by the Board on 15 September 2023, is available on the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a>.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the FY2024, the Audit Committee comprised of one (1) Chartered Accountant, one (1) Medical Doctor and two (2) Directors, one with a legal background and the other with a background in trading and management, and both also possess experience in logistics and transportation.</p> <p>The members of the Audit Committee have the relevant skills, knowledge and industry experience to discharge their duties and responsibilities as a member of the Audit Committee. They are financially literate and are able to understand matters relating to financial reporting, taxation, internal control and risk management.</p> <p>Apart from training attended by the Directors, the Audit Committee members also received periodic updates from the External Auditors on new accounting standards to enable them to keep abreast with development in the accounting and auditing frameworks.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the establishment and maintenance of a sound and effective risk management and internal control system in the Group. The Board is also responsible for reviewing the adequacy, effectiveness and integrity of the Group's risk management and internal control system through ongoing and independent reviews carried out by the Company's Internal Audit function which reports to the Audit Committee.</p> <p>The Internal Audit reviews are focused on achieving effective and efficient operations, reliability of reporting, compliance with applicable laws and regulations as well as safeguarding of assets.</p> <p>The system of internal control covers governance, risk management, financial, strategy, organisational, operational, regulatory and compliance control matters.</p> <p>The adequacy and effectiveness of internal controls were reviewed by the Audit Committee in relation to the audits conducted by the Internal Auditors during the financial year. Audit issues and actions taken by Management to address the issues tabled by Internal Auditors were deliberated on during the Audit Committee meetings where the matters are reported to the Board by the Audit Committee Chairman at the Board meetings.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The features of the Company’s risk management and internal control framework, as well as the adequacy and effectiveness of this framework are as disclosed in the Statement on Risk Management and Internal Control (“SORMIC”) of the Company’s Annual Report 2024.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Internal Audit function is outsourced to Sterling Business Alignment Consulting Sdn. Bhd. ("SBAC"); an independent consulting firm. SBAC reports directly to the Audit Committee. SBAC is able to function independently as it is not related to the Board, management and major shareholders of the Company.</p> <p>SBAC's main responsibility is to review the adequacy and integrity of the Group's internal control system and the risk management framework.</p> <p>The Internal Audit addresses critical business processes, identifies risks and internal control gaps, assesses the effectiveness and adequacy of the existing state of internal control of the Group and recommends possible improvements to the internal control process. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group. Quarterly Internal Audit Reports and Status Reports on follow-up actions are tabled to the Audit Committee during its quarterly meetings.</p> <p>The Internal Audit function conducts independent reviews of the key activities within the Group's operating units based on a detailed Internal Audit Plan approved by the Audit Committee.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>SBAC being the Company's outsourced internal audit firm, and the personnel assigned to conduct the internal audit reviews, have confirmed that they are free from any relationships or conflicts of interest situation with the Company, its Directors, management and shareholders, which could impair their objectivity and independence.</p> <p>The number of staff deployed for each internal audit review ranging from 3 to 4 per visit.</p> <p>The lead internal audit team performing the internal audit reviews for the financial year under review consists of:</p> <ol style="list-style-type: none"> <li>a) Dr. So Hsien Ying, a Certified Internal Control Professional (US), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), permanent member of The Internal Control Institute (US), Member of Malaysian Alliance of Corporate Directors and Associate, Member of The Institute of Internal Auditors Malaysia with over 30 years of experience in business process improvement, internal control review, internal audit and risk management; and</li> <li>b) Cheng Chean, a Chartered Member of the Institute of Internal Auditors Malaysia and a Fellow Member of the Chartered Certified Accountant. Mr. Cheng has over 20 years of hands-on experience in the fields of External Audit, Internal Audit and Internal Control Reviews.</li> </ol> <p>The Internal Auditors deploys the International Professional Practices Framework in the conduct of the internal audit assessments as well as in the observance of the attributes by team members, like adhering to the definition of internal auditing, core principles and the code of conduct, which covers, inter alia, the need to be independent of relationship which may impair objectivity and professional independence of team members. Besides, the Internal Auditors also applied the Committee of Sponsoring Organizations of the Treadway Commission (COSO)</p>

	Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

## Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of timely and thorough dissemination of material information about the Group's business to its shareholders and investors for informed investment decisions in line with the Listing Requirements and best practices as recommended by the CG Code. The Board regards regular communication with the public via various announcements and the issuance of Annual Reports, circulars and press releases as key to building good relationships with its shareholders and investors.</p> <p>The Board strives to disclose such information to the public as soon as practicable through Bursa Securities, the media and the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a>. The Board will take reasonable steps to ensure that all investors have equal access to material information. Selective disclosure is not allowed.</p> <p>The Company shall disclose all material information required to be disclosed under applicable securities laws, regulations and requirements as per the disclosure principles listed below:</p> <ul style="list-style-type: none"><li>• Material information will be announced immediately to Bursa Securities, and later be made available on the Company's website;</li><li>• Material information will be kept confidential temporarily if the immediate release of such information would be detrimental to the interests of the Company and/or its shareholders;</li><li>• The disclosure must be factual and non-speculative;</li><li>• If the Company learns that an earlier disclosure contained material error(s), such disclosures must be corrected immediately; and</li><li>• The Company will not comment, affirmatively or negatively, on rumours including those on the Internet. Should Bursa Securities request that the Company make a definitive statement in response to any market rumour that is causing significant volatility in the price of the Company's securities, the EVC, will respond</li></ul>

	<p>appropriately, after consulting with the Board or Advisors if time permits, before a reply is given to Bursa Securities.</p> <p>Information is considered material if it can reasonably be expected to have a material effect on the price, value or market activity of the Company's securities or the decision of a holder of security or an investor in his/her investment decisions and actions.</p> <p>The Company releases all material information publicly through Bursa Securities' website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and via the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a>.</p> <p>The general meetings (annual or extraordinary) remain the main platform for the shareholders to engage with Directors or senior management on the Company's performance and prospects.</p> <p>Minutes on the proceedings at the general meetings are recorded by the Company Secretaries and are available for inspection by the Company's shareholders at the Company's registered office at Jalan SS 7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The minutes of general meetings and a summary of key matters discussed at the general meetings is also posted on the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a>.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.2**

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

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Notice of Annual General Meeting is given to the Shareholders 28 days prior to the meeting.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>At the Company's annual general meetings, the Chairman, the EVC, the Chairmen of the Audit Committee and R&amp;N Committee, the Directors, the Deputy Chief Executive Officer ("DCEO"), the Chief Financial Officer ("CFO"), the Company Secretaries and the External Auditors/lawyers will attend the meetings either remotely or at the Broadcast Venue. Queries raised by the shareholders will be answered by the EVC, DCEO, CFO and the Chairmen of the respective Board Committees at the meetings.</p> <p>For queries where the answers are not readily available at the meeting or were not answered at the meetings, written responses will be emailed to the shareholders or posted at the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a> after the meetings.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's annual general meetings will be conducted fully virtual through live streaming and online remote voting via the remote participation and voting ("RPV") facilities at TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> provided by the Company's Share Registrar, Tricor Investor and Issuing House Services Sdn. Bhd. ("Tricor").</p> <p>With the RPV facilities, shareholders at remote locations are able to attend, speak (through real time submission of typed text prior to the date of the meeting or during the meeting) and vote at the AGM.</p> <p>Shareholders who wish to appoint proxy, corporate representatives or power of attorneys are also able to lodge the proxy forms, letter of appointments or power of attorneys remotely through the TIIH Online website.</p> <p>Proxy holders, corporate representatives and power of attorneys at remote locations are able to attend, speak (through real time submission of typed text prior to the date of the meeting or during the meeting) and vote at the meetings remotely using the RPV facilities.</p> <p>Tricor has put in place the necessary IT security measures to preserve data privacy and security and to prevent cyber threats.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: At the Company's Annual General Meeting, the Chairman ensures that there was meaningful engagement between the Board, the Company's senior management (the EVC, DCEO and CFO) and the shareholders.  Shareholders were given ample time to submit their questions or queries relating to the Company's financial and non-financial matters as well as the Company's plans and strategies prior to the date of the meetings or during the meetings through real time submissions of typed text only using the RPV facilities.  Ample time are provided by the Chairman for the shareholders to raise questions at the meetings. The EVC, DCEO, CFO and the relevant Chairmen of the Board Committees would answer the questions at the meetings wherever applicable. For questions and queries where answers are not readily available, written responses will be provided to the shareholders concerned via emails or were posted on the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a> after the meeting.  Other than the general meetings, shareholders can also pose or raise questions to the Company via the "Contact Us" function at the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a> .
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:

<b>Timeframe</b>	:		
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**Intended Outcome**

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

**Practice 13.5**

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Company conducts its general meetings fully virtual. Due to the high cost involved, the Company does not consider having a hybrid general meeting.</p> <p>The Company is using the RPV facilities provided by Tricor as the platform in conducting the fully virtual general meetings. The Company and Tricor have the necessary infrastructure and IT support and tools to support a smooth broadcast of the general meetings and interactive participation by shareholders in the general meetings and viewing the proceeding online remotely using the computer, tablets or handphone.</p> <p>Questions posed by shareholders are made visible to all meeting participants during the meetings itself.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the AGM and the Key Matter Discussed will be published in the Company's website at <a href="http://www.ancomlogistics.com.my">www.ancomlogistics.com.my</a> not later than 30 business days after the meeting.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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