

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 0140  
**COMPANY NAME** : XOX Networks Berhad  
**FINANCIAL YEAR** : June 30, 2022

## **OUTLINE:**

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

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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 of Directors ("<b>Board</b>") discharges its duties and responsibilities that are set out in the Board Charter, with the objective of safeguarding the interest of shareholders and other stakeholders.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.xoxnetworks.com.my">www.xoxnetworks.com.my</a>.</p> <p>In order to ensure the effective discharge of its functions and responsibilities, specific powers of the Board are delegated to the relevant Board Committees, Executive Director and the Senior Management.</p> <p>The Board reviewed and deliberated the business plan, strategic plan and/or proposals presented by the Management bearing in mind any major change/revision/update discussed during the quarterly Board meeting accordingly.</p> <p>The Board Committees have the authority to examine particular issues and report to the Board with their findings and recommendations. However, the ultimate responsibility for decision on all important matters lies collectively with the Board.</p> <p>The Board is also responsible for promoting an effective execution of good corporate governance and a corporate culture of ethical conduct, especially among its members and generally that would permeate throughout the Company. As part of its continuous effort to promote good corporate governance, the Board, the Board Committees and each individual Director are annually assessed on their effectiveness in fulfilling their roles and responsibilities as disclosed in the Annual Report circulated once a year. Hence, the Board is collectively sound and has sufficient knowledge and expertise to enable effective governance and oversight.</p>

	The Executive Director is responsible for the day-to-day management of the business and operations of the Company and its subsidiaries (collectively referred to as “Group”) with the support of Senior Management. The Board is also kept informed of key strategic initiatives, significant operational issues and the Group’s performance. The relevant members of the Management attended the Board meetings to support the Executive Directors in presenting the updates on the progress of key initiatives, business targets and achievements to date, and to provide clarification on the queries and issues raised by 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>	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>YM Tengku Ezuan Ismara bin Tengku Nun Ahmad was appointed as Independent Non-Executive Chairman on 27 September 2021.</p> <p>The roles and responsibilities of the Chairman are as follows:</p> <ul style="list-style-type: none"><li>• Promotes constructive and respectful relations between Board members, and between the Board and the Management.</li><li>• Provides leadership to the Board.</li><li>• Ensures that appropriate procedures are in place to govern the Board's operation.</li><li>• Leads the Board in establishing and monitoring good corporate governance practices in the Company.</li><li>• Chairs general meetings of the Company and provides clarification on issues that may be raised by the stakeholders.</li><li>• Encourages active participation and allowing dissenting views to be freely expressed.</li><li>• Ensures compliance with all relevant regulations and legislation.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Board is YM Tengku Ezuan Ismara bin Tengku Nun Ahmad. The role of Chief Executive Officer is assumed by Mr. Koo Kien Keat, who is the Executive Director of the Company.  The role of Chairman and Executive Director are disclosed in the Corporate Governance Overview Statement of the Annual Report 2022.	
<b>Explanation for departure</b>	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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>	:	During the financial year ended 30 June 2022 ("FY2022"), the Chairman of the Board, YM Tengku Ezuan Ismara bin Tengku Nun Ahmad is not a member of the Audit & Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee to ensure there is check and balance as well as objective review by 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

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>During FY2022, the Board was supported by a qualified Company Secretary. The Company Secretary is licensed by the Registrar of Companies and qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. He is registered with the Companies Commission of Malaysia under Section 241 of the Companies Act 2016 and is issued with practising certificate by the Registrar of Companies.</p> <p>The Company Secretary provided the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Constitution of the Company, Board's policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislation.</p> <p>All Directors also had full and unrestricted access to the advice and services of the Company Secretary. The Board was regularly updated on new guidelines, directives and new regulatory issues affecting the Group by the Company Secretary as well as external consultants. The Company Secretary together with the Executive Director and Senior Management assisted the Chairman of the Board and Chairman of the Board Committees to deal with the Board agendas and to provide the relevant information and documents to Directors on a timely basis. The Board was satisfied with the support and performance rendered by the Company Secretary in assisting the Board to discharge its duties.</p> <p>The Board was of the view that the Company Secretary had been competent and kept themselves abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.</p> <p>The Board was satisfied with the performance and support rendered by the Company Secretary to the Board.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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>Prior to the Board and Board Committees meetings, the agenda for each meeting together with the reports and notices containing information relevant to the business of the meetings (including information on major financial, operational and corporate matters as well as activities and performance of the Group and minutes of last Board and Board Committees meetings) were circulated to the Board members seven (7) days or at appropriate time before the meetings to provide sufficient time for the Board members to read and deliberate the issues. During Board meetings, the Management provides further details on each issue raised for discussion or as supplementary information, and consultants (including the Internal and External Auditors) may be invited to provide further insight.</p> <p>The deliberations and decisions at Board and Board Committee meetings were well documented in the minutes, including matters where Directors abstained from voting or deliberation.</p> <p>Minutes of meetings were distributed to all Directors on a timely basis for review and thereafter for confirmation at next meetings. The signed minutes were entered in minutes books kept by the Company Secretary at the registered office.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Board Charter to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect of and on behalf of the Company.</p> <p>The Board would regularly review this Board Charter to ensure they remain consistent with the Board's objectives.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.xoxnetworks.com.my">www.xoxnetworks.com.my</a>.</p> <p>The Board enhances its governance by adopting the following policies which are published at <a href="http://www.xoxnetworks.com.my">www.xoxnetworks.com.my</a>:</p> <ul style="list-style-type: none"> <li>• Whistleblowing Policy</li> <li>• Code of Business Conducts</li> <li>• Anti-Bribery and Corruption Policy</li> <li>• Corporate Disclosure Policy</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The 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, Management and all employees of the Group are guided by the Code of Business Conducts established by the Board which is available on the Company’s website at <a href="http://www.xoxnetworks.com.my">www.xoxnetworks.com.my</a>.</p> <p>The Code of Business Conducts provides principles and standards relating to Directors’ and employees’ duties to act in the best interest of the Group and stakeholders, and covers the areas of transparency, integrity, accountability, safety, conflicts of interest, insider trading, fair dealing, compliance with laws, rules and regulations.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

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

### Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company’s Whistleblowing Policy fosters an environment in which integrity and ethical behaviour are maintained through protocols which allow for the exposure of any improper conduct or wrongdoing within the Group.</p> <p>Individuals are able to raise/voice concerns in a responsible and effective manner whenever they discover any serious malpractices.</p> <p>Where the whistle-blower is an employee of the Company and the disclosure is made in good faith, the employee will be protected from harassment, discrimination or victimisation.</p> <p>The Whistleblowing Policy is available on the Company’s website at <a href="http://www.xoxnetworks.com.my">www.xoxnetworks.com.my</a>.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

The 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	:	The Executive Director together with the key management personnel from corporate finance, project, marketing, human resources and general administration, work closely to drive the implementation of the Board’s approved sustainability strategies and practices.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

The 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 sustainability, and the commitment is rooted in the knowledge that economically, environmentally, and socially responsible business practices coupled with corporate governance are essential to foster the long-term well being of the stakeholders and our businesses. Board of Directors will continue to oversee the sustainability performance in compliance with the guidelines on sustainability reporting issued by Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>").</p> <p>The Company’s sustainability strategies, priorities and targets are communicated to external stakeholders through annual report and to the employees through departmental meeting.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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>To keep abreast of the sustainability issues including climate-related risk, the Group has been preserved the environment while ensuring sustainability of its business.</p> <p>The Group implemented environmental awareness program and constant reminders to the employees to reduce wasteful consumption of resources in all the business premises.</p> <p>Energy saving initiatives come in the form of using LED lightings to replace traditional lightings as well as eco-friendly equipment to replace traditional equipment, whenever possible. Power saving features or sleep mode were also enabled on computers, photocopiers, and other equipment, which also lowered power consumption.</p> <p>To reduce the use of paper, the Group encourages the employees to use digital storage and filing. Employees are also encouraged to re-use recycled paper for internal processes to practice the good culture of reduce, reuse and recycle waste materials.</p> <p>The Group is also proactively reduced wasteful consumption of water in the business premises. The measures taken in this respect include regular maintenance of water taps and piping to prevent water leakage and creating awareness for the need to conserve water among employees. The employees are also reminded to report any leakages and malfunction of water infrastructure in the business premises.</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>	:	The Board of Directors were formally assessed with regards to material sustainability risks and opportunities. The questionnaire specifically modality deployed through a peer evaluation provided extensive coverage on the sustainability areas.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company cognisant the importance of progressive refreshing of the Board. In line with the Malaysian Code on Corporate Governance 2021 ("MCCG"), the Board's composition has been reviewing annually to determine if the Board has the appropriate make up with regard to aspects such as independence, diversity, mix of skills and size to the Company's strategic goals and objectives. The profiles of the Directors are disclosed in the Annual Report 2022.</p> <p>The NC, with a clear mandate as specified within its TOR, assesses and reviews the tenure of each Director and annual re-election of Directors standing for re-election at the Annual General Meeting ("AGM"), using the criteria specified in the Company's Constitution, the ACE Market Listing Requirements ("AMLR") of Bursa Securities, and also other factors such as independence, performance and contribution.</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board comprises:</p> <p>a) One (1) Independent Non-Executive Chairman;</p> <p>b) One (1) Executive Director; and</p> <p>c) Four (4) Independent Non-Executive Directors.</p> <p>The Independent Directors constitute more than 50% of the composition of the Board and they have satisfied the independence test under the AMLR of Bursa Securities.</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>Currently, the Company does not have any Independent Non-Executive Director who has served a cumulative term limit of nine (9) years.</p> <p>For good corporate governance, upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director. In the event the Board retains an independent director, who has served in the capacity for more than nine (9) years, the Board shall seek annual shareholders' approval via two-tier voting process.</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 5.4 - 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>	
<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 recognises a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board whilst the diversity at Senior Management will lead to better decisions.</p> <p>The NC will review and recommend to the Board the suitable candidate in respect of mix of skill, knowledge, experience, expertise, independence, diversity (including gender, ethnicity and age) and core competencies needed to facilitate effective functioning of the Board.</p> <p>During FY2022, the Board has one (1) woman director which constitutes 16.67% of the Board.</p> <p>The Board is actively managing its workforce diversity to ensure equal employment opportunity. It fosters an environment where the ability to contribute and access employment opportunities is based on performance, skills and merits.</p> <p>The number of female employees constitutes 66.67% of the Management team.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NC are guided by its terms of reference in the nomination, recommendation for appointment and re-election of Directors.  Where necessary, the NC and Board will gain access to a wider pool of potential candidates based on the recommendation from the existing Board members, Management and major shareholders, or refer to the potential candidates from the industry taking into consideration the qualification, skills, knowledge and experience background.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC has a formal and transparent procedure for the appointment of new Directors to the Board. When assessing new appointments to the Board, the NC carefully reviews the combined skills and experience of the existing Board members to determine the required characteristics and profile of the new Director. Candidates are identified based on their corporate leadership, skills, knowledge, competencies, experience, reference check and expertise to complement the Board. Diversity of experience in business, professionalism, corporate industry standing, integrity as well as academic background, age, gender, ethnicity and cultural background are also considered.</p> <p>Besides carrying out reference checks, the candidates are interviewed as part of the assessment process. Consideration is given to ensure appointees have sufficient time to devote to the role, ability to discharge responsibilities and that the balance of skills, knowledge and experience on the Board will be maintained and enriched. When the NC has found a suitable candidate, the NC will make a recommendation to the Board for deliberation.</p> <p>The Board deliberated the proposed re-election of the retiring Directors and provided a statement in the Notice of 17th AGM to the shareholders as to whether the Board support the re-election of the Directors at the 17th AGM.</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**

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	:	During FY2022, the NC is chaired by Mr. Lee Kien Fatt, who is an Independent Non-Executive Director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	During FY2022, the Board has one (1) woman director which constitutes 16.67% of the Board.	
		The Board recognises gender diversity among Board members as important consideration when reviewing its composition. Considering diversity in a broader sense, the Board target to maintain a balance in terms of the range of skills, experience and strength in qualities of individual Board members.	
		The NC and the Board are mindful of the target of at least 30% women directors and will look out to expand the pool of potential women candidates for the Board candidacy.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 5.10**

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board does not set specific policy on gender diversity for the Board and Senior Management members. Nevertheless, the Board have been continuously enhancing workplace diversity at all levels. In 2022, 16.67% of the Board and 66.67% of the Senior Management are women.	
	:	The Board will endeavour in getting the participation of additional women and those of different ethnicity on its Board. The persons selected must be able to contribute positively to the development of the Group.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board through the NC had conducted an annual assessment via questionnaires on the Board, Board Committees and each individual Director.</p> <p>The activities undertaken by the NC are summarised in the Corporate Governance Overview Statement of the Annual Report 2022.</p> <p>Each Director and Board Committee member completed the evaluation form and submitted it on a confidential basis to the Company Secretary who produces a report for tabling to the NC Chairman. The NC Chairman then reviewed the report and submitted its findings to the Board for assessment of the performance and effectiveness of the Board and Board Committees and its members.</p> <p>The NRC was satisfied with the performance of all the Directors and Board Committee members during FY2022.</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 remuneration packages of the Executive Director and Non-Executive Directors are determined by the Board with the assistance of RC in accordance with its terms of reference.</p> <p>The fees and any benefits payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting in accordance with Section 230 of the Companies Act 2016. The Company had obtained approval from the shareholders at the Sixteenth Annual General Meeting ("16th AGM") held on 30 November 2021 in respect of payment of Directors' fees and benefits to the Non-Executive Directors for the FY2022.</p> <p>The terms of reference of RC is periodically reviewed and is available on the Company's website at <a href="https://www.xoxnetworks.com.my">https://www.xoxnetworks.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC carry out an annual review on the remuneration of the Board and Senior Management and make recommendation to the Board for approval. This review ensures that the remuneration package commensurate with responsibilities, performance and contribution of the members of Board and Senior Management, taking into consideration of various factors including the Company's financial performance and budget.</p> <p>The terms of reference of the RC is accessible on the Company's website at <a href="https://www.xoxnetworks.com.my">https://www.xoxnetworks.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**

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 each individual Director's remuneration for FY2022 are disclosed on named basis in the Corporate Governance Overview Statement of the Annual Report 2022 and this Corporate Governance Report.

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	YM Tengku Ezuan Ismara bin Tengku Nun Ahmad	Independent Director	64	Input info here	Input info here	Input info here	Input info here	Input info here	64	64	Input info here	Input info here	Input info here	Input info here	Input info here	64
2	Koo Kien Keat	Executive Director	62	Input info here	175	15	Input info here	Input info here	252	62	Input info here	175	15	Input info here	Input info here	252
3	Andy Liew Hock Sim	Independent Director	44	Input info here	Input info here	Input info here	Input info here	Input info here	44	44	Input info here	Input info here	Input info here	Input info here	Input info here	44
4	Lionel Vernon Yong Nguon Kee	Independent Director	44	Input info here	Input info here	Input info here	Input info here	Input info here	44	44	Input info here	Input info here	Input info here	Input info here	Input info here	44
5	Woon Sing Jiunn	Independent Director	44	Input info here	Input info here	Input info here	Input info here	Input info here	44	44	Input info here	Input info here	Input info here	Input info here	Input info here	44
6	Lee Kien Fatt	Independent Director	44	Input info here	Input info here	Input info here	Input info here	Input info here	44	44	Input info here	Input info here	Input info here	Input info here	Input info here	44
7	Justin Low Sook Huey	Executive Director	23	Input info here	67	Input info here	Input info here	Input info here	90	23	Input info here	67	Input info here	Input info here	Input info here	90
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	:	The Company takes cognizance of the MCCG recommendations. However, the Board is of the view that the Group has a very small Senior Management team and such disclosure on the remuneration of the Senior Management on a named basis would not be in the best interest of the Group due to confidentiality and sensitivity concerns as well as the issue of competition and staff poaching. As such, remuneration paid to all employees should be kept confidential and should not be disclosed for any reason, other than as requested for appropriate financial reporting purposes.	
		As an alternative, the Board is of the view that the disclosure of Key Senior Management’s aggregated remuneration on unnamed basis in the bands of RM50,000 as shown below is adequate:	
		Range of Remuneration	No. of Senior Management Personnel
		RM50,001 to RM100,000	1
		RM100,001 to RM150,000	-
RM150,001 to RM200,000	1		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The ARMC is chaired by Mr. Andy Liew Hock Sim, who is an Independent Non-Executive Director, and he 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has not appointed any former key audit partner as Director of the Company.</p> <p>The ARMC has in place a terms of reference that requires a former key audit partner of the External Auditors to observe a cooling-off period of at least three (3) years before he/she could be considered for appointment as a member of the ARMC.</p> <p>The terms of reference of the ARMC is available on the Company's website at <a href="http://www.xoxnetworks.com.my">www.xoxnetworks.com.my</a>.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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 ARMC assess the suitability, objectivity and independence of the Group's External Auditors every year before making a recommendation on the reappointment of External Auditors to the Board for consideration. The Board upon satisfaction of the recommendation from ARMC will propose the reappointment of External Auditors to the shareholders for approval at an AGM.</p> <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The ARMC had private meeting with the External Auditors, Grant Thornton Malaysia PLT ("GMT") without the presence of Executive Director and Management to discuss audit related matters that they wish to raise directly with the ARMC during the FY2022.</p> <p>GMT declared their independence in accordance with the IAASB Handbook of International Auditing, Assurance and Ethics Pronouncements and By-Law (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. The ARMC was satisfied with the suitability, objectivity and independence of GMT and had recommended their re-appointment for FY2022 at the 16th AGM of the Company.</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>	:	Applied
<b>Explanation on adoption of the practice</b>	:	The ARMC is comprised solely of Independent Non-Executive Directors.

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All the members of ARMC are financially literate and have extensive experience, business knowledge and skills. The qualification and experience of the individual ARMC members are disclosed in the Directors’ Profile of the Annual Report 2022.  The ARMC members have attended continuing professional development training programmes/seminars/webinars during FY2022 based on individual learning requirements as well as to stay abreast of financial or corporate developments.	
<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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of sound controls and risk management practices to good corporate governance.</p> <p>The functions of the ARMC have been expanded to ensure risk management and proper internal controls are in place with an adequate awareness and understanding of risk by the Management and to safeguard shareholders’ interest and the Company’s assets.</p> <p>The Board delegates the determination of risk appetite to the ARMC and ensures that the risk appetite is in line with the Group’s strategy.</p> <p>The information on risk management framework and internal control system are disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2022.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

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

### Practice 10.2

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

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

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group has outsourced the internal audit function to an independent professional service provider ("<b>Outsourced IA</b>") which reports directly to the ARMC.</p> <p>The ARMC reviews the objectivity, suitability and independence of the Outsourced IA annually to ensure it provides independent, objective assurance and consulting services to enhance the organisational value.</p> <p>The activities of the internal audit function carried out during FY2022 are set out in the ARMC Report of the Annual Report 2022.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Outsourced IA is independent and free from any business relationships or conflicts of interest when conducting any internal audit activities.</p> <p>The Outsourced IA service provider is currently made up of 2 members. The team is all members of The Institute of Internal Auditors Malaysia. The team is led by the Director of Internal Audit, Christine Looi Pek San, who has been in the industry for over 30 years. The Outsourced IA conducted their audit in adherence to the International Standards for the Professional Practice of Internal Auditing (Standards) as advocated by The Institute of Internal Auditors Malaysia. The internal auditors have also disclosed that they do not have any relationship or conflict of interest in the discharge of their responsibilities and that they are independent and do not have any direct operational responsibilities over the audited activities.</p> <p>The internal audit functions and activities carried out during FY2022 are as disclosed in the ARMC Report of the Annual Report 2021.</p> <p>The ARMC is also satisfied that the Outsourced IA has the necessary competency, experience and sufficient sources to carry out the internal audit function effectively.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of establishing a direct line of communication with shareholders and investors and endeavours to provide timely disclosures on the Group's performance and operations via distribution of annual reports and relevant circulars, and release of quarterly financial results, press releases and announcements.</p> <p>The Company recognises that electronic media via its website is used as one of the primary communication channels to promote instant communication and wide coverage to the shareholders. Shareholders and investors can access the Company's website at <a href="http://www.xoxnetworks.com.my">www.xoxnetworks.com.my</a> to enquire about investor relations matters.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The 16th AGM was held on 30 November 2021 and the Company had issued the Notice of 16th AGM on 29 October 2021. This allowed sufficient time for the shareholders to consider the resolutions to be tabled at the AGM and to make arrangement to attend the AGM either in person, by proxy(s), corporate representative(s) or attorney(s).	
<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>All the Directors (including the Chairpersons of the ARMC, NC and RC), Management and External Auditors attended the 16th AGM held on 30 November 2021 and responded to the shareholders’ and proxies’ enquiries.</p> <p>During the 16th AGM, the Board encouraged participation from the shareholders by having a questions-and-answers (“Q&amp;A”) session.</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The 16th AGM was held and conducted on a virtual basis through live streaming and online remote participation and voting (“<b>RPV</b>”) from the broadcast venue on 30 November 2021, which is in line with the revised Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia. All shareholders and proxies who are attending and participating in the 16th AGM remotely through RPV facilities were able to vote online.</p> <p>The Company used the RPV facilities provided by the service provider which has been robustly tested to gain assurance on its reliability, stability and security to allow for a large number of participants to attend, participate and vote the 16th AGM simultaneously.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 13.4

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>	:	<p>The Chairman of the Board has always been cognisant of the importance in ensuring the AGM supports meaningful engagement between the Board, Management and shareholders.</p> <p>At the 16th AGM held on 30 November 2021, the Chairman encouraged the participation of shareholders and proxies through Q&amp;A session. The shareholders were given opportunity to email their questions to the Board of the Company prior to the 16th AGM as well.</p> <p>The Chairman of the Board and Executive Directors were authorised to answer all questions raised by the shareholders and proxies during the 16th AGM of the Company.</p> <p>The outcome of the 16th AGM was announced to Bursa Securities on the same day after the conclusion of the 16th AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company's 16th AGM was successfully held and conducted on a virtual basis through live streaming and remote participation and voting on 30 November 2021. The shareholders and proxies are encouraged to pose their questions using RPV facilities.  The Chairman of the 16th AGM had answered all questions posed by the shareholders and proxies present at the 16th AGM.
<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 Company was in compliance with this practice as the minutes of the 16th AGM was published on the Company's website within 30 business days from the conclusion of the 16th AGM.
<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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