

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5220
COMPANY NAME : GLOBALTEC FORMATION BERHAD
FINANCIAL YEAR : June 30, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board reserves a formal schedule of matters for its decision to ensure that the direction and control of the Group is firmly in its hands. This includes corporate plans, strategic issues and planning, risk management, sustainability and environmental, social & governance related matters, material acquisitions and disposal of assets/investments and capital expenditure, changes to senior management and control structure of the Group, including key policies, procedures and authority limits, material financing and borrowing activities.</p> <p>The divisional Chief Executive Officers ("CEOs") will together with key senior management periodically formulate/revisit and refine their respective division's strategy, budget and operational direction and present this to the respective Executive Committee, comprising of the Group Executive Chairman, Group Finance Director and the respective CEO for the division, for review, discussion and approval. Once the strategy/operational direction has been approved, the CEOs will communicate it down to their respective organisation for implementation. On a monthly basis (or on ad-hoc basis, if need be), the CEOs and key senior management will present the progress and challenges faced (if any) in implementing the approved strategies and operational direction together with the reporting of operational and financial performance of their respective division.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Tan Sri Datuk Seri Panglima (Dr.) TC Goh is the Group Executive Chairman who provides leadership of the overall group strategy/direction, leads the management committee, regularly reviews the overall Group’s strategies and operational performance and represents the Group to the various stakeholders.</p> <p>Tan Seri Datuk Seri Panglima (Dr.) TC Goh presides over meetings of directors and ensures the smooth functioning of the board in the interest of good corporate governance.</p> <p>The responsibilities of the Chairman of the Board have been clearly specified in Paragraph 4.2 of the Board Charter, which is available on the Company’s website at www.globaltec.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Group Executive Chairman, who is also the Acting CEO of the Resources Segment, whilst a suitable CEO candidate is being sourced, regularly reviews the overall Group's strategies and performance and represents the Group to the various stakeholders whereas the day to day business operations are managed and led by the respective divisional CEOs/managing director namely Ooi Boon Pin, the CEO of the Precision Machining and Automation Division, Jason Chua Joo Huang, the Acting CEO of the Automotive Division, Kee Yong Wah, the Deputy Executive Chairman of the Energy Segment and Andre Shum Khun Yui, CEO of the associate involved in the food & beverage retail business. In addition, 4 out of 8 of the Board members are independent non-executive directors and as such, there is a clear division of responsibility for these roles to ensure balance of power and authority.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Chairman of the Board, Tan Sri Datuk Seri Panglima (Dr.) TC Goh is not a member of the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). He does not attend nor participate in any meetings of the NC or RC, by way of invitation or in any other capacity. He is however an invitee to the Audit Committee meetings, where he merely assumes a non-chairing role and will respond to any relevant enquiries the AC may have.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by 2 qualified Company Secretaries, Seow Fei San and Tan Yoke Khim, who are both members of The Malaysian Institute of Chartered Secretaries and Administrators. All Directors have access to the advice and services of the Company Secretaries and take independent professional advice, if necessary, at the Company's expense. The Company Secretaries' responsibilities are set out in the Board Charter.</p> <p>The Company Secretaries also regularly and promptly updates the Board on changes in regulations, guidance and best practices issued by the relevant authorities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	All Directors review Board reports (including Board minutes of the last Board meeting) prior to the Board meeting. These papers are issued in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting.	
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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has adopted a charter, which amongst others, provides guidance to the Board in discharging their roles, responsibilities and duties. The Board Charter also inter-alia outlines the balance and composition of the Board, the Board’s authorities, schedule of the matters reserved for the Board, the establishment of Board committees and the processes and procedures in convening board meetings.</p> <p>The Board Charter is reviewed annually and is posted on the Company’s website (www.globaltec.com.my). The last annual review was on 24 August 2023.</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 3.1

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	:	The Board has adopted a Code of Ethics and Conduct which governs the ethics and conduct of the Directors, management and employees of the Group. The Code of Ethics and Conduct, which is posted on the Company’s website includes appropriate communication and feedback channels that facilitate whistleblowing. The Board reviews and amends the Code of Ethics and Conduct when the need arises.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established, reviewed and implemented the policies and procedures on whistleblowing. The objective of the Whistle-Blowing Policy is to facilitate the stakeholders of the Group to report genuine concerns or allegations to the Group Executive Chairman, Audit Committee Chairman and/or Company Secretary about alleged unethical behaviour, actual or suspected fraud within the Group, or improper business conduct affecting the Group. The policy is designed to provide protection to those who makes the allegation or reports the misconduct.</p> <p>The Whistle-Blowing Policy has detailed the procedures in making a report. A copy of the Whistle-Blowing Policy is available at the Company's website, www.globaltec.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has formalised and adopted a Sustainability Framework (“Sustainability Framework”) on 25 August 2022, whose main objectives include inter-alia, to ensure, the policies and procedures/practices are oriented towards achieving the Group’s sustainability objectives and adequate and standardised sustainability policies and procedures are consistently applied throughout the Group. The Board delegates to the Sustainability Committee, of which this role is assumed by the respective Executive Committee of each operating division, comprising of the Group Executive Chairman, Sustainability Coordinator and the respective CEO for the division the responsibility to oversee sustainability strategy, governance structure, priorities and targets, and integration of sustainability considerations across the Group.</p> <p>The Board also believes in setting the right tone from the top in embedding a culture of sustainability and integrating environmental, social and governance (“ESG”) throughout the Group’s operations.</p> <p>The Sustainability framework is published on the Company’s website.</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 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group ensures that its communication with the shareholders and various stakeholders are transparent and timely.</p> <p>The Group is committed to being accountable and responsive to the expectations and interests of its stakeholders. The Group identified 7 key stakeholder groups that impact or are directly having impact by the value creation activities. They are as follows:</p> <ul style="list-style-type: none">a) Employeesb) Customersc) Shareholdersd) Lenderse) Suppliersf) Communitiesg) Government and regulatory authorities <p>Materiality matrix of sustainability issues to the stakeholders and to the Group, and stakeholder engagement are provided in the Annual Report 2023. The Annual Report 2023 discloses all the identified material sustainability issues and type of engagement by stakeholder and all the sustainability practices by operating segments.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>During FY2023, the Board and key senior management attended sustainability related briefings and trainings arranged by the Group. These trainings/briefings attended by the Board are set out in the Annual Report 2023.</p> <p>At the monthly Executive Committee meetings and from time to time, the CEO and key management updates the Executive Committee on sustainability issues relevant to the division and its business, including environment-related matters. The Executive Committee will in-turn brief the Board at the Board meetings.</p> <p>In addition to the above, the outsourced internal auditors will throughout their internal audit cycles will highlight findings that are sustainability related.</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 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The performance evaluation of each of the directors covers Sustainability and Environment, Social and Governance ("ESG"), where they are evaluated on their understanding and application of the principles surrounding Sustainability and ESG and their role of adding value to the organisation, within the context of the stakeholders' interests, and in designing and implementing the policies and procedures/practices are oriented towards achieving the Group's Sustainability and ESG objectives. The Board had in the current financial year approved a comprehensive Sustainability Framework and Key Performance Indicators related to sustainability for the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Sustainability Framework was approved by the Board on 25 August 2022. In accordance to the Sustainability Framework, the Board delegates to the Sustainability Committee, of which this role is assumed by the respective Executive Committee of each operating division, comprising of the Group Executive Chairman, Sustainability Coordinator and the Sustainability Reporting Champions of each division, who are the respective CEOs for the division, the responsibility to oversee sustainability strategy, governance structure, priorities and targets, and integration of sustainability considerations across the Group. The Sustainability Coordinator provide guidance and options for corporate business and operations that are in keeping with sustainability principles to top management, personnel and clients.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee had during the financial year performed the following:</p> <ul style="list-style-type: none">• Reviewed the composition of the Board and the Board Committees;• Reviewed the performance and effectiveness of the Board, the Directors individually, and the Board Committees;• Reviewed the term of office of each of the Audit Committee members;• Reviewed and recommended to the Board on the re-election of directors retiring at the forthcoming AGM;• Reviewed the profiles and recommended to the Board on appointments of two (2) Independent Directors; and• In conjunction with the resignation of two (2) Directors, reviewed the independence composition of the Board and composition of the Board Committees and recommended to the Board on changes to be made to the composition of the Board Committees; <p>The Company's constitution provides that 1/3 of the Board is subject to retirement by rotation at each of the Annual General Meeting. Each Director shall retire once at least in each three years but shall be eligible for re-election. In addition, the Board Charter of the Company prescribes that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. The Board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine (9) years. The tenure of an independent director, however must not exceed a cumulative term of twelve (12) years.</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 5.2

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	:	Half of the board (4 out of 8 directors) are comprised of independent directors.	
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	:	Departure
Explanation on application of the practice	:	<p>In accordance with the Company's Board Charter, the tenure of an independent director should not exceed a cumulative term of 9 years and must not exceed a cumulative term of twelve (12) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's redesignation as a Non-Independent Director. The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than nine (9) years, however, this retention as Independent Director must not exceed a cumulative term of twelve (12) years.</p> <p>Mr. Wong Zee Shin was appointed to the Board as an Independent Director on 28 March 2012. His term of full 9 years was on 28 March 2021. At the date of this Report, he has served as an Independent Director for 11 years and 7 months. At the 11th Annual General Meeting ("AGM") held on 30 November 2022, the shareholders of the Company have approved to retain him as an Independent Director. As such, Mr. Wong Zee Shin has continued to be an Independent Non-Executive Director of the Company and will be subject to annual approval by shareholders at the subsequent AGMs to continue in office as Independent Director, in accordance with Article 90(2) of the Company's Constitution, until his cumulative terms reaches twelve (12) years. Notwithstanding the 11-year tenure, the Board wishes to retain him as an Independent Director and is therefore seeking shareholders' approval at the forthcoming 12th AGM in November 2023 to retain him as an Independent Director until his maximum tenure as Independent Director of twelve (12) years as allowed under the Listing Requirements ("Proposed Retention"). Mr. Wong Zee Shin will serve a cumulative period of 12 years come 28 March 2024. The Board's justification for retaining Wong Zee Shin as an Independent Director is as follows:</p> <ul style="list-style-type: none">i) He has fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements;ii) He is an experienced Chartered Accountant and is a member of the Malaysian Institute of Accountants ("MIA"). His diverse range of experiences provide confidence to the Board as members of

	<p>the Audit Committee (of which Wong is the Audit Committee Chairman) who oversees the periodic review of the financial results of the Group. As such, it is of the best interest of the Group to maintain his current appointment as an Independent Director;</p> <p>iii) He has continuously demonstrated his independence, integrity and due care as a director of the Company; and</p> <p>iv) He had not entered into any related party transactions with the Group.</p> <p>The Board will not adopt the two-tier voting as recommended by the Malaysian Code on Corporate Governance (“MCCG”) in seeking shareholders’ approval for the Proposed Retention as the Board adopted the approach in the Company’s Constitution which states that the Company shall seek annual re-appointment by members at annual general meeting by way of an ordinary resolution if an independent director has served for a cumulative term of more than 9 years.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>For any appointment of the Board, the Nominating Committee/Board takes cognisance of the need for a range of skill, mix and expertise, high levels of professional skills and appropriate personal qualities. In addition, the ability to make informed business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, relevant experience, the ability to appreciate the wider picture, ability to ask probing operational related questions, high ethical standards, sound practical sense, and total commitment (effort and time) to furthering the interests of shareholders and the achievement of the Company's goals are also key criterias.</p> <p>In this respect, the Nominating Committee had during the financial year performed the following;</p> <ul style="list-style-type: none">• reviewed the composition of the Board and was satisfied with mix and composition of the Board and the relevancy to the Group's businesses; and• reviewed the performance and effectiveness (including their time commitment) of the Board, the Directors individually, and the Board Committees; <p>Director(s), prior to accepting new directorships in other companies outside the Group, must inform the Group Executive Chairman of the Board of such appointment and an indication of the time the Director(s) will spend on the new external appointment. The Directors should be aware of their responsibilities to the Group and shall dedicate sufficient time to carry out such responsibilities. The Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company, as none of the Directors hold any director roles in any public listed company (which is other than a subsidiary of the Group).</p>

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The potential candidate may be proposed by existing directors, senior management, shareholders or third-party referrals.</p> <p>The Board did not utilise independent sources in the appointment of the two (2) directors during the year. Taking into consideration of the business requirement of the Group, the nominations were made through the referral from members of the Board of Directors. In doing so, the Nominating Committee also takes cognisance of the Board's need for the board composition to reflect a range of skill, mix and expertise, high levels of professional skills, appropriate personal qualities and networking..</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>During the reporting period, there is no appointment and/or reappointment of directors to be tabled for shareholders’ approval. If there is any in the future reporting periods, the Company will ensure relevant information are made available to ensure shareholders have the information they require to make an informed decision on the appointment and/or reappointment of directors.</p> <p>Nevertheless, for Directors who are standing for re-election pursuant to the Constitution of the Company, their profile including name, age, gender, working experience and any conflict of interest as well as directorship in other companies are disclosed in the Annual Report.</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 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nominating Committee is chaired by Wong Zee Shin, the Senior Independent Non-Executive Director of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board currently has one (1) female director, representing 12.5% of its total of 8 directors.	
		Whilst the Company has achieved the requirement of at least one (1) female director under Paragraph 15.02(1) of the Bursa Listing Requirements, the Board is mindful and will consider other suitable female candidates with the appropriate skill, knowledge and experience to join and further add depth and balance to the Board.	
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	:	Applied	
Explanation on application of the practice	:	The Board has formalised and adopted a Gender and Workplace Diversity policy, which encompasses diversity in, amongst others gender, age, ethnicity and cultural background. The Directors, whose experience, knowledge and skills are entrenched in various industries reflect the diverse nature of the Group’s operations. The Gender and Workplace Diversity policy is mentioned in the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>The Nominating Committee is empowered to assess the performance of the Directors, effectiveness of the Board and Board Committees as a whole. During the financial year, the annual evaluations for the Board and Board Committees are mainly on their respective roles and responsibilities whereas the assessment for the Directors (including for the purpose of re-appointment) covers inter-alia the following competencies:</p> <ul style="list-style-type: none">• Knowledge• Integrity• Sustainability and Environmental, Social and Governance• Risk management• Teamwork• Judgement and problem solving• Business alliances and networks• Crisis management <p>The Nominating Committee comprising all independent directors will assess each executive director individually whereas the Board of Directors (as a whole) assesses the Board Committees and non-executive directors, with the relevant director abstaining from the assessment on himself.</p> <p>The last evaluation exercise was carried out on 19 October 2023 and the Nominating Committee found the performance of the Directors to have met the expectations set.</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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>During each financial year, the Remuneration Committee:</p> <ul style="list-style-type: none">• reviews the remuneration of the Executive Directors/senior management to determine if it is adequate and commensurate with the present job scope of the Executive Directors/senior management. The Remuneration Committee would revisit the remuneration package of the Executive Directors/senior management as and when the need arises; and• recommends the payment of the remuneration for the Executive Directors/senior management and Non-Executive Directors for the financial year to the Board for approval. <p>The Remuneration Committee is responsible to recommend to the Board a remuneration framework for Directors/senior management with the objective to ensure that the Company attracts and retains the Directors/senior management needed to run the Group successfully. This policy and procedures is published in the Terms of Reference of the Remuneration Committee on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The terms of reference and authority of the Remuneration Committee is available on the Company’s website.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on the remuneration, by category of fees, remuneration, meeting allowances and benefits in-kind, on named basis for each individual director for the financial year 2023 is tabulated 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	Tan Sri Datuk Seri Panglima (Dr) TC Goh	Executive Director	0	0	594	290	0	112.02	996.02	0	0	1,838	460	0	246	2,544
2	Kong Kok Keong	Non-Executive Non-Independent Director	42	3	0	0	0	0	45	42	3	0	0	0	0	45
3	Ooi Boon Pin	Executive Director	0	0	0	0	0	0	0	0	0	649.2	308.7	10.6	115.7	1,084.2
4	Chen Heng Mun	Executive Director	0	0	228	113	0	44.32	385.32	3.6	0	677.36	155	0	86.09	922.05
5	Ash'ari bin Ayub	Independent Director	7	0	0	0	0	0	7	7	0	0	0	0	0	7
6	Wong Zee Shin	Independent Director	42	3	0	0	0	0	45	42	3	0	0	0	0	45
7	Datuk Yong Teck Shing	Independent Director	42	3	0	0	0	0	45	42	3	0	0	0	0	45
8	Dato' Lee Teck Hua	Independent Director	17.5	1.0	0	0	0	0	18.5	17.5	1.0	0	0	0	0	18.5
0	Au Peck Wai	Independent Director	3.5	0	0	0	0	0	3.5	3.5	0	0	0	0	0	3.5
10	Yong Nam Yun	Executive Director	0	0	0	0	0	0	0	0	0	237.1	19	0	31.3	287.4
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
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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 Board recognises the importance of compensating the Senior Management with a competitive and attractive remuneration package based on their responsibilities and performance carried throughout each financial year. The Board ensures that the proposed remuneration is in the best interests of the Company/Group and its shareholders from size and growth perspective. The Board is of the opinion that disclosure on named basis of the top five Senior Management personnel in bands of RM50,000 would be a sensitive information due to diverse businesses of the Group. Moreover, it would be disadvantageous to the Group’s business interests, given the highly competitive industry where poaching of talented executives is not uncommon.	
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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee is Wong Zee Shin, which is the Senior Independent Non-Executive Director and is not Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	It is stated in the Terms of Reference and Authority of the Audit Committee that it is a requirement for a former audit partner that has audited the Company to observe a cooling-off period of at least three years to be in line with MCCG2021, from his direct engagement as an auditor of the Company, before being appointed as a member of the Audit Committee.	
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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee conducts annual review and assessment on the appointment or re-appointment of external auditors for statutory audit, recurring audit related and non-audit related services (if any). The objective of the review is to ensure that the independence and objectivity of the external auditors as statutory auditors are not compromised. This annual review and assessment is carried out in accordance with the assessment criteria covering regulatory requirements, performance and independence and objectivity as set out in the External Auditors Evaluation Policy. The External Auditors Evaluation Policy is posted on the Company's website at www.globaltec.com.my.</p> <p>The external auditors also declare their independence annually to the Audit Committee as specified by the By-Laws issued by the Malaysian Institute of Accountants. The external auditors have provided the declaration of their independence as well as their qualification in their annual audit plan presented to the Audit Committee of the Company for the financial year ended 30 June 2023.</p> <p>The Board, upon concurrence with the outcome of the assessment by the Audit Committee shall approve the re-appointment of the external auditors based on the Audit Committee's recommendation subject to the approval by shareholders at the annual general meeting.</p> <p>In addition, the Audit Committee has during the year adopted a policy to review and pre-approve non-audit/assurance services provided by the external auditors and its affiliates to the Group. This requirement is to enable the Audit Committee to have oversight on the independence of the external auditors of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee is presently comprised of 3 members and all of which are Independent 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.

Application	:	Applied	
Explanation on application of the practice	:	Wong Zee Shin, the Audit Committee Chairman is a qualified accountant and is a member of the Malaysian Institute of Accountants, with about 24 years of the relevant experience in the field of accounting and finance respectively. He has worked as an auditor in a renown audit/accounting firm. And all the members of the Audit Committee undertake continuous professional development as disclosed in the Annual Report 2023.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The formal risk management and internal control framework was established since July 2013 and is reviewed annually.	
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.

Application	:	Applied	
Explanation on application of the practice	:	The salient features of the Group’s risk management and internal control framework, and the adequacy and effectiveness of this framework is disclosed in the Group’s Statement on Risk Management and Internal Control in the Company’s Annual Report 2023.	
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 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	The internal audit function is outsourced to an independent professional service firm who undertakes the necessary activities to enable the Audit Committee to discharge its functions effectively. The internal auditors reports directly and is accountable to the Audit Committee. In addition, the Audit Committee undertakes a yearly evaluation of the internal auditors. The Audit Committee evaluates the Internal Audit function in respect of calibre, competence (skill, knowledge, quality of findings and recommendations) in carrying out their internal audit, work schedules, independence and objectivity. In addition, the Audit Committee meets with the Internal Auditors without the presence of management at least twice each financial year. Details of the Internal Audit function are set out in the Audit Committee Report in the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied	
Explanation on application of the practice	:	The above information has been disclosed in the Audit Committee Report in the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of communication with the shareholders and investors. Discussions, where appropriate, were held between the Executive Directors/senior management with the analysts, media, shareholders and investors throughout the year. Presentations based on permissible disclosures are given to explain the Group's performance, major developments and significant events of the Group. The Group has been making timely announcements to the public with regards to the Group's corporate proposals, financial results, other regulatory announcements as well as information which would be of interest to the investors and members of the public.</p> <p>In addition, the Group has also established a website at www.globaltec.com.my for shareholders and the public to access for information related to the Group. The Shareholders Communication Policy is also posted on the Company's website.</p> <p>The AGM represents the principal forum for dialogue and interaction with all shareholders of the Company. Shareholders are encouraged to attend the AGM and participate in the proceedings and question and answer session. All Directors, senior management and external auditors are available to respond to the shareholders' questions during the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable as the Company is not a large Company as defined by the MCCG.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Company practices issuing Notice for an Annual General Meeting to its shareholders at least 28 days prior to the meeting. The Annual Report 2023 is issued on 31 October 2023 whereas the AGM shall be held on 30 November 2023.	
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 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>At all general meetings, all the directors (including the Chairman of the Audit, Nominating and Remuneration Committees) are available to provide response to questions addressed to them.</p> <p>At the last AGM, all directors were present and for the forthcoming AGM, all directors have been informed and are committed to attending the forthcoming AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Shareholders who wish to attend General Meeting are given at least 28 days notice, to ensure that shareholders are able to make the necessary arrangements to attend General Meetings, review agenda items, and formulate questions, if any. Where they are not able to attend, they may appoint proxies to attend on their behalf to vote and represent them. The Chairman had also informed all present at the last Annual General Meeting that all proxies have the rights to speak, with no restriction as to the qualification of the proxies.</p> <p>General Meetings, if held physically at a certain venue, are always held in the Klang Valley in a well-established and convenient location. In line with the revised Guidance Note on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia on 7 April 2022, the Company will conduct its 12th AGM on a virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") TIH Online website at https://tiah.online.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The 11th AGM was conducted on a virtual basis through live streaming from the broadcast venue and online remote voting. The Company had issued the Annual Report 2022 together with an administrative guide for the 11th AGM, on 31 October 2022.</p> <p>Led by the Group Executive Chairman, the following Directors, Company Secretary and senior management were also physically present at the broadcast venue of the 11th AGM:</p> <ol style="list-style-type: none">1) Kong Kok Keong, Group Deputy Chairman2) Mr. Billy Ooi, Executive Director and CEO of our Precision Machining and Automation Division;3) Chen Heng Mun, Group Finance Director;4) Mr. Wong Zee Shin, Senior Independent Non-Executive Director;5) Yong Nam Yun, CEO of the Automotive division;6) Seow Fei San, Company Secretary; and7) Woon Wai Thong, Chief Financial Officer. <p>The other directors, other key senior management and representatives of the external and internal auditors, participated in the 11th AGM remotely. The virtual meeting portal was opened for login one (1) hour before the commencement of the meeting. The proceedings of the AGM included, apart from the statutory AGM agendas:</p> <ul style="list-style-type: none">- Pre-recorded video presentation on poll voting procedures and how to raise questions via TIIH Online, the online AGM platform provided by the share registrar; and- a presentation of the Group and its operations and performance for the financial year ended 30 June 2023. <p>The shareholders were allowed to submit their questions electronically, prior to the AGM, through TIIH Online, from the date of the notice of the AGM until the day immediately before the AGM. During the AGM,</p>

	<p>shareholders can also submit their questions or comments using the query box in TIH Online.</p> <p>The questions at the 11th AGM were addressed by the Group Executive Chairman and Group Finance Director, before the commencement of the poll voting.</p>	
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020, including any amendments that may be made from time to time, the Company held its 11th AGM on 30 November 2022, as a virtual (hybrid) general meeting.</p> <p>The Remote Participation and Voting (“RPV”) facilities provided by the share registrar, Tricor Investor & Issuing House Services Sdn Bhd (Tricor) via its TIIH Online website at https://tiih.online allowed shareholders to pose questions to the Board via typed text in the query box. The shareholders submitted their questions at any time from the day of notice of AGM and up to the time when the meeting was in progress. At the “Questions and Answers” session in the meeting agenda, the TIIH Online platform had the facilities to live broadcast the questions/remarks and answers; and the shareholders had experienced real time interaction with the Board during the AGM.</p> <p>Relevant questions received from the shareholders together with the Company’s replies to the questions were presented during the said AGM for the benefit of the shareholders. In addition, the relevant questions raised by the shareholders and addressed by the Board were uploaded to the Company’s website</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	Minutes of the last AGM have been made available to shareholders no later than 30 business days after the AGM on its website at www.globaletc.com.my
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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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