

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0276  
**COMPANY NAME** : AUTOCOUNT DOTCOM BERHAD  
**FINANCIAL YEAR** : December 31, 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("the Board") of Autocount Dotcom Berhad ("ADB" or "the Company") play a vital role in implementing and the strategies &amp; policies as well as monitoring the company's operation to ensure that it is conducted prudently within the framework of laws and policies. The Board main roles and responsibilities are clearly defined in its Board Charter which is available on the Company's website at <a href="https://www.autocountsoft.com/investor-relations/">https://www.autocountsoft.com/investor-relations/</a>.</p> <p>The Board has established and delegates certain responsibilities to three (3) Committees, namely Nomination Committee ("NC"), Remuneration Committee ("RC") and Audit and Risk Management Committee ("ARMC"). The Board Committees are guided by their respective Terms of references ("TOR"), which are made available on the Company's website at <a href="https://www.autocountsoft.com/investor-relations/">https://www.autocountsoft.com/investor-relations/</a>. The Board Committees report to the Board on matters deliberated and their recommendations thereon.</p> <p>Board meetings are held on a quarterly basis to ensure the strategic direction of the Company and the Group continues to support long term value creation.</p> <p>During the financial year, the Board has established and approved the following policies: -</p> <ul style="list-style-type: none"> <li>a) Code of Conduct and Ethics for Directors and Employees;</li> <li>b) Anti Bribery and Corruption Policy;</li> <li>c) Fit and Proper Policy; and</li> <li>d) Whistleblowing Policy and Procedures</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 1.2

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>The Board is led by a Chairman, Mr. Choo Chin Peng appointed to the Board on 25 February 2022. Mr. Choo's profile is set out in the Directors' profile of the Annual Report 2023.</p> <p>The Chairman is primarily responsible for providing leadership to the Board, facilitating the orderly and constructive resolution of matters reserved for the board, promoting corporate governance and ensuring board effectiveness.</p> <p>The Chairman will act independently in the best interest of the Group and lead the Board and represents the Board to the shareholders and other stakeholders.</p> <p>The details roles and responsibilities of the Chairman are clearly set out in the Board Charter which is made available on the Company's website at <a href="https://www.autocountsoft.com/investor-relations/">https://www.autocountsoft.com/investor-relations/</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The roles of Chairman and Managing Directors are exercised by different individuals. A clear segregation of their responsibilities and powers is stated and defined in the Company's Board Charter. Besides ensuring an appropriate balance of power and authority, the segregation of roles facilitates an open exchange of views and opinions between the Board and the Management in their deliberation of the business, strategies and key operations of the Group.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: The Chairman of the Company, Mr. Choo Chin Peng is not a member of the Board Committees. However, the Chairman was invited to participate in the Board Committees' meetings as the Committee is of the view that the Chairman input and contribution to be value to the decision-making process.
	: Notwithstanding his attendance at the Board Committees' meetings, he is not involved in the decision making on any proposals and matters tabled for approval at these Board Committees.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary is a qualified Chartered Secretary (ICSA) and Fellow Member of the Malaysian Institute of Chartered Secretaries (MAICSA) who provide advice and regularly update the Board on good governance, board policies and procedures, administrative matters and corporate compliances. All Directors have unhindered access to the advice and services of the Company Secretary, whose appointment and removal is a matter of the Board as a whole.</p> <p>The Company Secretary also ensures that the Board is kept well informed on any regulatory requirements and update on the developments in the area of corporate governance that affect the duties and responsibilities of the Directors as well as the Company being a public listed company. In this respect, the Company Secretary has attended training and seminars conducted by relevant regulatory bodies to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the Ace Market Listing Requirements ("AMLR") of Bursa Securities.</p> <p>The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, in accordance with Chapter 14 of the AMLR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minute and documented by the Company Secretary.</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**

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

**Practice 1.6**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board have full and unrestricted access to all information within the Group. The notice of meetings is served at least seven (7) days prior to the meetings. Relevant board papers were circulated to all Directors within a reasonable period prior to the meeting to ensure that the Directors have sufficient time to evaluate and review the proposals for a better discussion at the meetings.</p> <p>The dates of meetings for the following financial year are set a year in advance so that the Directors can plan their schedules and maximise their attendance.</p> <p>The minutes of meetings are tabled for confirmation as a correct record of the proceedings at the subsequent meetings and signed by the Chairman. Any outstanding matters arising were also tracked and reviewed by the Board at the next 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

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 Charter, which is available on the Company's website at <a href="https://www.autocountsoft.com/investor-relations/">https://www.autocountsoft.com/investor-relations/</a> serves as a primary reference point on governance matter as well as a guideline for the roles and responsibilities of the Directors and the Board Committees.</p> <p>The Board Charter is developed with a view to promote high standards of corporate governance, ensure all Board members acting on behalf of the Company are aware of their duties and responsibilities and the various legislations and regulations affecting their conduct.</p> <p>Core areas that the Board Charter addresses include the following:</p> <ul style="list-style-type: none"><li>• Duties and functions of the Board and Board members;</li><li>• Board composition and balance;</li><li>• Directors' tenure, nomination, appointment, remuneration</li><li>• Obligations of individuals directors, senior independent director, independent director and MD/CEO</li><li>• Functions of board committees</li><li>• Board governance process and procedures</li><li>• Stakeholders' relationship</li></ul> <p>The Board Charter will be periodically reviewed by the Board and updated in accordance with the needs of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities.</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

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

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

### Practice 3.1

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company's Code of Conduct that set out the core values of the Group has been established. The Code of Conduct acts as guidance for the Board to assist in promoting ethical business conduct and behaviour, and to oblige employees to maintain high standards of ethics and integrity in day-to-day business and operations. The Code of Conduct is available on the Company's website via <a href="https://www.autocountsoft.com/investor-relations/">https://www.autocountsoft.com/investor-relations/</a>.</p> <p>Individual operating subsidiaries have their respective Employee Handbooks which specify detailed obligations of employees and code of conduct at the respective entity. The Board and Management strive to demonstrate their commitments through their conduct and behaviour in order to uphold integrity and ethical values propagated in the Company's code of ethics.</p> <p>The Board values integrity in its dealings and observes zero tolerance towards corrupt or illegal practices undertaken by staff in the course of their work. To this end, the Company has adopted an Anti-Corruption Policy and framework in the inculcation of high standards of integrity and ethics across the Group as well as in promoting good corporate governance practices and accountability in its businesses and operations.</p> <p>The Company also have a Whistleblowing Policy &amp; Procedure to allow employees and external stakeholders to report any concern or complaint regarding any questionable or suspicious matter, including conflict of interest, insider trading, collusion with competitors, serious regulatory and legal breaches, fraud, corruption, misconduct, etc. This will assist in establishing good governance and keep stakeholders in check.</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 board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has developed a Whistleblowing Policy for the Group so as to enable a whistle-blower to report any improper conduct and to provide protection to the whistle-blower against any reprisal as consequence of making such disclosure.</p> <p>The Whistleblowing Policy is applicable to all stakeholders, (including employees on contract terms, temporary or short-term employees and employees on secondment) and third parties who may be aware of or genuinely knows or reasonably belief that an employee of the Company has engaged, is engaging, or is preparing to engage in any improper conduct.</p> <p>The whistleblowing report can be made through the following channels:</p> <ul style="list-style-type: none"> <li>• Email to <a href="mailto:whistleblowing@autocountsoft.com">whistleblowing@autocountsoft.com</a>; or</li> <li>• Via Post /Courier</li> </ul> <p>There were no reported incidents pertaining to whistleblowing during the financial year.</p> <p>Detailed procedures on the reporting of improper conduct have been set out in the Whistleblowing Policy that has been published on the Company's website at <a href="https://www.autocountsoft.com/investor-relations/">https://www.autocountsoft.com/investor-relations/</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledge the importance of incorporating sustainability considerations into the Company’s business and corporate activities.</p> <p>The Board and the Management holds the responsibility for overseeing sustainability within the Company including setting the Company’s sustainability strategies, priorities, and targets.</p> <p>The Board ensure that sustainability considerations are integrated into various aspects of decision-making and governance processes.</p> <p>Sustainability related activities undertaken and targets set out by the Company has been disclosed in the Sustainability Statement of the Company’s Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The 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 Board undertake review and approval of sustainable development strategies and policies in respect of areas relating to:-</p> <ol style="list-style-type: none"><li>1. Employees - The Company provide training and skills enhancement programs to its employees from time to time.</li><li>2. Environment - The Board supports initiatives on environmental issues and abide by all environmental impact laws and regulations in the course of its projects.</li><li>3. Social Responsibility - The Board supports charitable causes and initiatives on community development projects.</li></ol> <p>Both the internal and external stakeholders and communicated on the Company's Sustainability Strategies and performance through sustainability statement in the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

The 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>	:	The Board understands the importance of sustainability creation and has identified its stakeholder engagement groups as well as relevant areas of sustainable management in the Company's Sustainability Statement as set out in the Company's Annual Report for FY2023.  The Board are committed to abreast with and understand the sustainability issues relevant to the Company and its business and will attend the necessary training courses as and when deemed appropriate to equip themselves and enhancing their Environmental, Social and Governance. Competency in other to provide guidance on the sustainability related matters.  Training programmes attended by each Director in FYE2023 are set out in the Corporate Governance Overview Statement of Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors and Board Committees’ assessment and evaluation have been performed on yearly basis to assess the following areas: -</p> <ul style="list-style-type: none"> <li>• Board and Board Committee Evaluation;</li> <li>• Board Skills Matrix;</li> <li>• Directors’ Evaluation; and</li> <li>• Independent Directors’ Self-Assessment Checklist</li> </ul> <p>Based on the assessment, the NC concluded that the current structure, size and composition of the Board, which comprises Directors who possess a wide range of expertise, experience and skill in various fields enable them to discharge their duties and responsibilities effectively. The Chairman of the Board had performed excellently and contributed to the Board.</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 4.5- 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 NC is responsible to perform an annual assessment on the Board’s composition as well as the effectiveness and performance of the Board, Board Committees and individual Directors. In line with this assessment, the tenure of each director is also reviewed so as to ensure the Board composition is in line with the best interests of the Company and good corporate governance practices.</p> <p>Evaluation of each Board Committee shall focus on the assessment of the structure, roles and responsibilities and performance of the respective Chairman, as well as its members against the relevant terms of reference. Results of such assessment conducted are to be documented and reported to the Board as part of the Company’s ongoing corporate governance practices.</p> <p>The NC will recommend to the Board the candidates for re-election as directors at the general meeting under the annual re-election provisions with due consideration on the extent to of the directors’ contribution, expertise, skills, knowledge and experience as well as their roles on the various committees.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Applied		
<b>Explanation on application of the practice</b>	:	The current Board composition is as follows:		
		<b>Designation</b>	<b>Number of Director</b>	
		<b>Percentage (%)</b>		
		Independent Non-Executive Director	3	60
		Executive Director	2	40
		<b>Total</b>	<b>5</b>	<b>100</b>
		<p>The Board has ensured that its current composition comprising at least two (2) members or one-third (1/3) of the Board, whichever is higher, are independent. Independent Non-Executive Directors (“INEDs”) provide independent judgement, experience and objectivity without being subordinated to operational considerations to mitigate any possible conflict of interest between the policy-making process and the day-to-day management of the Group.</p> <p>The Board believes that the current size and composition reflects an appropriate balance of Independent, Executive and Non-Executive Directors which is adequate for the scope and nature of the Group’s business and operations.</p> <p>With the assistance of the NC, the Board is to assess the independence of the INEDs on an annual basis prior to re-appointment or when any new interest or relationship develops.</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 5.3**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As stated in the Board Charter, the tenure of an independent director shall not exceed a cumulative term of nine (9) years. However, there is no independent director serving beyond the nine (9) years period.</p> <p>Upon completion of nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designated as a non-independent director. Otherwise, the Board must justify and seek shareholders' approval through a two-tier voting process at the Company's annual general meeting in the event it would like to retain the director as an independent director.</p> <p>At present, none of the independent directors in the Company has served for nine (9) years.</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 5.4 - Step Up**

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

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

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

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Selection criteria for directors and senior management are based on an effective integration of competencies, skills, extensive experience and knowledge in order to strengthen the Board and senior management. The Board and senior management possess a mix of financial and accounting, legal practice, business administration and other backgrounds which when working in synergy, could provide the Company with considerable experience in a wide range of activities.</p> <p>The Nomination Committee (“NC”) plays an important role in monitoring board effectiveness. The responsibilities of NC are as follows:</p> <ul style="list-style-type: none"><li>▪ Assists the Board to establish a formal and transparent procedure on the appointment and assessment of Directors and the Board Committees.</li><li>▪ Review the work experience, integrity, commitment, competency, qualifications and track record of any proposed new nominees for the positions of directors and CEO before recommending the candidate to the Board for approval.</li><li>▪ Review the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.</li><li>▪ Assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director.</li></ul> <p>According to the Company’s Board Charter, any Board member, whilst holding in office, is at liberty to accept other board appointments so long as the appointment is not in conflict with the business of the Company and does not detrimentally affect the Director’s performance as a Board member. All such appointments must first be notified to the Board Chairman before being accepted. The notification should include an indication of time that will be spent on the new appointment.</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>	:	<p>The NC was established on 26 September 2022 and all the Directors were appointed before the listing of the Group on the ACE Market of Bursa Securities on 8 May 2023. As such, the NC had not gone through the procedures on identifying and the selection of candidates for appointment of Directors since its establishment.</p> <p>The appointment of INEDs on 6 April 2022 were through the independent sources. The solicitors in relation to the Company's Initial Public Offering exercise had conducted an in-depth assessment and due diligence such as interview session, solvency and company searches prior to their appointment as INEDs of the Company.</p> <p>The Board is mindful of this practice and would consider referrals from external sources to identify suitably qualified candidates when the need arises in the future and will not solely rely on recommendations from existing Board members, KSM and/or major shareholders.</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 5.7**

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>	:	The information relating to appointment or reappointment of a Director are included in the notes accompanying the notice of the general meeting to allow shareholders to make an informed decision on these appointments.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All members of the Nomination Committee are Independent Non-Executive Directors and chaired by Dr. Liew Soung Yue.  The profile of Dr. Liew Soung Yue is available on page 23 of the Company's Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>As the date of this Annual Report, the Board comprised of five (5) Directors, of whom one (1) is female, providing a representation rate of 20% which complies with the new requirement of AMLR of Bursa Securities to have at least one (1) woman Director on the Board.</p> <p>The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% woman representation target at the Board level as required, the Board is channelling its effort in getting other women who could meet the objective criteria, merit and with due regard for diversity in skills, experience and age to join the Board.</p> <p>The Board currently does not have a formal policy on its boardroom or gender diversity. The evaluation and selection criteria of a director are very much dependent on the effective blend of knowledge, skills, competencies, experiences and time commitment of the new Board member. Nonetheless, the Board is supportive of gender diversity in the Boardroom composition as recommended by the MCCG and will endeavour to consider suitable and qualified female candidates for appointment to the Board.</p> <p>The Board will endeavour to achieve 30% women representation on the Board in the next few years.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board is of the view that diversity on the Board enhances the decision-making capability of the Company, and it improves the Board discussion process by allowing different perspective to be included in decision-making.	
		Currently, the Company does not have a formalised Board gender diversity policy alongside targets and measures. However, the issue of diversity is discussed and given prominence during deliberations by the Nomination Committee and the Board.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	The Company was only listed on the ACE Market of Bursa Securities on 9 May 2023, hence, the NC has not conducted any board effectiveness assessment in the FYE 2023.
	The Board recognizes the significance of board evaluation and performance pertaining to board effectiveness. The Board is committed to ensure that the board assessment and evaluation forms are circulated to all Board members and NC members prior to the NC Meeting for the FYE 2024.
<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 Committee ("RC") was established to assist the Board in developing remuneration policies and procedures of the Directors and Key Senior personnel.</p> <p>The Board Remuneration Policy was established with the objective to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and key senior management.</p> <p>A fair, reasonable and competitive remuneration package was provided to the Executive Directors and Key Senior Management to ensure that the Company attracts and retains high calibre Executive Directors and Key Senior Management who have the skills, experience and knowledge to increase entity value to the benefit of all shareholders.</p> <p>In making its recommendation, the RC considered the principles set out in the Board Remuneration Policy. Board remuneration was structured to align rewards to corporate and individual performances besides adequately compensate the Directors for risks and complexities of the duties and responsibilities they assumed.</p> <p>The Board Remuneration Policy is available on the Company's website and is reviewed periodically.</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

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 was established to assist the Board in implement the Company's policies and procedures on remuneration and to undertake the below mentioned responsibilities:</p> <ul style="list-style-type: none"><li>• Develop and formulate a transparent policy on the setting of remuneration of directors and senior management;</li><li>• Adopt a formal and transparent procedure for determining and setting the remuneration package of each director and senior management personnel, including the criteria and consideration on the merits and contributions made;</li><li>• Align the Executive Director's remuneration, benefits and rewards to corporate and individual performances;</li><li>• Ensure that the remuneration packages of directors and senior management are sufficient to attract and retain talent needed to manage the Company and the Group successfully; and</li><li>• Review the remuneration packages from time to time to gauge its competitiveness and attractiveness, and to make recommendations if and when necessary.</li></ul> <p>The Terms of Reference of the RC is available on the Company's website via <a href="https://www.autocountsoft.com/investor-relations/">https://www.autocountsoft.com/investor-relations/</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>	:	Remuneration of directors for FYE 2023 are disclosed on a named basis together with the remuneration breakdown on the overleaf page.

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	Choo Chin Peng	Executive Director	0	2	0	0	0	0	2	0	2	523	243	24	58	849
2	Choo Yan Tlee	Executive Director	0	2	0	0	0	0	2	0	2	488	240	25	94	847
3	Dato' Ng Wan Peng	Independent Director	39	2	0	0	0	0	41	39	2	0	0	0	0	41
4	Dr. Liew Soung Yue	Independent Director	39	2	0	0	0	0	41	39	2	0	0	0	0	41
5	Chin Chee Seng	Independent Director	39	2	0	0	0	0	41	39	2	0	0	0	0	41

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The details of senior management's remuneration are not shown, as the Board considers the information of the said remuneration to be sensitive and proprietary in view of the competitive nature and to support the Company's efforts in retaining executive talents. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to senior management's remuneration are appropriately served by the disclosures in the RM50,000 bands. The total remuneration paid to each senior management reflects the time and effort devoted to fulfil his or her responsibilities on the Board and linked to the Group's performance.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	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

**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 comprises three (3) members, all 3 members are INEDs.  Chairman of the ARMC is Mr Chin Chee Seng and Chairman of the Board is Mr Choo Chin Peng.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Presently, none of the ARMC members was a former key audit partner of the Company's auditors.</p> <p>In line with the MCCG 2021, the Board has adopted the TOR outlined that a former key audit partner is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.</p> <p>The TOR of ARMC is available on the Company's website <a href="https://www.autocountsoft.com/investor-relations/">https://www.autocountsoft.com/investor-relations/</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.3**

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 Board, through its ARMC maintains a formal and transparent relationship with its External Auditors. The Board had delegated the responsibility to the ARMC for making recommendations on the appointment, re-appointment or removal of the External Auditors as well as on their remunerations.</p> <p>The ARMC ensured that the External Auditors work closely with the Internal Auditors to enhance the effectiveness of the overall audit process. The ARMC assessed the performance and effectiveness of the External Auditors annually, considering amongst others, their qualifications, effectiveness of the audit process, quality of service and their independence.</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>	:	Adopted																		
<b>Explanation on adoption of the practice</b>	:	<p>The TOR of the ARMC states that the membership of ARMC shall consist of not less than three (3) members, the majority of whom shall be Non-Executive Directors. The Chairman of the Committee shall be an INED.</p> <p>Composition of the AC is as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name</th> <th>Designation</th> <th>Directorship</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Chin Chee Seng</td> <td>Chairman</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>2.</td> <td>Dato' Ng Wan Peng</td> <td>Member</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>3.</td> <td>Dr. Liew Soung Yue</td> <td>Member</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table>			No.	Name	Designation	Directorship	1.	Chin Chee Seng	Chairman	Independent Non-Executive Director	2.	Dato' Ng Wan Peng	Member	Independent Non-Executive Director	3.	Dr. Liew Soung Yue	Member	Independent Non-Executive Director
No.	Name	Designation	Directorship																	
1.	Chin Chee Seng	Chairman	Independent Non-Executive Director																	
2.	Dato' Ng Wan Peng	Member	Independent Non-Executive Director																	
3.	Dr. Liew Soung Yue	Member	Independent Non-Executive Director																	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All members of the ARMC are financially literate and able to assist the Board to oversee and scrutinise the process and quality of the financial reporting and ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards.</p> <p>The members of the ARMC have the relevant experience and expertise in finance, accounting and tax. They have carried out their duties in accordance with the Terms of Reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Directors' Profile in the Annual Report.</p> <p>All members of ARMC undertake and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required to enable them to effectively discharge their duties.</p> <p>The professional trainings courses attended by the ARMC members are disclosed in the Corporate Governance Overview Statement of the 2023 Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has established an effective risk management and internal control framework within the Group. Details of the risk management and internal control framework are set out in the Company’s Statement on Risk Management and Internal Control as provided in its annual report for FYE 2023.	
<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 10.2**

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 Board has disclosed features of the risk management and internal control framework, which covers their adequacy and effectiveness are disclosed under the Statement on Risk Management and Internal Control in the Annual Report for FYE 2023.	
<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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board did not establish a separate Risk Management Committee. Instead, it was combined with the AC and named as ARMC.</p> <p>The ARMC, which comprises solely the INEDs oversees the effectiveness and adequacy of the Group's risk management framework and policies.</p>

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The ARMC has outsourced the Group’s internal audit function to an independent professional service firm to support the ARMC in performing regular reviews on significant areas and business processes of the Group with a view to assess the effectiveness of the system of internal control currently in place. In line with the above, the scope of work to be undertaken by the outsourced internal audit function in year 2023 has been approved by the ARMC.</p> <p>The outsourced internal audit function is independent and is to report directly to the ARMC.</p> <p>Details of the internal audit function are set out in the Company’s ARMC Report as provided in its annual report for FYE 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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 Group's internal audit function is carried out by an outsourced internal audit firm, CAS Consulting Services Sdn Bhd., to assist the ARMC in undertaking systematic and independent assessment on the adequacy, efficiency and effectiveness of the Group's system of risk management and internal control.</p> <p>The outsourced internal audit function is guided by the International Professional Practice Framework on Internal Auditing issued by the Institute of Internal Auditors. The scope of internal audit reviews for year 2023 has been identified on a risk-based approach and detailed areas of audit have been set out in the internal audit plan that has been reviewed and approved by the ARMC.</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>	:	The Board is mindful on the importance of maintaining proper corporate disclosure procedures with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis.  ADB had released their prospectus on 14 April 2023, which provided information to facilitate shareholders' understanding of the Company and the Group's objectives and expectations.	
<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 Notice of Annual General Meeting (“AGM”) for financial year ended 31 December 2023 to be held on 25 June 2024 was served on 30 April 2024 which is 28 days prior to the date of the 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 13.2**

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>The Board acknowledges its role and responsibilities as steward of the Company to continuously engage and provide constructive feedbacks to all shareholders' queries.</p> <p>All Directors will present at the Second AGM of the Company, which will enable the Board to communicate with shareholders in a more holistic manner.</p> <p>The Chairman of the ARMC, RC, NC and Key Audit Management will present at the Second AGM to provide meaningful explanation or responses if there are any questions addressed to them.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Second AGM of the Company will be held physically at Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Selangor Darul Ehsan, Malaysia.	
		Shareholders who are unable to attend the Second AGM may appoint any persons as their proxies to attend, speak and vote on their behalf at the forthcoming AGM in accordance with the Company's Constitution.	
		The Company will consider leveraging technology to facilitate voting including voting in absentia and enabling remote shareholders' participation at general meetings in the future.	
<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 13.4

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>Notice of AGM is sent out 28 days prior to the date of meeting to ensure shareholders have access to information they require to participate in discussions and cast informed votes.</p> <p>The Chairman ensured that sufficient time were allocated for discussion and to address questions raised. The Directors had actively responded to relevant questions addressed to them during the 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>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: The AGM of the Company will be held physically at Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Selangor Darul Ehsan, Malaysia.
<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>	: As the Company was only listed on 9 May 2023, the upcoming Annual General Meeting (“AGM”) will be the Company’s first AGM as a public listed company.  The Company will ensure that the minutes of the AGM to be uploaded on the Company’s website at <a href="https://www.autocountsoft.com/investor-relations/">https://www.autocountsoft.com/investor-relations/</a> within thirty (30) business days from the date of the 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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