

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0140
COMPANY NAME : XOX NETWORKS 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 of Directors ("Board") discharges its duties and responsibilities that are set out in the Board Charter, with the objective of safeguarding the interest of shareholders and other stakeholders.</p> <p>The Board Charter is available on the Company's website at www.xoxnetworks.com.my.</p> <p>In order to ensure the effective discharge of its functions and responsibilities, specific powers of the Board are delegated to the relevant Board Committees, Executive Director and the Senior Management.</p> <p>The Board reviewed and deliberated the business plan, strategic plan and/or proposals presented by the Management bearing in mind any major change/revision/update discussed during the quarterly Board meeting accordingly.</p> <p>The Board Committees have the authority to examine particular issues and report to the Board with their findings and recommendations. However, the ultimate responsibility for decision on all important matters lies collectively with the Board.</p> <p>The Board is also responsible for promoting an effective execution of good corporate governance and a corporate culture of ethical conduct, especially among its members and generally that would permeate throughout the Company. As part of its continuous effort to promote good corporate governance, the Board, the Board Committees and each individual Director are annually assessed on their effectiveness in fulfilling their roles and responsibilities as disclosed in the Annual Report circulated once a year. Hence, the Board is collectively sound and has sufficient knowledge and expertise to enable effective governance and oversight.</p>

	The Executive Director is responsible for the day-to-day management of the business and operations of the Company and its subsidiaries (collectively referred to as “ Group ”) with the support of Senior Management. The Board is also kept informed of key strategic initiatives, significant operational issues and the Group’s performance. The relevant members of the Management attended the Board meetings to support the Executive Director in presenting the updates on the progress of key initiatives, business targets and achievements to date, and to provide clarification on the queries and issues raised by the Board.	
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>The Board is currently chaired by YM Tengku Ezuan Ismara bin Tengku Nun Ahmad, the Independent Non-Executive Director of the Company, who is not related to the Executive Director. The Chairman is responsible for the Board's effectiveness and conduct, implementing the Group's policies, business plans and executive decision making and is assisted by the Executive Director.</p> <p>The roles and responsibilities of the Chairman are as follows:</p> <ul style="list-style-type: none">• Promotes constructive and respectful relations between Board members, and between the Board and the Management.• Provides leadership to the Board.• Ensures that appropriate procedures are in place to govern the Board's operation.• Leads the Board in establishing and monitoring good corporate governance practices in the Company.• Chairs general meetings of the Company and provides clarification on issues that may be raised by the stakeholders.• Encourages active participation and allowing dissenting views to be freely expressed.• Ensures compliance with all relevant regulations and legislation. <p>In line with the recommendation of the Malaysian Code on Corporate Governance ("MCCG"), the Chairman is not a member of any of the Board Committees. This is to ensure check and balance as well as the objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s).</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

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is YM Tengku Ezuan Ismara bin Tengku Nun Ahmad. The role of Chief Executive Officer is assumed by Mr. Koo Kien Keat, who is the Executive Director of the Company.</p> <p>There is a clear separation of the role and responsibility between the Chairman, the Executive Director and the Independent Non-Executive Directors to promote greater accountability to enhance check and balance of power and authority. The positions of the Chairman and the Executive Director are held by different individuals, and their roles are described in the Board Charter.</p> <p>The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the Executive Director has overall responsibility, with the support of the Senior Management team of the Company, for the day-to-day management of the business and implementation of the Board's policies, directives, strategies and decisions.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	During the financial year ended 30 June 2023 ("FY2023"), the Chairman of the Board, YM Tengku Ezuan Ismara bin Tengku Nun Ahmad is not a member of the Audit & Risk Management Committee ("ARMC") and Nomination and Remuneration Committee ("NRC") to ensure there is check and balance as well as objective review by the Board.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>During FY2023, the Board was supported by a qualified Company Secretary. The Company Secretary is licensed by the Registrar of Companies and qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. He is registered with the Companies Commission of Malaysia under Section 241 of the Companies Act 2016 and is issued with practising certificate by the Registrar of Companies.</p> <p>The Company Secretary provided the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Constitution of the Company, Board's policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislation.</p> <p>All Directors also had full and unrestricted access to the advice and services of the Company Secretary. The Board was regularly updated on new guidelines, directives and new regulatory issues affecting the Group by the Company Secretary as well as external consultants. The Company Secretary together with the Executive Director and Senior Management assisted the Chairman of the Board and Chairman of the Board Committees to deal with the Board agendas and to provide the relevant information and documents to Directors on a timely basis. The Board was satisfied with the support and performance rendered by the Company Secretary in assisting the Board to discharge its duties.</p> <p>The Board was of the view that the Company Secretary had been competent and kept themselves abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.</p> <p>The Board was satisfied with the performance and support rendered by the Company Secretary to the Board.</p>
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

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

Practice 1.6

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

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

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

Practice 2.1

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

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

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

Intended Outcome

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

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

Practice 3.1

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

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

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

Intended Outcome

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

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

Practice 3.2

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

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

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group is committed to adhere to all standards of upright business conduct through integrity, transparency with a constant and growing progression towards excellence in every area of business conduct.</p> <p>The Board fulfils its responsibilities by delegating to the key management personnel from corporate finance, project, marketing, human resources and general administration. The key management is responsible for implementing, overseeing and addressing all sustainability-related issues from stakeholders and update the Board on the Group’s sustainability management performance, key material issues identified by stakeholders and planned follow-up measures.</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 Company is committed to sustainability, and the commitment is rooted in the knowledge that economically, environmentally, and socially responsible business practices coupled with corporate governance are essential to foster the long-term well being of the stakeholders and our businesses. Board of Directors will continue to oversee the sustainability performance in compliance with the guidelines on sustainability reporting issued by Bursa Malaysia Securities Berhad ("Bursa Securities").</p> <p>The Company's sustainability strategies, priorities and targets are communicated to external stakeholders through annual report and to the employees through departmental meeting.</p> <p>The Group also committed to cascade its sustainability commitment, practices and culture to its extended business partners, suppliers and contractors.</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>To keep abreast of the sustainability issues including climate-related risk, the Group has been preserved the environment while ensuring sustainability of its business.</p> <p>The Group implemented environmental awareness program and constant reminders to the employees to reduce wasteful consumption of resources in all the business premises.</p> <p>Power saving features or sleep mode were also enabled on computers, photocopiers, and other equipment, which also lowered power consumption.</p> <p>To reduce the use of paper, the Group encourages the employees to use digital storage and filing. Employees are also encouraged to re-use recycled paper for internal processes to practice the good culture of reduce, reuse and recycle waste materials.</p> <p>The Group is also proactively reduced wasteful consumption of water in the business premises. The measures taken in this respect include regular maintenance of water taps and piping to prevent water leakage and creating awareness for the need to conserve water among employees. The employees are also reminded to report any leakages and malfunction of water infrastructure in the business premises.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Board of Directors were formally assessed with regards to material sustainability risks and opportunities. The questionnaire specifically modality deployed through a self assessment evaluation provided extensive coverage on the sustainability areas.	
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	:	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 5.1

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 NRC is empowered by the Board to review and evaluate the composition and performance of the Board annually as well as assessing qualified candidates to occupy Board positions. In executing its role to create and maintain a diverse Board, the NRC adheres to the recruiting and sourcing process that seeks to include diverse candidates in any director search. The NRC, also assesses the appropriate mix of diversity including gender, age, skills, experience and expertise required on the Board and address gaps, if any.</p> <p>The NRC would carry out a formal assessment evaluation on the performance as well as identifying any gaps or areas of improvement of the Individual directors, Board and Board Committee annually. The NRC also would identify the Directors to be retired by rotation in accordance with the Constitution of the Company and assess the retiring Directors’ eligibility for re-election by considering their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective Director’s performance and contributions to the Board, the NRC then recommend to the Board the re-election of the retiring Directors at the Annual General Meeting (“AGM”).</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	:	<p>The current Board comprises of:</p> <p>(a) One (1) Independent Non-Executive Chairman; (b) One (1) Executive Director; and (c) Four (4) Independent Non-Executive Directors.</p> <p>In this respect, the Board complies with the recommendation of the MCCG of which at least 50% of the Board is Independent Director. In addition, the Company also complies with the requirement of the Listing Requirements for Independent Non-Executive Directors to make up at least 1/3 of the Board membership.</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 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>In line with the MCCG, the Board has adopted the nine (9) years policy for Independent Directors. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director. In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board will justify the decision and seek annual shareholders’ approval through a two-tier voting process.</p> <p>At present, the Board does not have any Independent Directors who have served the Board exceeding the tenure of nine (9) 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 5.4 - 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.

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>The Board recognises a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board whilst the diversity at Senior Management will lead to better decisions.</p> <p>The NRC will review and recommend to the Board the suitable candidate in respect of mix of skill, knowledge, experience, expertise, independence, diversity (including gender, ethnicity and age) and core competencies needed to facilitate effective functioning of the Board.</p> <p>The Board is actively managing its workforce diversity to ensure equal employment opportunity. It fosters an environment where the ability to contribute and access employment opportunities is based on performance, skills and merits. The number of female employees constitutes 33.33% of the Management team.</p> <p>Notwithstanding that no specific quantum of time has been fixed, each member of the Board is expected to devote sufficient time and attention to the affairs of the Company. Each Board member is expected to achieve at least 50% attendance of total Board Meetings held in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretaries, where applicable.</p> <p>Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. Prior to the acceptance of new Board appointment(s) in other companies and/or Public Listed Companies ("PLCs"), the Directors are to notify the Chairman and/or the Company Secretaries in writing. To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, 1 criterion as agreed by the Board is that they must not hold directorships at more than 5 PLCs (as prescribed in Rule 15.06 of the Listing Requirements).</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 NRC are guided by its terms of reference in the nomination, recommendation for appointment and re-election of Directors.</p> <p>Where necessary, the NRC and Board will gain access to a wider pool of potential candidates based on the recommendation from the existing Board members, Management and major shareholders, or refer to the potential candidates from the industry taking into consideration the qualification, skills, knowledge and experience background.</p> <p>The NRC may also obtain and rely upon independent sources such as a directors' registry, open advertisement or use of independent search firms in furtherance of their duties at the Company's expense, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved.</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>The NRC has a formal and transparent procedure for the appointment of new Directors to the Board. When assessing new appointments to the Board, the NC carefully reviews the combined skills and experience of the existing Board members to determine the required characteristics and profile of the new Director. Candidates are identified based on their corporate leadership, skills, knowledge, competencies, experience, reference check and expertise to complement the Board. Diversity of experience in business, professionalism, corporate industry standing, integrity as well as academic background, age, gender, ethnicity and cultural background are also considered.</p> <p>Besides carrying out reference checks, the candidates are interviewed as part of the assessment process. Consideration is given to ensure appointees have sufficient time to devote to the role, ability to discharge responsibilities and that the balance of skills, knowledge and experience on the Board will be maintained and enriched. When the NRC has found a suitable candidate, the NRC will make a recommendation to the Board for deliberation.</p> <p>The NRC would also carry out formal assessment evaluation the performance as well as identifying any gaps or areas of improvement of the Individual directors, Board and Board Committee annually. The NRC would identify the directors to be retired ("Retiring Directors") by rotation in accordance with the Constitution of the Company and assess the Retiring Directors' eligibility for re-election by considering their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective director's performance and contributions to the Board, the NRC then recommend to the Board the re-election of the Retiring Directors at the forthcoming AGM.</p> <p>The Board endorsed recommendation of the NRC after reviewing the performance evaluation of the Retiring Directors, that the Retiring Directors to be considered for re-election at the forthcoming AGM.</p>

	<p>A statement of the Board is satisfied with the performance evaluation of the Retiring Directors, hence endorsed the recommendation of the NRC for the Retiring Directors to be considered for re-election pursuant to the Company's Constitution at the forthcoming AGM, is disclosed in the Explanatory Notes of the Notice of Eighteenth AGM enclosed in the Company's 2023 Annual Report.</p> <p>The details of the respective directors to be retired during the forthcoming AGM were disclosed in the Board of Directors' Profiles in the Company's 2023 Annual Report including their age, gender, position in the Company, qualification, working experience, expertise, any position in Board Committee, any conviction of offence in the past five (5) years and any conflict of interest with the Company. The shareholdings of the Retiring Directors were disclosed in the Analysis of Shareholdings in the Company's 2023 Annual Report.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NRC is chaired by Lionel Vernon Yong Nguon Kee, an 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	:	Currently, our Board comprises of 1 female Director, representing 16.67% of total numbers of the Board.	
		<p>The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. The Board had adopted the Diversity Policy which sets out the Company's approach to diversity on the Board. The Board together with the NRC will assess and evaluate current diversity levels, identify and analyse gaps and criteria for new board appointments, and thereafter recommend the strategies, objectives, targets and practical goals against an indicative time frame in order to maintain an appropriate range and balance of skills, experience and background on the Board. The Group will evaluate the suitability of candidates as a new Board member based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.</p> <p>In line with the MCCG of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of additional female directors onto the Board in the future to bring about a more diverse perspective.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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 had adopted the Diversity Policy which sets out the Company's approach to diversity on the Board. The Board together with the NRC will assess and evaluate current diversity levels, identify and analyse gaps and criteria for new board appointments, and thereafter recommend the strategies, objectives, targets and practical goals against an indicative time frame in order to maintain an appropriate range and balance of skills, experience and background on the Board. The Group will evaluate the suitability of candidates as a new Board member based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.	
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 Board, through the NRC and facilitated by the Company Secretary, will conduct an annual assessment to evaluate the performance of the Board, its Board Committees and each individual directors, as well as identifying any gaps or areas of improvement.</p> <p>The annual assessment will be conducted internally through a questionnaire and by way of self-assessment approach on an annual basis, focusing on maximising the effectiveness and performance of the Board. The Board did not engage any external party to undertake an independent assessment of the Directors. A summary of the results and all feedback received were tabled to the NRC for deliberation before appropriate action plans were recommended to the Board for further discussion and approval.</p> <p>The criteria used by the NRC in evaluating the performance of an individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties.</p> <p>From the annual assessment and review conducted for FY2023, the NRC was satisfied that all the Directors possess sufficient qualification to remain on the Board. Save for the NRC members who are also a member of the Board and have abstained from assessing their own individual performance as Director of the Company, each of the NRC members view that all the Directors have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company's industry.</p> <p>As for the Board evaluation, the NRC agreed that all the Directors have discharged their stewardship duties and responsibilities towards the Company as a Director effectively. The NRC further</p>

	concluded that the Board and Board Committees were functioning effectively as a whole with a high level of compliance and integrity.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration packages of the Executive Director and Non-Executive Directors are determined by the Board with the assistance of NRC in accordance with its terms of reference.</p> <p>The fees and any benefits payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting in accordance with Section 230 of the Companies Act 2016. The Company had obtained approval from the shareholders at the Seventeenth AGM held on 25 November 2022 in respect of payment of Directors' fees to the Non-Executive Directors for the FY2023.</p> <p>The terms of reference of NRC is periodically reviewed and is available on the Company's website at https://www.xoxnetworks.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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the NRC which comprises exclusively of Independent Non-Executive Directors and is responsible of carry out an annual review on the remuneration of the Board and Senior Management and make recommendation to the Board for approval. This review ensures that the remuneration package commensurate with responsibilities, performance and contribution of the members of Board and Senior Management, taking into consideration of various factors including the Company's financial performance and budget.</p> <p>The terms of reference of the NRC is accessible on the Company's website at https://www.xoxnetworks.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) and categorised into appropriate components for the FY2023 were disclosed in the page 33 of the Company's 2023 Annual Report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	YM Tengku Ezuan Ismara bin Tengku Nun Ahmad	Independent Director	84	0	0	0	0	0	84	96	0	0	0	0	0	96
2	Koo Kien Keat	Executive Director	62.4	0	210	41.3	0	0	313.7	122.4	0	210	41.3	0	0	373.7
3	Andy Liew Hock Sim	Independent Director	44.4	0	0	0	0	0	44.4	44.4	0	0	0	0	0	44.4
4	Lionel Vernon Yong Nguon Kee	Independent Director	44.4	0	0	0	0	0	44.4	44.4	0	0	0	0	0	44.4
5	Woon Sing Jiunn	Independent Director	44.4	0	0	0	0	0	44.4	44.4	0	0	0	0	0	44.4
6	Lee Kien Fatt	Independent Director	44.4	0	0	0	0	0	44.4	56.4	0	0	0	0	0	56.4
7	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
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company opts not to disclose the senior management's remuneration components (salary, bonus, benefits-in-kind and other emoluments) on a named basis as it is not in the best interest of the Company and senior management personnel to disclosure of their personal data to the public at large.</p> <p>The Company notes the need for corporate transparency in the remuneration of its senior management executives, however, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. Thus, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Group's Senior Management's remuneration who are not directors of the Company.</p> <p>The remuneration of the senior management personnel, which is a combination of annual salary, bonus and benefits-in-kinds are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance and the overall performance of the Group. The aggregate remuneration of the top five (5) senior management received for FY2023 was RM314,888 representing 19.92% of the total employees' remuneration of the Group.</p> <p>The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and the top five (5) senior management's total combined remuneration package should meet the intended objectives of the MCCG and the interest</p>

	of the shareholders will not be prejudiced as a result of non-disclosure of the key senior management on named basis.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>In line with the best practice of MCCG, the Board has set up the ARMC which comprises exclusively of Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board.</p> <p>The ARMC is chaired by the Independent Non-Executive Director, Mr. Andy Liew Hock Sim. Meanwhile, the Chairman of the Board is YM Tengku Ezuan Ismara bin Tengku Nun Ahmad.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The ARMC has in place a terms of reference that requires a former key audit partner of the External Auditors to observe a cooling-off period of at least three (3) years before he/she could be considered for appointment as a member of the ARMC. Currently, none of the members of the Board nor the ARMC of the Company was former key audit partners of the external auditors appointed by the Group.	
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 ARMC assess the suitability, objectivity and independence of the Group's External Auditors every year before making a recommendation on the reappointment of External Auditors to the Board for consideration. The Board upon satisfaction of the recommendation from ARMC will propose the reappointment of External Auditors to the shareholders for approval at an AGM.</p> <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>To assess or determine the suitability and independence of the External Auditors, the ARMC has taken into consideration, among others, the following:</p> <ul style="list-style-type: none">(i) The adequacy of the experience and resources of the External Auditors;(ii) The External Auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;(iii) The nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and(iv) Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors. <p>Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the AGM on the recommendation of the ARMC and the Board. The External Auditors are being invited to attend the AGM of the Company to respond and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.</p> <p>During FY2023, one (1) private meeting with the External Auditors were held during FY2023 and no material matters of concern were reported by the External Auditors.</p>

	<p>The ARMC had assessed the independence of Messrs UHY (“UHY”) as External Auditors of the Company as well as reviewed the level of non-audit services rendered by UHY to the Company for FY2023. The ARMC had obtained assurance from UHY confirmed that they are, and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.</p> <p>The ARMC was satisfied with UHY’s technical competency and audit independence and took note that the quantum of non-audit fee charged thereto was not material as compared to the total audit fees paid to UHY. Having satisfied itself with their performance and technical competency as well as received the assurance from UHY as stated above, the Board approved the ARMC’s recommendation for the shareholders’ approval to be sought at the forthcoming Eighteenth AGM on the re-appointment of UHY as the External Auditors of the Company for the financial year ending 30 June 2024.</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	:	In line with the best practice of MCCG, the Board has set up the ARMC which comprises exclusively of Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and 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 Board of Directors' Profiles on pages 7 to 12 of this Annual Report. During the FY2023, the ARMC members had undertaken the relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively. Further details on the external programs attended by the ARMC members are set out in page 25 of the Company's 2023 Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of sound controls and risk management practices to good corporate governance.</p> <p>The functions of the ARMC have been expanded to ensure risk management and proper internal controls are in place with an adequate awareness and understanding of risk by the Management and to safeguard shareholders' interest and the Company's assets.</p> <p>The Board delegates the determination of risk appetite to the ARMC and ensures that the risk appetite is in line with the Group's strategy.</p> <p>The information on risk management framework and internal control system are disclosed in the Statement on Risk Management and Internal Control of the Company's 2023 Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 key features of the Company's risk management framework and internal control system and its adequacy and effectiveness can be found under the Statement on Risk Management and Internal Control of the Company's 2023 Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Company has incorporated risk management function in its ARMC. The current composition of the ARMC comprise solely of the Independent Non-Executive Directors.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has outsourced the internal audit function to an independent professional service provider ("Outsourced IA") which reports directly to the ARMC.</p> <p>The internal audit covers the review of the adequacy of risk management, the strength and effectiveness of the internal controls, compliance to both internal and statutory requirements, governance and management efficiency, among others. The internal audit report, which provide the results of audits conducted, are submitted to the ARMC for review. Key control issues and recommendations are highlighted to enable the ARMC to execute its oversight function. Areas for improvement and audit recommendations are also forwarded to the Management for their attention and further action. The Management is responsible for the implementation of corrective actions within the required time frame.</p> <p>During the financial year under review, the Internal Auditors has undertaken the review on the adequacy and effectiveness of the systems of internal control relating to the ticketing operations.</p> <p>The ARMC was satisfied with the suitability, objectivity, independence, effectiveness, adequacy of resources and performance of the Outsourced IA.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Outsourced IA is independent and free from any business relationships or conflicts of interest when conducting any internal audit activities.</p> <p>During the financial year under review, the internal audit function (“IA”) is outsourced to GovernAce Advisory & Solutions Sdn. Bhd. (“GovernAce”) which is led by a director who is supported by his team members (4 headcount assigned) with relevant qualifications and/or experience in internal auditing.</p> <p>GovernAce’s engagement director in charge of the Group’s IA is Mr Chong Chee Seng, who is a certified internal auditor of the Institute of Internal Auditors Inc, Fellow Certified Practising Accountant with CPA Australia (“FCPA”), a Chartered member of Institute of Internal Auditor Malaysia and Accountant registered with Malaysian Institute of Accountants with more than 15 years of international and local audit experiences. The IA practices were guided by the International Professional Practices Framework issued by the Institute of Internal Auditor.</p> <p>The internal audit functions and activities carried out during FY2023 are as disclosed in the ARMC Report of the Company’s 2023 Annual Report.</p> <p>The ARMC had assessed the adequacy of the scope, functions, competency and resources of Outsourced IA for the financial year under review and the internal audit function performed by Outsourced IA was satisfactory and adequate.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

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

Intended Outcome

There is 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	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
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 13.1

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	:	As recommended by the MCCG, the notice of AGM will be despatched to the shareholders at least 28 days before the AGM. The notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. This would allow the shareholders to make necessary arrangements to attend and participate in person, by corporate representative, by proxy or by attorney.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The tentative dates of the AGM will be discussed and fixed by the Board in advance to ensure that each of the Directors is able to make the necessary arrangement to attend the planned AGM. All the Directors and chairman of the respective Board Committees shall endeavor to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the AGM.</p> <p>The Seventeenth AGM of the Company was held and conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue on 25 November 2022 and has been attended by all the Directors of the Company. Together with the Directors, Management and External Auditors also attended the said meeting to respond to the shareholders' queries.</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>The Seventeenth AGM was held and conducted on a virtual basis through live streaming and online remote participation and voting ("RPV") from the broadcast venue on 25 November 2022, which is in line with the revised Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia. All shareholders and proxies who are attending and participating in the Seventeenth AGM remotely through RPV facilities were able to vote online.</p> <p>The Company used the RPV facilities provided by the service provider which has been robustly tested to gain assurance on its reliability, stability and security to allow for a large number of participants to attend, participate and vote the Seventeenth AGM simultaneously.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>At the AGM, the shareholders are encouraged to participate in the questions and answers session, where they will be given the opportunity to raise questions or seek more information during the AGM. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholders.</p> <p>At the commencement of all general meetings, the Chairman will inform the shareholders of their rights to a poll voting. Separate resolutions are proposed for substantially separate issues at the meeting. The outcome of the AGM will be announced to Bursa Securities on the same meeting day.</p> <p>The Chairman of the Board and Executive Director were authorised to answer all questions raised by the shareholders and proxies during the AGM of the Company.</p> <p>Together with the Directors, Management and external auditors will be in attendance to respond to the shareholders' queries.</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>The Company's Seventeenth AGM was successfully held and conducted on a virtual basis through live streaming and remote participation and voting on 25 November 2022. The shareholders and proxies are encouraged to pose their questions using RPV facilities.</p> <p>During the Seventeenth AGM, the Chairman had answered all questions posed by the shareholders and proxies.</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	:	In line with the recommendation of MCCG, the minutes of the Seventeenth AGM held on 25 November 2022 had been posted on the Company's website for public viewing within 30 business days after the Seventeenth AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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