

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5216  
**COMPANY NAME** : NEXG BERHAD (FORMERLY KNOWN AS DATASONIC GROUP BERHAD)  
**FINANCIAL YEAR** : March 31, 2025

### **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 NexG Berhad (Formerly known as Datasonic Group Berhad) ("the Company") determines the vision, mission, strategy and structure of the Company and its subsidiaries ("the Group") and exercise accountability to shareholders and is responsible to the relevant stakeholders.</p> <p>On 28 November 2024, the Company has established a Sustainability Committee to oversee the effective implementation of sustainability initiative and strategy as well as in embedding sustainability practices into the business operations of the Group.</p> <p>In discharging its duties and responsibilities, the Board has established and delegated the authority to the Board Committees, namely, the Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC"), Risk Management Committee ("RMC"), Employees' Share Option Scheme Committee ("ESOSC") and Sustainability Committee ("SC"), to monitor and evaluate the implementation of policies, strategies and business plans, internal control systems and risk management and implementation and administering of the Employees' Share Option Scheme.</p> <p>Although specific powers are delegated to the Board Committees, the ultimate responsibility for decision making, however lies with the Board. The Board keeps itself abreast of the key issues and decisions made by the Board Committees through the tabling of report by the respective Chairman of the Board Committees at the Board meetings.</p> <p>The Board appoints the Chairmen and members of each Board Committee and the Board Committees operate within their approved Terms of References set by the Board.</p>

	<p>The Chairmen of the respective Board Committees will update or report the proceedings of the Board Committee meetings to the Board.</p> <p>The powers delegated to the Board Committees are set out in the Terms of Reference of each Board Committee as approved by the Board which is published on the Company's website at <a href="http://www.nexg.com.my">www.nexg.com.my</a>.</p> <p>The Board is headed by an Executive Chairman and Chief Executive Officer who is managing the Board effectiveness by focusing on corporate strategies, governance and decision-making.</p> <p>The Executive Chairman and Chief Executive Officer together with the Executive Deputy Chairman and Executive Directors are responsible for setting, managing and executing the strategies of the Group, including but not limited to running the operations of the Group under the oversight of the Board and keeping the Board informed of the status of the Group's operations.</p> <p>The Executive Directors are responsible for the day-to-day operations, organisational effectiveness and implementation of the Board's policies, directives, strategies and decisions for key areas such as finance, sales and operations.</p> <p>The Board of the respective operating subsidiaries have been tasked to oversee the operations and management of the subsidiaries. The operating subsidiaries will convene Board meeting as and when necessary to discuss the status of the existing business activities, new development, corporate proposals and challenges encountered. The Heads of the operating subsidiaries were tasked to prepare and submit their status report of the operations on quarterly basis for deliberation and notation by the holding company Board. The Heads of the operating subsidiaries were invited to attend the holding company Board meeting from time to time and update the Board on the status of the Group's operations.</p> <p>The operating subsidiaries have their own Executive Directors who report to the Group Executive Directors and in the case of the largest operating subsidiary, Datasonic Technologies Sdn Bhd (Formerly known as NexG Technologies Sdn Bhd) is headed by a Managing Director.</p> <p>The Executive Chairman and Chief Executive Officer, Executive Deputy Chairman and Executive Directors attend all Board meetings and ensured that the Board is provided with sufficient accurate information on a timely basis in regard to the Group, its operations, business and affairs, and in particular with respect to the Group's corporate performance, financial condition, operations and prospects, so as to reasonably position the Board to fulfil its governance responsibilities.</p>
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	<p>The respective roles and responsibilities of the Board, Board Committees, individual Directors and Management and issues and decisions reserved for the Board are set out in the Company's Board Charter, which is published on the Company's website at <a href="http://www.nexg.com.my">www.nexg.com.my</a>.</p> <p>On 20 February 2025, the Company had changed its name to NexG Berhad, to be in line with the Company's rebranding exercise to better reflect the Company's updated corporate identity and purpose which is more aligned with the Company's current core business and values, to improve the public's confidence in the Company and to enhance stakeholder engagement.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is led by an Executive Chairman, Datuk Haji Abu Hanifah bin Noordin, who is also the Founder of the Group. He was appointed to the Board on 22 August 2024 as the Executive Deputy Chairman and Chief Executive Officer and subsequently redesignated to Executive Chairman and Chief Executive Officer on 12 February 2025, following the resignation of the previous Executive Chairman.</p> <p>The key roles and responsibilities of the Executive Chairman include:-</p> <ol style="list-style-type: none"><li>1) The Executive Chairman provides strong leadership skills and is responsible for instilling good corporate governance practices and overall effectiveness of the Board and individual Directors. He ensures that all key and appropriate issues are discussed by the Board in a timely manner.</li><li>2) The Executive Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the supports from Executive Directors and Senior Management of the Company.</li><li>3) The Executive Chairman acts as the communicator for Board decisions where appropriate. He ensures the Board is effective in its task of setting and implementing the Group's directions and strategies.</li><li>4) The Executive Chairman provides leadership in corporate services, restructuring, strategies, stakeholder relationships, human capital and development.</li><li>5) The Executive Chairman is also promoting a healthy working relationship with the Executive Directors and Senior Management by providing the necessary support and advice.</li><li>6) The Executive Chairman regularly reviews progress on important initiatives and significant issues faced by the Company and undertakes the primary responsibility for organising meetings to receive diverse opinions and views in the Board deliberations.</li></ol>

	<p>7) The Executive Chairman encourages the Head of Project Teams to provide and disclose the status of the existing business activities, new development, corporate proposals and challenges encountered for the Board deliberations.</p> <p>8) The Executive Chairman sets the Board agenda and reviews minutes of Board meetings prior to circulation to the Board members. The Executive Chairman leads the Board meeting and encourages participation and contribution from the Board members.</p> <p>The roles and responsibilities of the Executive Chairman have been set out in the Company's Board Charter, which is published on the Company's website at <a href="http://www.nexg.com.my">www.nexg.com.my</a>.</p>			
<b>Explanation for departure</b>	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
<b>Measure</b>	:			
<b>Timeframe</b>	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is mindful that the positions of Chairman and Chief Executive Officer are currently held by Datuk Haji Abu Hanifah bin Noordin to streamlined decision-making, provide strong leadership and avoid any gaps in the leadership of the Company.</p> <p>The Board believes that Datuk Haji Abu Hanifah bin Noordin, as the founder of the Company, possesses considerable experience in the Group's businesses and provides valuable leadership in considering and setting the overall strategies and objectives of the Company.</p> <p>The Board further believes that maintaining this arrangement is in the best interest of the Company, as it allows the Board to benefit from a Chairman who is highly knowledgeable about the Group's businesses, capable of guiding discussions at Board meetings, and able to brief the Board in a timely manner on key issues and developments that may directly or indirectly affect the Group's operations.</p> <p>The division of roles and responsibilities between the Executive Chairman and Executive Directors are defined in the Company's Board Charter, which is published on the Company's website at <a href="http://www.nexq.com.my">www.nexq.com.my</a>.</p> <p>In evaluating the effectiveness of the Board, the role of the Chairman was assessed based on his ability to oversee an effective decision-making process, lead the board effectively, encourage contribution and participation from all members, chair the general meetings effectively and address queries during the annual general meeting and extraordinary general meeting(s) satisfactorily.</p> <p>From time to time, the Board evaluates the appropriateness of the positions of Chairman and Chief Executive Officer being held by the same individual and ensures that this arrangement continues to serve the best interests of the Company and its shareholders as a whole.</p>

	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.



### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	As the Executive Chairman of the Board, Datuk Haji Abu Hanifah bin Noordin is not a member of the AC, NRC, RMC and SC nor he participated in any of these Board Committees' meetings to ensure there is check and balance and objective review by the Board for better governance.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the financial year, Mr. Tan Tong Lang was appointed as Joint Company Secretary of the Company. The Board is supported by professionally qualified and competent in-house and external Company Secretaries who provide the necessary advice to the Board. The Company Secretaries are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are registered with the Companies Commission of Malaysia under Section 241 of the Companies Act, 2016.</p> <p>The Company Secretaries have the requisite credentials and are qualified to act as company secretary under Section 235(2) of the Companies Act, 2016.</p> <p>The Company Secretaries are responsible for overseeing the corporate secretarial function and providing advice to the Board on the performance of its duties related to corporate compliances including the following:-</p> <ul style="list-style-type: none"><li>• Compliance with the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance and other relevant laws and regulations;</li><li>• Ensuring that the Board procedures and applicable rules are observed;</li><li>• Ensuring adherence to the Board's policies, procedures and practices of corporate governance;</li><li>• Ensuring that the processes and procedures of Board and Board Committees meetings are properly conducted with all deliberations accurately recorded;</li><li>• Providing full access and services to the Board and carrying out other functions as deemed appropriate by the Board from time to time;</li><li>• Facilitating the training requirements of Directors and providing regular updates to the Board on any regulatory changes and development; and</li><li>• Serving as the focal point for stakeholders' communication and engagement on corporate governance issues.</li></ul>

	The roles and key responsibilities of the Company Secretaries are set out in the Company's Board Charter which is published on the Company's website at <a href="http://www.nexg.com.my">www.nexg.com.my</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.6

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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Partial departure given that the meeting materials were occasionally circulated less than 5 business days in advance of the Board or Board Committees meetings.</p> <p>The notice of meetings and meeting materials with the relevant and adequate information are distributed at least 7 days and 4 business days respectively in advance, to allow the respective Board and Board Committees members to have sufficient time to review and analyse the materials.</p> <p>The deliberations and decisions of the Board and Board Committees are properly documented in the minutes and filed in the statutory records of the Company by the Company Secretaries.</p> <p>The Company Secretaries will communicate the Board's decisions or recommendations to the relevant management via circulation of draft minutes of meetings in a timely manner upon conclusion of the meetings for appropriate actions to be taken.</p> <p>The Company Secretaries will ensure the meeting materials are distributed electronically and uploaded onto the DS file App as soon as practicable upon receipt of the same from the Management. The Board and Board Committees members are able to access meeting materials digitally and relevant information in a timely and efficient manner, thus improving Board performance and overall effectiveness of decision-making.</p> <p>The Company Secretaries will prepare a tentative schedule of meetings for the year at the end of the previous year for the Board and Board Committee to avoid scheduling conflicts for the Management and the Board. All Board Committee meetings are conducted separately from Board meetings, with a reasonable interval between the meetings to ensure each Committee has sufficient time to deliberate and provide recommendation, input or feedback on matters presented to and subsequently escalated it to the Board.</p>

	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

**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 Company's Board Charter provides guidance and clarity regarding the roles and responsibilities of the Board and the Board Committees, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.</p> <p>The Board Charter also sets out the respective roles and responsibilities of the Board, Board Committees, Senior Management, issues and decisions reserved for the Board.</p> <p>The Board will periodically review the Board Charter to ensure it remains relevant and consistent with the Board's objectives and responsibilities, and all relevant standards of corporate governance.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.nexq.com.my">www.nexq.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The 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 Board has established the Anti-Corruption and Anti-Bribery ("ABAC") Policy, the Code of Conduct and Ethics for Directors (Executive and Non-Executive Directors), Conflict of Interest Policy and Employee Business Conduct Guidelines as part of the Company's commitment against all forms of bribery and corruption at all levels as well as to promote good business conduct and maintain a healthy corporate culture.</p> <p>To further enhance awareness and understanding of key governance and compliance matters, the Risk &amp; Governance Unit organised a training programme in October 2024 on topic of Anti-Bribery Management Systems (ABMS): An Introduction and Enterprise Risk Management (ERM): An Introduction, for the Directors and Senior Management of the Group.</p> <p>The Board is committed to upholding and inculcating good corporate governance practices across all areas of its operations. In November 2024, the Group has adopted Code of Business Ethics for vendors. The policy provides minimum standards code of conduct governing all the vendor of the Group. The Company adopted procurement principles that are transparent and fair and endeavour to ensure full compliance to the procurement practices which support fair competition, wide participation, good governance and compliance to the relevant laws, without neglecting the prevailing good industrial practices.</p> <p>The ABAC Policy, Code of Conduct and Ethics for Directors, WB Policy and Code of Business Ethics are published on the Company's website at <a href="http://www.nexg.com.my">www.nexg.com.my</a>.</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 3.2

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 WB Policy established by the Board applies to all Directors and employees of the Group and is designed to provide them with proper internal reporting channels and guidance to disclose any wrongdoing or improper conduct relating to unlawful conduct, inappropriate behaviour, malpractices, any violation of established written policies and procedures within the Group or any action that is or could be harmful to the reputation of the Group and/or compromise the interests of the shareholders, clients and the public without fear of reprisal, victimisation, harassment or subsequent discrimination. The WB Policy provides a proper and secured avenue for employees and members of the public to report any improper conduct without fear of adverse consequences.</p> <p>In August 2024, the Company received an email via the whistleblowing hotline. The Risk Management Committee took the matter seriously and directed the Risk and Governance Unit to investigate it in accordance with the established procedures.</p> <p>The WB Policy is available in both Malay and English versions for better understanding by all parties and it is published on the Company's website at <a href="http://www.nexg.com.my">www.nexg.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board holds ultimate responsibility for driving the sustainability agenda in the Group. The Board acknowledges the importance of embedding sustainability into business strategies and operations. A holistic business management approach is taken, which considers every aspect of Economic, Environmental and Social ("EES") framework. These considerations, alongside financial implications, generate long-term benefits, business continuity and value creation for stakeholders.</p> <p>Supporting the Board are the Executive Directors and Senior Leadership Team, working together to oversee the effective implementation of sustainability initiatives, practices and performance according to EES criteria across the Group.</p> <p>The Company has adopted the Sustainability Policy to communicate its commitment and efforts in managing key environmental, social, and governance (ESG) matters, with the aim of creating long-term stakeholder value and enhancing performance and resilience</p> <p>In November 2024, the Company has established a SC to oversee the effective implementation of sustainability initiative across the Group.</p> <p>To support the progress and implementation of the Group's Sustainability Policy, during the financial year, the Company has appointed Easy Consulting Sdn Bhd as its sustainability consultant to provide guidance, monitor developments, and ensure compliance with the relevant regulations.</p> <p>The Sustainability Policy to promote sustainability to achieve long term sustainable growth is available on the Company's website at <a href="http://www.nexg.com.my">www.nexg.com.my</a>.</p>

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

### Intended Outcome

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

### Practice 4.2

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 has established a Sustainability Committee to overseeing the effective implementation of sustainability initiative and strategy as well as in embedding sustainability practices into the business operations of the Company and its subsidiary companies.</p> <p>The Board acknowledged sustainability is an integral part of the Group's business strategy. The Group have identified five (5) strategic areas of sustainability linked to the United Nations Sustainable Development goals. This allows the Group to work towards reaching the sustainability goals while contributing to the global collective effort for the betterment of the EES.</p> <p>The Group's stakeholders have been grouped under six (6) major categories according to the AA1000 Stakeholder Engagement Standards. The fitness of stakeholder classification and issues of concern are reviewed and adjusted through the identification process of annual stakeholder issues.</p> <p>The Sustainability Statement which forms part of the Annual Report discloses the detailed governance processes, sustainability strategies, stakeholder engagement, priorities and performance against targets and international standards, serves as the communication tool of the Group's sustainability reporting.</p> <p>The descriptions of the Group's stakeholder group, expectation and interests, engagement approaches and frequency of engagement are set out in the Sustainability Statement of the 2025 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>	:		
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### Intended Outcome

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

### Practice 4.3

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>The Board continuously keeps itself abreast of and is cognisant of the sustainability agenda through periodical updates by the Securities Commission, Bursa Malaysia Securities Berhad and Company Secretaries.</p> <p>The Company Secretaries constantly keeps the Board updated with the latest news related to sustainability practices and issues.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The relevant sustainability related performance measure and question have been incorporated into the evaluation form for the effectiveness of the Board and Board Committees, and Director's Self-Assessment.</p> <p>In April 2025, the NRC undertook a review on the performance of the Board in addressing the Company's material sustainability risks and opportunities. The average rating 4.38 out of a 5-scale rating, indicated a satisfactory performance of the Board and Management.</p> <p>As sustainability and ESG compliance becomes more mainstream, the Board concurred the sustainability and ESG practices and the matters will remain one of the areas that requires ongoing focus and continuous improvement.</p> <p>The Board reviews the Group's sustainability performance as a whole and accountable for addressing sustainability risks and opportunities through the Company's monitoring and reporting process.</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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>On 28 November 2024, the Company has established a SC to oversee the effective implementation of sustainability initiative and strategy as well as in embedding sustainability practices into the business operations of the Group.</p> <p>The SC has identified Puan Safia Zuleira binti Abu Hanifah, Head of Strategic Communications Department to be the Management Representative to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Company.</p> <p>The Terms of Reference of SC is available on the Company's website at <a href="http://www.nexq.com.my">www.nexq.com.my</a>.</p>



### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is guided by the Board Charter, Director's Fit and Proper Policy, Gender Diversity Policy and Terms of Reference of NRC in reviewing the composition of the Board and Board Committees. The NRC also ensures that the composition of the Board and Board Committees adhere to the Main Market Listing Requirements of Bursa Malaysia.</p> <p>The NRC reviewed the suitability of the candidates for the appointment of Executive Directors and Independent Non-Executive Directors. The NRC was guided by the criteria for membership of the Board as stipulated in the Board Charter. The NRC also reviewed the confirmation of independence, individual bankruptcy status and conducted fit and proper assessment on the candidates based on the fit and proper declaration submitted by the candidates.</p> <p>Based on the NRC's review, the Board determined that the candidates which were sourced from internal sources, have appropriate understanding of the conduct of the Group's business, commitment, high ethical standards and experience to enable them to discharge their duties and responsibilities effectively. The Board subsequently approved the recommendation of the NRC on the appointment of the following Directors:-</p> <ul style="list-style-type: none"><li>• Datuk Haji Abu Hanifah bin Noordin as Executive Deputy Chairman and Chief Executive Officer, Datuk Ab.Hamid bin Mohamad Hanipah as Executive Director and YM Tunku Datuk Nooruddin bin Tunku Dato' Seri Shahabuddin as Independent Non-Executive Director on 22 August 2024;</li><li>• Puan Hajah Erna bt Ismail as Executive Director on 9 October 2024;</li><li>• Datuk Puvanesan a/l Subenthiran and Datuk Zainal Abidin bin Abu Hassan as Independent Non-Executive Directors on 12 November 2024;</li><li>• Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman as Independent Non-Executive Director on 22 November 2024; and</li><li>• Dato' Che Nazli binti Jaapar as Independent Non-Executive Director on 14 January 2025.</li></ul>

	<p>In February 2025, with the resignation of YM Tengku Dato' Seri Abu Bakar Ahmad bin Tengku Tan Sri Abdullah as Executive Chairman of the Company, the Board approved the redesignation of Datuk Haji Abu Hanifah bin Noordin from Executive Deputy Chairman and Chief Executive Officer to Executive Chairman and Chief Executive Officer to fill the gap in the leadership of the Company. In addition, Datuk Puvanesan a/l Subenthiran was redesignated from Independent Non-Executive Director to Executive Director on 13 December 2024 whilst Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman was redesignated from Independent Non-Executive Director to Executive Deputy Chairman on 28 March 2025.</p> <p>During the financial year under review, the Board approved the resignation of the following Directors:-</p> <ul style="list-style-type: none"> <li>• Mr Chew Chi Hong on 27 September 2024;</li> <li>• Mr Chia Kok Khuang on 2 October 2024;</li> <li>• CP(R) Datuk Mohd Khalil bin Kader Mohd on 28 November 2024;</li> <li>• YM Tunku Datuk Nooruddin bin Tunku Dato' Seri Shahabuddin on 31 December 2024;</li> <li>• YM Tengku Dato' Seri Abu Bakar Ahmad bin Tengku Tan Sri Abdullah and Encik Ahmad Ridwan bin Abdullah on 12 February 2025.</li> </ul> <p>In May 2025, the NRC reviewed the tenure of each Director and noted that none of the Independent Directors had served the Company for more than 9 years in alignment with the recommendations of the Malaysian Code on Corporate Governance.</p> <p>In May 2025, the NRC reviewed and assessed the diversity in skills, experience, age, cultural background and gender of the Directors and Senior Management. Based on the assessment, the NRC opined that the current Board members and senior management during the financial year ended have the appropriate mix of skills, knowledge and experience from diverse professional backgrounds which collectively fit the Group's objectives and strategic goals.</p> <p>The Board through the NRC had assessed the performance, contributions, independence, fitness and propriety of each Director who is standing for re-election at the Seventeenth AGM, taking into consideration the results of the evaluation on the effectiveness of the Board, Board Committees and Directors' self-assessment conducted for the financial year ended 2025; time commitment in discharging their roles and responsibilities including attendance at Board or Board Committees meetings, briefings and site visitations; participation in continuing training programmes; and contribution to the Board's deliberation through their skills, knowledge, expertise and experience. The NRC also carried out fit and proper assessment based on the fit and proper declaration submitted by each of the retiring Director.</p>
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	<p>Based on the assessment, the NRC was satisfied with the performance and contributions of the Directors who are standing for re-election and recommended to the Board the proposed re-election of the Directors in accordance with Clauses 156 and 165 of the Constitution of the Company. The Directors retiring in accordance with Clauses 156 and 165 of the Constitution of the Company are as follows:-</p> <p><u>Clause 156 of the Constitution of the Company</u></p> <ul style="list-style-type: none"> <li>• Datuk Haji Abu Hanifah bin Noordin;</li> <li>• Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman;</li> <li>• Datuk Ab.Hamid bin Mohamad Hanipah;</li> <li>• Datuk Puvanesan a/l Subenthiran;</li> <li>• Puan Hajah Erna bt Ismail;</li> <li>• Datuk Zainal Abidin bin Abu Hassan; and</li> <li>• Dato' Che Nazli binti Jaapar</li> </ul> <p><u>Clause 165 of the Constitution of the Company</u></p> <ul style="list-style-type: none"> <li>• Dato' Ibrahim bin Abdullah</li> </ul> <p>The Board agreed with the recommendation of NRC to re-elect the eligible Directors who are standing for re-election at the Seventeenth AGM of the Company.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>As at 31 March 2025, the Board comprises of 10 members, including 1 Executive Chairman and Chief Executive Officer, 1 Executive Deputy Chairman, 3 Executive Directors, 4 Independent Non-Executive Directors ("INED"), and 1 Non-Independent Non-Executive Director, in compliance with Paragraph 15.02(1) of the MMLR of Bursa Malaysia. The Independent Directors made up 40% of the Board composition. Presently, the number of female representations on the Board is 3, representing 30% of the total Board composition.</p> <p>The representation of the Independent Directors ensures objective and impartial review and decision-making processes. The INED do not participate in the day-to-day management of the Company. The INED engage with senior management of the Company, external and internal auditors as and when required to address matters concerning the management and the oversight of the Company's business and operations.</p> <p>All the Directors had given confirmation on a half yearly basis, as to whether they have any family relationship with any director and/or major shareholder of the Company and their directorship/shareholding in other company to enable the Board to assess the Directors' independence as and when any new interest or relationship develops.</p> <p>For the year under review, the Board through the NRC has received affirmation from all the INEDs of their independence based on the criteria as prescribed by the MMLR of Bursa Malaysia.</p> <p>The Board will identify prospective INED candidates for the Board appointment to eventually meet the 50% of the Board composition of Independent Directors.</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.

<b>Timeframe</b>	:	Choose an item.	
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### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board through the NRC evaluated the independence of the Independent Directors annually through the confirmation in writing received from them. Accordingly, the NRC was satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company.  During the year under review, none of the Independent Directors have served on the Board for a cumulative term of more than 9 years.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.4 - Step Up

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

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

### 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>In the process of identifying, evaluating, selecting and recommending to the Board the candidate to be appointed as a Director of the Company, the NRC considers the candidate's ability to discharge such responsibilities/function as expected from the Executive Director or Independent Non-Executive Director ("INED"). In the case of the appointment of an INED; the candidate's fit and proper criteria, competencies, commitment, contribution and performance, skills, knowledge, expertise and experience, professionalism, age, cultural, backgrounds, leadership qualities and integrity.</p> <p>The NRC has conducted an annual review on the diversity in skills, experience, age, cultural background and gender of the Directors and Key Senior Management. The Board is of the view that the current Board members and Key Senior Management have an appropriate mix of skills, knowledge, experience, age, ethnicity and gender with diverse professional backgrounds, a wide range of experience and expertise in security; information technology/engineering; project development; corporate management/business; finance/taxation; accounting/auditing; and human capital. This provides a collective range of skills, expertise and experience that fit the Group's objectives and strategic goals.</p> <p>The appointment of Key Senior Management is also based on criteria of skill, experience and leadership qualities, driven by their respective job descriptions.</p> <p>In line with Paragraph 15.06 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, none of the Directors hold more than 5 directorships in listed companies to enable Directors to have sufficient time to focus their commitment, resources, time on the affairs of the Company and serve the Board effectively.</p>



	<p>During the year, the NRC reviewed the suitability of the candidates who are sourced from internal sources for the appointment of Executive Deputy Chairman and Chief Executive Officer, Executive Directors and INEDs, with reference to the criteria as set out in the Board Charter. The candidates who have been identified are required to make the fit and proper declaration. The NRC conducted the fit and proper assessment of the candidates. The NRC also reviewed the individual bankruptcy status of the respective candidates. The Board approved the recommendation of the NRC on the appointment of the following Directors:-</p> <ul style="list-style-type: none"> <li>• Datuk Haji Abu Hanifah bin Noordin as Executive Deputy Chairman and Chief Executive Officer on 22 August 2024;</li> <li>• Datuk Ab.Hamid bin Mohamad Hanipah as Executive Director on 22 August 2024;</li> <li>• YM Tunku Datuk Nooruddin bin Tunku Dato' Seri Shahabuddin as Independent Non-Executive Director on 22 August 2024;</li> <li>• Puan Hajah Erna bt Ismail as Executive Director on 09 October 2024;</li> <li>• Datuk Puvanesan a/l Subenthiran as Independent Non-Executive Director on 12 November 2024;</li> <li>• Datuk Zainal Abidin bin Abu Hassan as Independent Non-Executive Director on 12 November 2024;</li> <li>• Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman as Independent Non-Executive Director on 22 November 2024; and</li> <li>• Dato' Che Nazli binti Jaapar as Independent Non-Executive Director on 14 January 2025.</li> </ul> <p>With the appointment of Puan Hajah Erna bt Ismail and Dato' Che Nazli binti Jaapar, the Board composition is aligned with the recommendation of MCCG and the requirements as set out in the Board Charter that 30% of the Board comprises women directors.</p> <p>In May 2025, the Board through its NRC conducts an annual review of its size and composition, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives and strategic goals. The Board was of the view that the current Board size of 10 members as at 31 March 2025 is appropriate and adequate to effectively govern the Group activities.</p>
<b>xplanation for departure</b>	<div></div> <div></div>
<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>	<div></div>

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

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

### Practice 5.6

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>During the year under review, the Board had approved the appointment of the following persons as Directors of the Company based on the recommendation by the management and shareholders:-</p> <ul style="list-style-type: none"><li>• Datuk Haji Abu Hanifah bin Noordin as Executive Deputy Chairman and Chief Executive Officer on 22 August 2024;</li><li>• Datuk Ab.Hamid bin Mohamad Hanipah as Executive Director on 22 August 2024;</li><li>• YM Tunku Datuk Nooruddin bin Tunku Dato' Seri Shahabuddin as Independent Non-Executive Director on 22 August 2024;</li><li>• Puan Hajah Erna bt Ismail as Executive Director on 9 October 2024;</li><li>• Datuk Puvanesan a/l Subenthiran as Independent Non-Executive Director on 12 November 2024;</li><li>• Datuk Zainal Abidin bin Abu Hassan as Independent Non-Executive Director on 12 November 2024;</li><li>• Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman as Independent Non-Executive Director on 22 November 2024; and</li><li>• Dato' Che Nazli binti Jaapar as Independent Non-Executive Director on 14 January 2025.</li></ul> <p>In identifying a suitable candidate for appointment of Director with the right expertise, skills, competencies, legal standing, fitness and propriety and calibre suited to the needs of the Company, the Board generally take into account recommendations from the Directors, management, shareholders and various other sources. If necessary, the Board may source the suitable candidate from external referrals such as Directors' registry and open advertisements or the use of independent search firms.</p>

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

<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	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 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The information on the appointment and re-appointment of Director(s) is available to the shareholders on the Company's website and Bursa Malaysia Securities Berhad's website.</p> <p>The Company will release an immediate announcement to Bursa Malaysia in accordance with the prescribed format whenever there is an appointment of new Director. The re-election of Director will be set out in the notice of AGM and announcement to Bursa Malaysia. The shareholders would be able to make an informed decision on the re-election of the retiring Directors at the AGM.</p> <p>The performance, contributions, independence, fitness and propriety of each Director who is standing for re-election had been assessed by the NRC through the effectiveness of the Board, Board Committees and Directors' self-assessment conducted for the financial year 2025; time commitment in discharging their roles and responsibilities including attendance at Board or Board Committees meetings, briefings and site visitations; participation in continuing training programmes; and contribution to the Board's deliberation through their skills, knowledge, expertise and experience.</p> <p>In May 2025, the Board endorsed the NRC's recommendation for the following Directors to be considered for re-election pursuant to Clauses 156 and 165 of the Company's Constitution at the forthcoming Seventeenth AGM:-</p> <p><u>Clause 156 of the Constitution of the Company</u></p> <ul style="list-style-type: none"><li>• Datuk Haji Abu Hanifah bin Noordin;</li><li>• Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman;</li><li>• Datuk Ab.Hamid bin Mohamad Hanipah;</li><li>• Puan Hajah Erna bt Ismail;</li><li>• Datuk Puvanesan a/l Subenthiran;</li><li>• Datuk Zainal Abidin bin Abu Hassan; and</li></ul>

	<ul style="list-style-type: none"> <li>• Dato' Che Nazli binti Jaapar</li> </ul> <p><u>Clause 165 of the Constitution of the Company</u></p> <ul style="list-style-type: none"> <li>• Dato' Ibrahim bin Abdullah</li> </ul> <p>The profile of retiring Directors is published in the 2025 Annual Report, which includes their age, gender, date of appointment, length of service, directorships in other companies, qualification, working experience, date of last re-election, family relationship with any director and/or major shareholder and any conflict of interest or potential conflict of interest with the Company and shareholdings in the Company, if any.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC consists of three (3) Directors, all of whom are Independent Non-Executive Directors. On 28 November 2024, CP(R) Datuk Mohd Khalil bin Kader Mohd resigned as an Independent Non-Executive Director and therefore ceased to be the Chairman of the NRC and Datuk Puvanesan a/l Subenthiran was appointed as the Chairman of the NRC on the same day.</p> <p>On 13 December 2024, Datuk Puvanesan a/l Subenthiran has been redesignated as Executive Director and accordingly he resigned as the Chairman of the NRC.</p> <p>Datuk Zainal Abidin bin Abu Hassan who had been appointed as a member of the NRC on 28 November 2024 was redesignated as the Chairman of the NRC on 17 December 2024.</p> <p>As at the date of this Report, the composition of the NRC is as follows:-</p> <p><b><u>Chairman</u></b></p> <p>Datuk Zainal Abidin bin Abu Hassan (Independent Non-Executive Director)</p> <p><b><u>Members</u></b></p> <p>Dato' Ibrahim bin Abdullah (Independent Non-Executive Director) Ms Michelle Yong Voon Sze (Independent Non-Executive Director)</p> <p>The profile of the NRC members is available in the Annual Report 2025 of the Company.</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

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	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges and recognises the importance and benefits arising from a diversified boardroom and workforce including gender diversity. The Group encourages diversity in the composition of its Board and in employment by ensuring that the Group has an appropriate mix of skills and talent to conduct the business of the Company.</p> <p>The current Board composition consists of 10 Directors, including 3 female Directors, representing 30% of women Directors on 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**

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

**Practice 5.10**

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has adopted a policy of Gender Diversity in supporting the diversity at the Board level and in the best interest of the Company. The Gender Diversity for the Board and senior management are disclosed in the 2025 Annual Report and the Gender Diversity Policy is published on the Company’s website at <a href="http://www.nexq.com.my">www.nexq.com.my</a> .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company Secretaries facilitated the NRC in carrying out the annual evaluation of the effectiveness of the Board, Board Committees and individual Directors based on questionnaires tailor-made for the Company incorporating the following:-</p> <ul style="list-style-type: none"><li>• Board mix and composition;</li><li>• Quality of information and decision making;</li><li>• Boardroom activities;</li><li>• Board's relationship with the management;</li><li>• Performance evaluation on Board Committees;</li><li>• Directors' self-assessment; and</li><li>• Performance of the Board in addressing the Company's material sustainability risks and opportunities.</li></ul> <p>The Company has established the Directors' Fit and Proper Policy to ensure that individuals of high calibre who possess the right character, experience, expertise, integrity, track record and qualifications are appointed on the Board of the Company and its subsidiaries. All candidates to be appointed to the Board of the Company, including those seeking for re-election/re-appointment, shall undergo a review of fit and properness by the Board in accordance with the Directors' Fit and Proper Policy.</p> <p>In May 2025, the NRC reviewed the results of the evaluation exercise and considered the comments given by the Board and Board Committees members and the suggested areas for continuous improvement. The NRC agreed that the Board, Board Committees and each individual Director have performed well and effectively during the year under review. The overall results of the evaluation exercise were satisfactory with the rating ranging from the lowest of 3.56 points to the highest of 4.97 points, on a 5-point rating scale. Based on the NRC's recommendation, the results of the annual evaluation and the areas for continuous improvement were deliberated and adopted by the Board. In May 2025, the</p>

	<p>NRC also reviewed and assessed the terms of office and performance of the AC and its members to determine whether the AC and its members have carried out their duties in accordance with their Terms of Reference. The average rating for the performance of the AC as a whole is 3.93 points whilst the AC members rating was ranging from 4.17 points to 4.83 points. The results of the assessment were tabled to and duly adopted by the Board.</p> <p>The Directors were also given the opportunity to highlight key areas of priority and/or provide recommendation which they believe the Board should focus on as well as the necessary expertise and knowledge required from the Board in supporting and providing leadership and guidance to the management in executing and engaging in relevant activities.</p> <p>The Board will consider to engage an independent expert to facilitate the annual evaluation process of the Board and Board Committees when the need arises.</p>	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Remuneration Framework is designed to increase the motivation level and productivity of the Group's employees and ensures that the salary levels are commensurate to the individual staff performance level. The Remuneration Framework will be reviewed and updated periodically.</p> <p>This framework, under the oversight of the NRC, outlines the basis and principles that guide the determination of remuneration for the Directors and employees of the Group.</p> <p>As to, when necessary, the NRC may engage an external consultant to advise and review the Group's remuneration policy to refine the policy and ensure alignment to strategic objectives.</p> <p>The NRC will consider various factors to ensure that the remuneration is aligned with the Company's objectives and supports the recruitment of the top talent candidates.</p> <p>The Remuneration Framework is published on the Company's website at <a href="http://www.nexq.com.my">www.nexq.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC comprises exclusively of Non-Executive Directors is responsible to review and recommend the remuneration of the Board and senior management for the approval by the Board. The NRC discharges its responsibilities in accordance with its Term of Reference among other duties, to ensures that the remuneration packages are designed to attract, retain and motivate the Directors.</p> <p>In May 2025, the Board approved the NRC's recommendation for the Company to seek the shareholders' approval at the Seventeenth AGM for the Directors' fees payable to the Non-Executive Directors of the Company up to an amount of RM1,500,000 from the day after the Seventeenth AGM until the next AGM of the Company, to be paid monthly in arrears; and the Directors' benefits payable to the Non-Executive Directors of the Company up to an amount of RM300,000 from the day after the Seventeenth AGM until the next AGM of the Company.</p> <p>The authority and the duties and responsibilities of the NRC are set out in its Terms of Reference which is published on the Company's website at <a href="http://www.nexg.com.my">www.nexg.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

**Practice 8.1**

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>	:	<p>The detailed disclosure on named basis for the remuneration breakdown of individual Directors including fees and other benefits received from the Company and the Group for the financial year ended 31 March 2025 are disclosed in the Corporate Governance Overview Statement of the 2025 Annual Report.</p> <p>The detailed disclosure on a named basis for the remuneration of individual Directors is set out in the table below.</p>

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
Datuk Haji Abu Hanifah bin Noordin	Executive Director	-	Input info here	849,866.05	Input info here	1,200.00	Input info here	851,066.05	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	851,066.05
Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman	Executive Director	-	Input info here	17,361.29	Input info here	Input info here	Input info here	17,361.29	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	17,361.29
Datuk Ab. Hamid bin Mohamad Hanipah	Executive Director	-	Input info here	342,806.40	Input info here	2,250.00	Input info here	345,056.40	7,000.00	Input info here	242,991.40	Input info here	3,500.00	Input info here	598,547.80
Puan Hajah Erna bt Ismail	Executive Director	-	Input info here	150,420.30	Input info here	Input info here	Input info here	150,420.30	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	150,420.30
Datuk Puvanesan a/l Subenthiran	Executive Director	3,258.23	Input info here	85,098.15	Input info here	Input info here	Input info here	88,356.38	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	88,356.38
Dato' Ibrahim bin Abdullah	Independent Director	102,300.00	Input info here	Input info here	Input info here	Input info here	Input info here	102,300.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	102,300.00
Datuk Zainal Abidin bin Abu Hassan	Independent Director	18,832.58	Input info here	Input info here	Input info here	Input info here	Input info here	18,832.58	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	18,832.58
Dato' Che Nazli binti Jaapar	Independent Director	10,448.79	Input info here	Input info here	Input info here	Input info here	Input info here	10,448.79	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	10,448.79
Encik Azrul bin Yahaya	Non-Executive Non-Independent Director	81,369.35	Input info here	Input info here	Input info here	Input info here	Input info here	81,369.35	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	81,369.35

[illegible]

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure											
<b>Explanation on application of the practice</b>	:												
<b>Explanation for departure</b>	:	<p>The Company has disclosed the top 8 Key Senior Management's remuneration component in bands of RM50,000 but not on named basis due to confidentiality and sensitivity of each remuneration package and to avoid negative implications such as invasion of privacy of the senior management.</p> <p>The Board will continuously review the requirement and the appropriateness of such disclosure where necessary.</p> <p>The remuneration of the 8 Key Senior Management of the Company for the financial year ended 31 March 2025 in the bands of RM50,000 are as follows:-</p> <table border="1"><thead><tr><th>Range Remuneration per annum</th><th>Number of Senior Management</th></tr></thead><tbody><tr><td>RM50,000 – RM100,000</td><td>1</td></tr><tr><td>RM200,000 – RM250,000</td><td>2</td></tr><tr><td>RM250,000 – RM300,000</td><td>5</td></tr><tr><td><b>Total</b></td><td><b>8</b></td></tr></tbody></table>		Range Remuneration per annum	Number of Senior Management	RM50,000 – RM100,000	1	RM200,000 – RM250,000	2	RM250,000 – RM300,000	5	<b>Total</b>	<b>8</b>
Range Remuneration per annum	Number of Senior Management												
RM50,000 – RM100,000	1												
RM200,000 – RM250,000	2												
RM250,000 – RM300,000	5												
<b>Total</b>	<b>8</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.											
<b>Timeframe</b>	:	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.

<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>	:	<p>The Chairman of the AC and the Chairman of the Board are held by 2 distinct individuals which allows the Board to objectively review the AC's findings and recommendations.</p> <p>The AC is led by Ms Michelle Yong Voon Sze who is an Independent Non-Executive Director whilst the Executive Chairman of the Board is Datuk Haji Abu Hanifah bin Noordin.</p> <p>The Executive Chairman of the Board is not an AC member.</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 9.2**

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>The requirement of a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the AC had been included in the Term of Reference of the AC.</p> <p>At the present, none of the AC members were former key audit partners.</p> <p>The Terms of Reference of the AC is published on the Company's website at <a href="http://www.nexq.com.my">www.nexq.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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 AC has established the External Auditors Assessment Policy to assess the suitability, objectivity and independence of the external auditor. The Board through the AC, maintains an appropriate, formal and transparent relationships with both Internal and External Auditors.</p> <p>The AC conducted an annual assessment of the suitability and independence of the External Auditors, Messrs. Crowe Malaysia PLT in respect of the financial year under review. The AC was satisfied with the performance and independence of the External Auditors as well as the fulfillment of criteria based on several factors, which includes, inter-alia, the quality processes/performance based on international auditing standards or practices, adequacy of the firm's expertise and its resources to carry out the audit work, as set out in the External Auditors Assessment Policy.</p> <p>In February 2025, AC had a private meeting with the External Auditors without the presence of the Executive Board Members and Management to discuss on audit and other related matters of the Group.</p> <p>The External Auditors confirmed their independence on an annual basis through their audit engagement in accordance with their firm's requirements and with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants.</p> <p>Based on the outcome of the annual assessment of External Auditors and the AC's recommendation, the Board is in a position to recommend for the shareholders' approval, the re-appointment of Messrs. Crowe Malaysia PLT as auditors of the Company at the forthcoming Seventeenth AGM.</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**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board regards the members of AC collectively are financially literate and able to understand matters under the purview of the AC which includes the financial reporting process. The AC assists the Board in its oversight over management in the implementation and monitoring of financial reporting, risk management and internal control systems.</p> <p>During the year under review, the AC members had been briefed on matters pertaining to the regulatory/statutory requirements issued by regulatory authorities as part of discussion and self-awareness during the quarterly AC meetings.</p> <p>In addition, to keep abreast of the relevant developments in accounting and auditing standards, the AC is regularly briefed by the External Auditors on key changes in accounting standards, practices and rules.</p> <p>In May 2025, the NRC evaluated the performance of the AC members to determine whether they have carried out their duties in accordance with their TOR.</p> <p>The trainings attended by the AC members during the year under review are set out in the Corporate Governance Overview Statement of the 2025 Annual Report.</p> <p>The qualifications and experience of the AC members are disclosed in the Profile of Directors in the 2025 Annual Report.</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

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by the RMC in overseeing risk management and internal control policies and procedures in order to manage the overall risk exposure of the Group.</p> <p>The Statement on Risk Management and Internal Control set out in the 2025 Annual Report outlines the main features of the Group's risk management and internal control system for the financial year ended 31 March 2025.</p> <p>The Terms of Reference of the RMC is published on the Company's website at <a href="http://www.nexg.com.my">www.nexg.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The key features of the Group's risk management and internal control framework, and the adequacy and effectiveness of the framework are set out in the Statement on Risk Management and Internal Control of the 2025 Annual Report which was reviewed by the External Auditors, AC and the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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 RMC comprises of 3 members, all of whom are Independent Non-Executive Directors. The RMC oversees the Group's risk management framework and policies in compliance with all applicable laws, rules, regulations, directives and guidelines in order to manage the overall risk exposure and threats of the Group.</p> <p>The RMC is supported by the Risk and Governance Unit to conducts independent reviews of identified risks and associated control measures and to provides recommendations to the RMC for mitigating the identified risks.</p> <p>The authority, duties and responsibilities of the RMC as set out in the Terms of Reference is published on the Company's website at <a href="http://www.nexq.com.my">www.nexq.com.my</a>.</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 Company's Internal Audit function is independent from the operations of the respective operating units. The internal audit function is led by a Senior Vice President of Corporate Assurance Department who reports directly and functionally on audit issues to the AC whilst the administrative matters are dealt with by the Executive Directors.</p> <p>The Corporate Assurance Department reviews the adequacy and effectiveness of the system of risk management and internal controls implemented by the Group. The IA provides reasonable assurance to the AC that there is no material deficiency in the internal control of the Group. The result of audits as narrated in the audit reports are deliberated in AC meetings attended by the Senior Vice President of Corporate Assurance Department.</p> <p>During the financial year review, the AC reviewed the works conducted by internal audit, which included the status of audits completed compared to approved audit plan, key findings area and status of audit issue.</p> <p>In May 2025, the AC reviewed the Internal Audit Plan FY2025/2026 as tabled.</p> <p>The detailed activities performed by IA are set out in the AC Report of the 2025 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 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 internal audit work which formed part of the internal audit function is governed by the Internal Auditor Charter.</p> <p>The Corporate Assurance Department is made up of 7 personnel headed by Encik Norirman bin Nordin, the Senior Vice President of Corporate Assurance Department. He is a Certified Internal Auditor accredited by the Global Institute of Internal Auditors, a Certified Integrity Officer, and a professional member of the Institute of Internal Auditors Malaysia. Encik Norirman has over 18 years of experience in corporate governance, risk, compliance and professional experiences across diverse corporate industries.</p> <p>All internal audit personnel are free from any relationship or conflicts of interest that may impact their objectivity and independence.</p> <p>The internal audit function conduct auditing in a manner that meet the requirements of the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board believes a consistent and meaningful communication with the shareholders/stakeholders through various platform will keep the investment community abreast of the Company's strategic progress, financial performance, latest interest and business engagements considered mutually beneficial to all parties.</p> <p>One of the platforms used for communication with the Company's stakeholders is announcements released through Bursa LINK which can be accessed via the Company's website.</p> <p>The Board has put in place the corporate information of the Company and is accessible to the shareholders and investors at the Company's website at <a href="http://www.nexq.com.my">www.nexq.com.my</a>. The Investor Relations section which provides all the relevant information on the Company's shares, financial information, announcements made by the Company to Bursa Malaysia Securities Berhad, latest media news on the Company as well as the Directors' and Key Senior Management profile, Board Charter, Terms of Reference of the Board Committees, Corporate Disclosure Policy and Procedures, Code of Conduct and Ethics for Directors, Whistleblowing System Policy in both Malay and English versions, Shareholders Communication Policy, Gender Diversity Policy, External Auditors Assessment Policy, Anti-Bribery and Anti-Corruption Policy in both Malay and English versions, Corporate Governance Report, Remuneration Framework, Directors' Fit and Proper Policy, Sustainability Policy and Code of Business Ethics for vendors.</p> <p>The Company has continuously leveraged on information technology for broader and effective dissemination of information to the shareholders and investors. The contact details of the Investor Relations can be found at the Company's website.</p> <p>The Company also embraces the social media, apart from the Company's website as crucial communication channel with the shareholders/stakeholders of the Company as these channels allow an immediate and easy access of any information as well as</p>

	providing a supportive platform to receive responses, if any from interested party.	
<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>	:	<p>The notice of Sixteenth Annual General Meeting ("AGM") of the Company was issued on 28 June 2024 for the AGM held on 31 July 2024, giving shareholders more than 28 clear days' notice prior to the AGM date.</p> <p>The Notice of AGM which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper. The notes to the Notice of AGM also provide detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p> <p>For the Seventeenth AGM of the Company to be held in year 2025, the Company will also give at least 28 days' notice to the shareholders prior to the AGM. In view of that, the shareholders will have sufficient time to review the proposed resolutions tabled at the AGM, and to make necessary inquiries where necessary in the decision making process.</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 13.2

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 Company's Sixteenth AGM and Extraordinary General Meetings ("EGM") (were held and conducted as a fully virtual meeting through live streaming from the broadcast venue at the Company's Registered Office on 31 July 2024, 13 December 2024 and 20 February 2025 respectively.</p> <p>At the Sixteenth AGM held on 31 July 2024, all the Board members, including the Chairs of AC, NRC and RMC were present at the broadcast venue together with the senior management to provide meaningful responses to questions, allowing for more comprehensive communication between the Board and shareholders.</p> <p>At the EGM held on 13 December 2024, all the Board members together with the senior management and advisers were present at the broadcast venue. However, at the EGM held on 20 February 2025, all the Board members and senior management were present except for Datuk Ab.Hamid bin Mohamad Hanipah and Datuk Puvanesan a/l Subenthiran who were absent due to prior engagement.</p> <p>The shareholders present at the Sixteenth AGM and EGMs were invited to ask questions regarding the proposed resolutions at the general meetings as well as matters relating to the Group's businesses before putting them to vote by poll.</p> <p>The Company's responses to questions submitted by the Minority Shareholders Watch Group were shared with the shareholders during the AGM and EGMs.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	



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

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

### Practice 13.3

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 Sixteenth AGM and EGMs of the Company were conducted through live streaming and online remote voting via the Remote Participation and Voting facilities, which is in compliance with Section 327 (1) and (2) of the Companies Act, 2016 and Clause 106 of the Company’s Constitution.</p> <p>The Board is committed to ensuring proper and adequate protection of personal data of all its shareholders within its control in compliance with the Personal Data Protection Act, 2010.</p> <p>The Company has undertaken all the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats and risk.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Chairman ensures that general meetings serve as part of the Company's commitment for continuous and meaningful engagement between the Board, senior management and shareholders.</p> <p>During the Sixteenth AGM and EGMs, the Chairman provided sufficient opportunities to shareholders to pose questions relating to the affairs of the Company and the proposals undertaken by the Company during the Questions and Answers session in order to maximise shareholders participation.</p> <p>The shareholders were given the opportunity to submit questions prior to the Sixteenth AGM and EGMs electronically by emailing or pose questions via real time submission of typed text through a text box before the start or during the live streaming. The Executive Chairman and Chief Executive Officer addressed the questions submitted by the shareholders via the RPV facilities and email.</p> <p>The Company's corporate website provides additional channels for stakeholders to provide feedback, raise inquiries, recommendations, complaints and indirectly engage with the Company.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  

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

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

## Practice 13.5

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

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>At the Sixteenth AGM, the Company appointed SS E Solutions Sdn Bhd ("SSESB") as the service provider for the Remote Participation and Voting ("RPV") facilities via the Securities Services e-Portal.</p> <p>At the EGMs, the Company appointed Symphony Corporate Services Sdn Bhd as the service provider for the RPV facilities via its website at <a href="https://www.symphonycorporateservices.com.my">https://www.symphonycorporateservices.com.my</a> (Domain Registration No. D1C534619) ("Symphony Portal").</p> <p>The Chairman highlighted during the general meetings that with the RPV facilities, shareholders may exercise the rights as shareholders of the Company to pose questions to the Board and vote remotely at the meetings.</p> <p>The platform provides the shareholders with the ability to participate in the meeting remotely, cast their votes on all resolutions in a real-time, and engage in two-way communication with the Board and Senior Management team through the posted questions via the RPV.</p> <p>To ensure effective communication with the shareholders at the fully virtual general meetings, questions posed by shareholders were read out by the Chairman and addressed by the Chairman and Executive Directors.</p> <p>At any time outside of the AGM, shareholders may contact the Investor Relations team for any feedback and queries via email at <a href="mailto:group@leesense.com">group@leesense.com</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

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>	:	<p>The Minutes of the Sixteenth AGM and EGMs (including all the questions raised at the AGM and EGMs and the answers thereto) are available on the Company's website at <a href="http://www.nexq.com.my">www.nexq.com.my</a> no later than 30 business days after the AGM and EGMs.</p> <p>The minutes serve as a valuable medium of communication for stakeholders, providing a comprehensive understanding of the matters as discussed and actions taken at the Sixteenth AGM and EGMs.</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>	:	

## **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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