

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7022
COMPANY NAME : Globetronics Technology Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board has ultimate responsibility for setting policy regarding the business and affairs of the Group for the benefit of the shareholders and other stakeholders, and is accountable to shareholders for the performance of the Group. The Board is guided by the Board Charter in discharging its duties and responsibilities including those reserved for Board's approval and those which the Board may delegate to the Board Committees, the Chief Executive Officer ("CEO") and the Management.</p> <p>. The principal responsibilities of the Board include the following:</p> <ul style="list-style-type: none"> • Reviewing and adopting strategic plan for the Group and Company The Board will deliberate and approve any of the management's proposal on strategic plan for the Group. As the non-executive members are not involved in the day-to-day management of the Company's business, it is able to bring out objective judgments and advice, and ensure the management has taken into account all appropriate considerations in establishing any strategic plans for the Group and Company. • Approving the Group's annual budget and capital expenditures and carrying out periodic review of the achievements by the various operating subsidiaries against their respective business targets. • Overseeing of the Group's strategy, corporate governance framework, risk management framework, business operations and financial performance. • Identifying and ensuring that the strategic plan of the Company supports long-term value creation and includes economic, environmental and social considerations underpinning sustainability. • Setting, reviewing and overseeing the implementation of the Group's sustainability strategies, priorities and targets periodically together with management. • Understanding and keeping abreast with the sustainability issues relevant to the Group and their business, including climate-related risks and opportunities. • Understanding the Group's Risk Management Framework and reviewing and monitoring on how the Group manages, monitors and mitigates the risks. • Overseeing the establishment and implementation of the Group's Anti-Corruption and Bribery Policy and Program which guide the acceptable practices and behaviour of Directors, Management and employees

- Succession planning for CEO and Senior Management, including the implementation of appropriate systems for recruiting, training and determining the appropriate compensation benefits.
- Reviewing and assessing potential candidates for Board positions to ensure efficient succession planning and continuity of the vision and mission of the Group.
- Overseeing the implementation of a shareholders' communication policy and investors' relations program for the Group.
- Delegating certain responsibilities to the various Board Committees with clear defined terms of reference to assist the Board in discharging its responsibilities.

During the year, as part of the Group's Anti-Corruption and Bribery Program, the Group has appointed an independent external consultant to conduct an assessment review on the anti-corruption policies and procedures implemented as per the five principles for Adequate Procedures contained in the Ministerial Guidelines on Adequate Procedures to identify gaps for further improvements.

In terms of sustainability on Environment, Social and Governance practices, the focus for the year has been on the social and environmental aspects such as climate change, water management, labour and human rights and employee health and safety. The Group's Sustainability Statement provides a detailed narrative of the Group's sustainable strategies and practices.

The Board meets on a scheduled basis (at least 5 times a year) and has formal schedule of matters reserved for its meetings. Additional meetings may be convened when necessary should major issues arise that need to be resolved between scheduled meetings. Relevant management personnel are invited to Board meetings to report and apprise the Board on operations and other developments within their respective purview.

Where the Board is considering a matter in which a Director has an interest, such Director will abstain from all deliberations and decision making on the subject matter.

The Board recognizes the need for the Directors to spend sufficient time and efforts in carrying out their responsibilities, thus each Director is expected to commit sufficient time in attending meetings for the Board, Board Committees as well as external trainings to enhance their professional skills.

All Directors have completed the Mandatory Accreditation Program prescribed by Bursa Malaysia and for the year 2021, the Directors attended the following conference seminars and training programs:-

Name of Director	Conference/Seminar/Workshop	Presenter/Organiser	Date
Mr. Michael Ng Kweng Chong	Smart Scheduling for Industrial 4.0	Federation of Malaysian Manufacturers ("FMM")	21 January 2021
	Navigating Ways Through Tax Audit & Investigation: Good Practices when Dealing with the Inland Revenue Board	KPMG	29 March 2021
	Sustainable Finance: Making better financial decisions	KPMG	9 April 2021
	AI Webinar Series III 2021	Malaysia Productivity Corporation ("MPC"),	27 May 2021

		<p>Roadmap Towards Industrial Revolution 4.0 Digitalize Your Manufacturing Processes</p> <p>Doubling down on Corporate Governance Watch 2020 and Malaysian Code on Corporate Governance (2021 Update)</p> <p>Updates on Malaysian Code on Corporate Governance</p> <p>MSWG Webinar - Covid Creates Unique Governance Issues</p> <p>Budget 2022 Update</p>	<p>E&E Productivity Nexus ("EEPNN") and Malaysia Semiconductor Industry Association ("MSIA")</p> <p>FMM</p> <p>KPMG</p> <p>In-house</p> <p>Minority Shareholders Watch Group ("MSWG")</p> <p>In-house</p>	<p>30 June 2021</p> <p>4 June 2021</p> <p>27 July 2021</p> <p>21 October 2021</p> <p>16 December 2021</p>
	Dato' Heng Huck Lee	<p>Updates on Malaysian Code on Corporate Governance</p> <p>FMM Industrial Linkage Programme Soft Launch</p> <p>CEO Speaks on Western Digital's Recognition as WEF's Global Lighthouse Network: A Journey towards Intelligent Factory*</p> <p>Budget 2022 Update</p>	<p>In-house</p> <p>FMM</p> <p>Invest Penang</p> <p>In-house</p>	<p>27 July 2021</p> <p>12 August 2021</p> <p>2 November 2021</p> <p>16 December 2021</p>
	Dato' Syed Mohamad Bin Syed Murtaza	<p>Corporate Governance Updates for the Capital Markets</p> <p>Dawn Raid -Since Section 17A MACC Act has Come into Force Don't Be Caught Unprepared</p> <p>Updates on Malaysian Code on Corporate Governance</p> <p>Penang Future Forward Summit 2021</p> <p>Intentional Integrity: How Smart Companies Can Lead an Ethical Revolution</p> <p>Audit Oversight Board Conversation with Audit Committees</p> <p>The Updated Malaysian Code on Corporate Governance</p> <p>Budget 2022 Update</p>	<p>Asia School of Business</p> <p>Asia School of Business</p> <p>In-house</p> <p>KSI Strategic Institute for Asia Pacific</p> <p>Asia School of Business</p> <p>Securities Commission</p> <p>MSWG</p> <p>In-house</p>	<p>17 to 18 June 2021</p> <p>30 June to 1 July 2021</p> <p>27 July 2021</p> <p>25 October 2021</p> <p>28 October 2021</p> <p>29 November 2021</p> <p>8 December 2021</p> <p>16 December 2021</p>
	Mr. Ng Kok Khuan	<p>Company Secretaries Training Essential 1.0 (Part A)</p> <p>Company Secretaries Training Essential 1.0 (Part B)</p> <p>Company Secretaries Training Essential 1.0 (Part C)</p> <p>Updates on Malaysian Code on Corporate Governance</p> <p>Budget 2022 Update</p>	<p>Companies Commission of Malaysia ("CCM")</p> <p>CCM</p> <p>CCM</p> <p>In-house</p> <p>In-house</p>	<p>12 January 2021</p> <p>13 January 2021</p> <p>14 January 2021</p> <p>27 July 2021</p> <p>16 December 2021</p>

	Ms. Lam Voon Kean	KPMG Board Leadership Centre Exclusive (in collaboration with HSBC) "Sustainable Finance: Making better financial decisions"	KPMG	9 April 2021	
		Integrated Reporting IR: The ASEAN Experience	Malaysian Institute of Accountants	19 April 2021	
		Section 17A of the MACC Act 2009	Lee Min On	7 July 2021	
		KPMG Board Leadership Centre Exclusive "The New Reality of Cyber Hygiene"	KPMG	21 July 2021	
		IASB ED/2021/3 Disclosure Requirements in IFRS Standards	Malaysian Accounting Standards Board ("MASB")	26 July 2021	
		Updates on Malaysian Code on Corporate Governance	In-house	27 July 2021	
		Transfer Pricing War Stories	KPMG	18 August 2021	
		"KPMG Board Leadership Centre Exclusive "US Forced Labor Legislation: Impact on Corporate Malaysia"	KPMG	15 September 2021	
		Updated Malaysian Code on Corporate Governance 2021	Lee Min On	29 September 2021	
		The 2022 Budget: Insights from Dr Veerinderjeet Plus a Members Forum	The Malaysian Institute of Certified Public Accountants ("MICPA")	18 November 2021	
		Audit Oversight Board Conversation with Audit Committees	Securities Commission	6 December 2021	
		Power Talk Global Series 2021 - ASEAN Board Trends Survey 2022: What Keeps You Awake at Night?	Institute of Corporate Directors Malaysia ("ICDM")	13 December 2021	
		Power Talk Global Series 2021- Your biggest "S" in ESG: Sustainable Human Capital Management and Workplace Transformation	ICDM	14 December 2021	
		Power Talk Global Series 2021- Demystifying Investors' ESG Expectations, the Do's and Don'ts	ICDM	15 December 2021	
		Budget 2022 Update	In-house	16 December 2021	
		Special Voluntary Disclosure and Amnesty ("VA") for Indirect Taxes	KPMG	22 December 2021	
		Ms Ong Huey Min	Asia Pacific Board Leadership Centre - Board and Audit Committees Priorities 2021	KPMG	7 May 2021
		Tax Audit and Investigation - What's Next After MCO 3.0?	Rosli Dahlan Saravana ("RDS") Partnership	7 June 2021	
		Corporate Fraud - Looking Beyond the Boardroom	RDS Partnership	11 June 2021	
		Compensation for Termination of Contract and the Consequential Tax Treatment	RDS Partnership	23 June 2021	
	Tax Treatment of Financing Expenses: Interest, Guarantee Fee and Other Related Expenses	RDS Partnership	1 July 2021		
	Virtual LHAG Corporate Counsel Conference - Legal Currents: Tech for 2021	Lee Hishammuddin Allen & Gledhill	15 to 16 July 2021		
	National Tax Conference 2021	Chartered Tax Institute of Malaysia("CTIM")	27 to 28 July 2021		

		<p>Setting the ESG Agenda to Achieve Sustainable Long Term Value</p> <p>Transfer Pricing War Stories</p> <p>Property Development: Current Legal and Tax Issues</p> <p>Tax Assessments - Rescuing Taxpayers from A Financial Conundrum</p> <p>MSWG Webinar - Covid Creates Unique Governance Issues</p> <p>KPMG Tax and Business Summit 2021</p> <p>Measurement of Value Creation</p> <p>Audit Oversight Board Conversation with Audit Committees</p> <p>Recapitulation of Significant Tax Cases for 2021</p> <p>Budget 2022 Update</p>	<p>and Lembaga Hasil Dalam Negeri Malaysia ("LHDN")</p> <p>MICPA and Ernst & Young</p> <p>KPMG</p> <p>RDS Partnership</p> <p>RDS Partnership</p> <p>MSWG</p> <p>KPMG</p> <p>MICPA</p> <p>Securities Commission</p> <p>Lee Hishammuddin Allen & Gledhill</p> <p>In-house</p>	<p>29 July 2021</p> <p>18 August 2021</p> <p>2 September 2021</p> <p>24 September 2021</p> <p>21 October 2021</p> <p>17 to 18 November 2021</p> <p>26 November 2021</p> <p>29 November 2021</p> <p>10 December 2021</p> <p>16 December 2021</p>
	Encik Hj. Mohammad Hazani Bin Hj. Hassan	<p>Mandatory Accreditation Program ("MAP")</p> <p>Merger and Acquisition ("M&A") : Getting Them Right Making Them Work</p> <p>Khazanah Megatrends Forum 2021 - The Invention of Tomorrow</p> <p>Webinar: Covid Creates Unique Governance Issues</p> <p>Budget 2022 Update</p>	<p>Asia School Of Business</p> <p>KL Business and Legal Institute</p> <p>Khazanah Nasional</p> <p>MSWG</p> <p>In-house</p>	<p>26 - 28 July 2021</p> <p>18 - 19 August 2021</p> <p>4 - 6 October 2021</p> <p>21 October 2021</p> <p>16 December 2021</p>
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:			

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman provides leadership at Board level and represents the Board to the shareholders and other stakeholders and is responsible for ensuring integrity and effectiveness of the Board and its committees.</p> <p>The Chairman is responsible for leading the Board in discharging its duties effectively, and enhancing the Group's standards of corporate governance to align with corporate governance best practices. He leads the Board in overseeing Management and principally ensures that the Board fulfils its obligations under the Board Charter and as required under the relevant legislations.</p> <p>He promotes an open environment during Board meeting and encourage active participation and allowing dissenting views to be freely expressed.</p> <p>The role and responsibilities of the Chairman are specified in the Board Charter which is available for reference at the Company's website (www.globetronics.com.my).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The position of Chairman is held by Mr Michael Ng Kweng Chong and the position of CEO is held by Dato' Heng Huck Lee.</p> <p>Mr Michael Ng is responsible for conceptualizing corporate strategy, instilling good corporate governance as well as the conduct and effectiveness of the Board. Dato' Heng focuses on development of business, execution of Board's decision and strategic policies and day-to-day management of the Group's operations.</p> <p>The Board supports the practice of separate individuals for the Chairman and CEO positions to ensure the effective functioning of the Board and appropriate balance of power and authority.</p> <p>The responsibilities of Chairman and CEO are stated in the Board Charter which is available for reference at the Company's website (www.globetronics.com.my)</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Chairman of the Board is not a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee. However, he is being invited to the Board Committees meeting to observe the presiding and conduct of the Board Committees meeting. He is deemed as an objective person with vast knowledge and experience and the committees welcome his presence and input as and when they are needed.
	: The Chairman of the Board is only an invitee to the Board Committees and he is there to observe the proceedings of the Committees meeting. The Committees are still functioning independently with the members expressing their views objectively without prejudice. The Chairman of the Board ensures that adequate time are given for thorough deliberations of the Committee's recommendation or observations at the Board level and decisions are taken on a sound and well-informed basis. The final decision/approval still lies with Board which comprise of more than 50% of independent directors. Therefore, we are of the opinion that there is no impairment of objectivity.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Company Secretaries are members of professional bodies and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The brief profile of the Company Secretaries are as follows:</p> <p>Mr. Lee Peng Loon, is an associate member of the Malaysian Association of Company Secretaries (MACS). He started his career with the Malaysian Inland Revenue Board (IRB) as a senior officer for several years before joining one of the "Big Four" international accounting firms in its taxation division. He was later transferred to head its secretarial division as the Executive Director, a position he served for 10 years. With more than 40 years of immense tax, accounting and secretarial experiences, he had assisted and supported countless of companies of diverse industries to ensure achievements of the regulatory compliance.</p> <p>Ms. P'ng Chiew Keem, Riko, is an associate member of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA). She started her career with one of the "Big Four" international accounting firms in Malaysia. She has more than 25 years of experience in handling corporate secretarial and compliance matters to a large portfolio of clients. Over the years, she has also been involved in numerous IPOs, corporate exercises, debt restructuring, accounting and indirect tax consulting.</p> <p>The primary responsibilities of the Company Secretaries are as follows:</p> <ol style="list-style-type: none">i) To properly maintain the secretarial records, preparation of resolutions, submission of announcements and other secretarial functions of the Company;ii) To attend the meetings of the Board and shareholders and to record the minutes of such meetings;iii) To notify the Board on the changes of the listing requirements upon receiving the circulars from Bursa Securities, which are relevant to the Company; andiv) To advise on corporate disclosures and statutory compliances. <p>During FY2021, the Company Secretaries had attended various webinars and professional development programmes to keep themselves abreast with the regulatory changes and other areas of laws, governance and tax.</p>

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

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Management, together with the Company Secretaries and the Chairman of the Board, prepared a tentative calendar of the Board and Board Committee meetings for the whole year to be distributed to all Directors at the beginning of each year. Directors would be able to do their planning in advance to ensure their availability in attending the meetings.</p> <p>All Directors are furnished with a pre-set Agenda to be discussed at least 5 days prior to the meetings. Apart from that, Directors are also simultaneously furnished with detailed board papers that contain relevant qualitative and/or quantitative information to give Directors time to review the reports, obtain further clarification if necessary and enable effective and constructive deliberation at Board meetings.</p> <p>All proceedings of Board Meetings are minuted and signed by the Chairman of the Meeting in accordance with the provision of the Companies Act 2016. Minutes of meetings of each committee are also circulated to the Board Members for review and the Directors may request clarification or raise comments on the minutes wherever necessary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has adopted a Board Charter which sets out the principal functions, composition, roles and responsibilities of the Board and also the functions and responsibilities delegated to the Board Committees as well as to the Management of the Company and its Group.</p> <p>The Board Charter is a source reference and primary induction literature, providing insights to prospective Board members and senior management. The Board Charter would be reviewed periodically and updated to ensure that they are aligned with the Board’s objectives, applicable standards and corporate governance practices.</p> <p>The last review was carried out in July 2021 to incorporate the latest corporate governance best practices and amendments to relevant legal requirements practices. The changes include addressing the implications of the new Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) (“MACC Act”), amendments to Main Market Listing Requirements of Bursa Malaysia and Malaysian Code on Corporate Governance.</p> <p>The Board Charter is available for reference at the Company’s website (www.globetronics.com.my).</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to uphold the highest form of corporate governance, values and integrity in all its business transactions. Therefore, the Board has established and adopted Principles of Business Conduct (“Code”) covering business ethics, workplace safety and employees’ personal conduct for all employees of the Group. The Code sets out the ethical standards and appropriate conduct/behaviour adopted by the Group and is applicable to the Board/Directors and all employees in the Group.</p> <p>The Code, together with other related policies, procedures and guidelines, sets out the principles and standards of business ethics and conduct of the Group and is to be observed by all employees, officers and directors of the Group.</p> <p>The Code covers, amongst others, the following principles and standards:</p> <ul style="list-style-type: none">• compliance with anti-bribery and corruption policies.• prohibition of insider trading and money laundering.• protection of own intellectual property, and prohibition of use of intellectual property rights of others.• commitment to corporate responsibility.• avoidance of conflict of interest.• encouraging workplace diversity.• promotion of safe workplace and prevention of work place accidents and injuries. <p>The Board will review the Code regularly to ensure that it continues to remain relevant and appropriate. The details of the Principles of Business Conduct is available for reference at the Company’s website (www.globetronics.com.my).</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has put in place the Whistleblowing Policy and Procedures as an avenue for employees to report their genuine concerns of any unlawful or unethical situations or any suspected violation of the Principles of Business Conduct. The Board also provides assurance that genuine whistle blower will not be at risk to any form of victimisation, retribution or retaliation.</p> <p>The Whistleblowing Policy was further enhanced and approved on 21 April 2021 based on the review of the existing policies and procedures for anti-corruption and bribery prevention done by external consultant in alignment with Guidelines on Adequate Procedures in view of the amendment of MACC Act. The Whistleblowing Policy and Procedures is subjected to periodic review by the Audit and Risk Management Committee.</p> <p>As per the policy, all whistleblowing cases and findings will be reported to the Audit and Risk Management Committee. During the financial year, there were no whistleblowing cases reported.</p> <p>The details of the Whistleblowing Policy is available for reference at the Company's website (www.globetronics.com.my).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has a governance structure in place whereby the Board is responsible for the strategic sustainability matters within the Group. One of its principle responsibilities is to ensure that the strategic plan of the Company supports long-term value creation and includes on economic, environmental and social considerations underpinning sustainability.</p> <p>The senior management is cognizant of the importance of sustainability and is driving the material sustainability matters. Sustainability is incorporated as one of the strategic agendas discussed during the Annual Strategic Planning Meeting of the Group. Throughout the year, sustainability matters are deliberated in meetings such as Business/Operations Risk Review (“BORRC”) meetings, Environment, Social and Governance (“ESG”) Committee meetings and Environmental, Health and Safety (“EHS”) meetings with participation of senior management.</p> <p>The Corporate Director and/or the Chief Financial Controller who are also providing focus and coordination on the sustainability matters of the Group in supporting the CEO and senior management will report the progress/updates of sustainability matters to the Audit and Risk Management Committee and the Board for their review and to seek their guidance on related issues.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The setting of the Group's sustainability strategies and priorities are done via materiality assessment process and multiple engagements with internal and external stakeholders throughout the year.</p> <p>Sustainability matters are discussed and reviewed in committee meetings where different levels of employees in various departments of the Group are involved. Further to that, employees are encouraged to participate in ESG projects such as 3Rs project, Industrial 4.0 project etc that will enhance their awareness on sustainability matters of the Group.</p> <p>The Group's sustainability strategies, priorities and targets as well as performance against these targets are also communicated via corporate website, annual report, investor presentations and analysts briefings.</p> <p>The detailed sustainability report in relation to stakeholder groups, engagements and targets as well as the performance against these targets are as set out in the Group's Sustainability Report on page 22 to 51 of 2021 Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 has taken steps to stay abreast and understand sustainability issues by attending sustainability related training. This can be seen from the list of training attended by the directors in Practice 1.1 of this CG report. Further to this, the periodic updates of the Group's sustainability matters by senior management in the Board meeting has also enhanced the directors' awareness and knowledge of the sustainability issues relevant to the Group.</p> <p>During the year, the Board has also concurred with the senior management in designating the Corporate Director to manage sustainability in terms of ESG practices by working together with the management team to ensure the integration of sustainability considerations in the Group's operations. This will put more focus in addressing the Group's sustainability risks and opportunities especially in the climate-related risks and opportunities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>For year 2021, the Board evaluation questionnaires had been updated to include questions on sustainability related performance measures and the questionnaires were distributed to the directors in December 2021.</p> <p>Through the evaluation, the Board is of view it had performed its duties in considering sustainability issues during its deliberations on the Group's strategies and business plans. The Senior Management also provided updates on the Group's material sustainability risks and opportunities.</p> <p>For the senior management, element of ESG practices is one of the key performance indicators in their performance review.</p> <p>As sustainability and ESG compliance becomes more mainstream, the Board and senior management concurred that ESG practices will remain one of the areas requiring ongoing focus and dedicated attention for continuous improvement.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Corporate Director, Mr Ng Kok Yu is designated to provide dedicated focus to manage sustainability strategically including the integration of sustainability considerations in the Group's operation.</p> <p>Pursuant to his role in year 2021, he has focus on sustainability-related key performance indicators especially on the environmental and social pillars such as climate change, water security, labour and human rights as well as safety and health.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee continues to discharge its function in ensuring that the Board composition and tenure of each director are reviewed periodically.</p> <p>In this respect, the Board takes into consideration the appropriate mix and diversity of skills, knowledge, experience, age, gender and ethnicity that fit the Company's objectives and long term plan.</p> <p>During the year, there were a few changes to the Board composition of the Group as follows:</p> <ul style="list-style-type: none">(a) Dato' Norhalim bin Yunus retired as a Non-Independent Non-Executive Director on 7 May 2021.(b) Encik Hj. Mohammad Hazani bin Hj. Hassan appointed as an Independent Non-Executive Director on 7 May 2021.(c) Dato' Iskandar Mizal bin Mahmood resigned as an Independent Non-Executive Director on 17 May 2021.(d) Mr Yeow Teck Chai resigned as an Independent Non-Executive Director on 17 May 2021. <p>With the above changes, the Board has a more balance and dynamic composition in terms of age, experience and element of independence.</p> <p>Total three (3) directors are subject to retirement pursuant to the Company's Constitution at the forthcoming 25th AGM to be held in May 2022, namely:</p> <ul style="list-style-type: none">(a) Mr Michael Ng Kweng Chong,(b) Dato' Heng Huck Lee, and(c) Encik Hj. Mohammad Hazani bin Hj. Hassan <p>Mr Michael Ng and Dato' Heng Huck Lee are retiring in accordance with Article 105 of the Company's Constitution while Encik Hj. Mohammad Hazani is retiring in accordance with Article 112 of the Company's Constitution.</p> <p>Mr Michael Ng, being eligible, offers himself for re-election at this coming AGM while Dato' Heng Huck Lee had expressed his intention not to seek for re-election per the announcement to Bursa Malaysia made on 22 February 2022.</p> <p>The Nomination Committee has reviewed the performance of Mr Michael Ng and noted that he has been a positive and valuable contributor to the leadership of the Group as an Executive Chairman and a director. Therefore, the Nomination Committee and Board is of the opinion that he had discharged</p>

	<p>his/her duties effectively and collectively resolved to recommend the re-election of Mr Michael Ng at the forthcoming AGM.</p> <p>Encik Hj. Mohammad Hazani who had been appointed during the year, being eligible, offers himself for re-election in the forthcoming AGM.</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

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently comprises of seven (7) Directors.</p> <p>Paragraph 15.02 of Main Market Listing Requirements of Bursa Malaysia required at least 2 directors or 1/3 of the Board of directors of a listed issuer, whichever is higher, are independent directors.</p> <p>The current Board composition is one (1) Non-Independent Non-Executive Directors, four (4) Independent Non-Executive Directors and two (2) Executive Directors, namely the Executive Chairman and Chief Executive Officer.</p> <p>Therefore, 57% of the Board composition is comprised of Independent Non-Executive Directors which meets the requirement of Main Market Listing Requirements of Bursa Malaysia and also in line with MCCG which calls for at least half of the Board to be comprised of independent directors.</p> <p>In the event of any vacancy in the Board of directors resulting in non-compliance with paragraph 15.02 of Main Market Listing Requirements of Bursa Malaysia, the Company must fill the vacancy within 3 months from the date of the vacancy.</p> <p>This allows for more independent judgement and viewpoints on the various issues for the Board's decision making.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company sought and obtained shareholders' approval at its 24th AGM to retain one of its director, Dato' Syed Mohamad bin Syed Murtaza who have served for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director.</p> <p>The Nomination Committee continue to review and assess the independence of Independent Directors and their tenure of service annually.</p> <p>Two (2) of the Independent Directors, Dato' Iskandar Mizal Bin Mahmood and Mr Yeow Teck Chai had completed their 9th year of service and had retired accordingly during the year.</p> <p>As for Dato' Syed Mohamad bin Syed Murtaza who would be reaching his 11^h year of service as an Independent Non-Executive Director, he would be retiring during this upcoming AGM.</p> <p>Therefore, none of the independent directors has served beyond nine years that would be requiring annual shareholders' approval through a two-tier voting process.</p> <p>The disclosure on independence including the length of service and justifications are disclosed in the Corporate Governance Overview Statement on page 62 of 2021 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of boardroom diversity and the practice of the MCCG pertaining to the establishment of a diversity policy in skills, experiences, knowledge, age, gender, ethnicity and educational background. Therefore, the Board had always been in support of a policy of non-discrimination on the basis of race, religion and gender.</p> <p>The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with the competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company. Directors are made aware of the time commitment expected from each of them in carrying out their roles as Directors and/or Members of Board Committees including attendance at the Board, Board Committees and other meetings. In accordance with the provisions of the Listing Requirements, none of the Directors hold more than five directorships in listed issuers during the financial year ended 31 December 2021. The diversity details of the current Board is disclosed in the Corporate Governance Overview report on page 61 of 2021 Annual Report.</p> <p>The appointment of key senior management was also consistently done with due regard for diversity in skills, experience, age, cultural background and gender. The profile of the key senior management is disclosed on page 11 of 2021 Annual Report.</p> <p>The Board Diversity Policy is available for reference at the Company's website (www.globetronics.com.my)</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In terms of recommending the appointment or election/re-election of Directors, the Nomination Committee takes into consideration the skills, expertise and experience of candidates and measures these characteristics against the prevailing composition of the Board so as to ascertain the overall fit of the Directors within the Board.</p> <p>For the position of Independent Non-Executive Director, besides taking into consideration the candidate's skills, knowledge, expertise, competence and experience, time commitment, character, professionalism and integrity, the Nomination Committee will evaluate the candidate's ability to discharge such responsibilities as expected from an independent non-executive director. To this end, Nomination Committee will identify candidates from local business community based on recommendations from business partners/professionals, independent sources or Board members. Potential candidates must fulfil the requirements prescribed under the relevant laws and regulations for appointment as director. Recruitment matters are discussed by the Committee before the entire Board makes the final decision on new appointment or election/re-election.</p> <p>There was an Independent Non-Executive Director, Encik Hj. Mohammad Hazani who was appointed for the year under review. The Board, through the assessment and recommendation of the Nomination Committee, approved Encik Hj. Mohammad Hazani's appointment and was of the view that his in-depth experience and knowledge in corporate strategy, engineering, high technology, finance and digital transformation would further enhance the Board's strength and contribute positively to the overall effectiveness of the Board. The detailed profile of Encik Hj. Mohammad Hazani is disclosed in the Profile of the Board of Directors on page 10 of 2021 Annual Report.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of directors are published in the Annual Report and on the Company website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interests as well as their shareholdings in the Company, if any.</p> <p>The directors retiring by rotation in accordance with Article 105 of the Company's Constitution at this forthcoming AGM are Mr Michael Ng Kweng Chong and Dato' Heng Huck Lee.</p> <p>Dato' Heng Huck Lee has expressed his intention of not seeking for re-election and an announcement had been made to Bursa Malaysia on 22 February 2022. He will cease to be a Director of the Company on conclusion of the 25th AGM of the Company.</p> <p>Based on Mr Michael Ng's offer for re-election at the 25th AGM, the Board had deliberated and recommended his re-election for shareholders' approval on the basis that Mr Michael Ng's chairmanship and coherent leadership enables a high-performing Board. He is an experienced chairman which engages constructively in the open environment by actively seeking other Directors' views and invite participation during Board deliberation. He encourages dissenting views so that the Board's decisions are balanced and in the best interest of the Company.</p> <p>Encik Hj. Mohammad Hazani bin Hj. Hassan who had been appointed as a director during the year would be retiring in accordance with Article 112 of the Company's Constitution. The recommendation for his re-election is based on the prior assessment of the Nomination Committee and the Board prior to his appointment as director on 7 May 2021. During the selection process, he was assessed based on his attributes in relation to his potential contribution, competency, time commitment and independence.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.8

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

Application :	Applied		
Explanation on application of the practice	The Nomination Committee is chaired by an Independent Non-Executive Director.		
	The movement and composition of the Nomination Committee for year 2021 is as per below:		
	Directors	Designation	Membership
	Dato' Syed Mohamad bin Syed Murtaza	Independent Non-Executive Director	Chairman Redesignated on 27.7.2021
	Ms Lam Voon Kean	Independent Non-Executive Director	Member (Appointed on 27.7.2021)
	Encik Hj. Mohammad Hazani bin Hj. Hassan	Independent Non-Executive Director	Member (Appointed on 27.7.2021)
	Dato' Iskandar Mizal Bin Mahmood	Independent Non-Executive Director	Chairman (Resigned on 17.5.2021)
Mr Yeow Teck Chai	Independent Non-Executive Director	Member (Resigned on 17.5.2021)	
	The Nomination Committee serves as a committee of the Board and it is guided by its Terms of Reference which was last reviewed in July 2021 and can be viewed at the Company's website (www.globetronics.com.my).		
Explanation for departure :			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure :			
Timeframe :			

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	There are currently two female directors on Board and this forms 29% of the Board composition.	
		In order to ensure that the Board incorporates diverse perspectives into its discussions, the Board takes effort to consider reports and feedback received from the management team. Through these efforts, the Board can harness diverse insights and viewpoints, including that from female individuals who forms 29% of the management team. The team is led by Ms Heng Charng Yee who is currently the COO of the Group and would be made a director of the Company on 12 May 2022 and the CEO on 1 July 2022 as per announcement made to Bursa Malaysia on 22 February 2022.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	With Ms Heng Charng Yee's appointment as a director of the Company on 12 May 2022, the Board would comprise of at least 30% women directors.	
Timeframe	:	Within 1 year	

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	:	<p>The Board is cognizant of boardroom gender diversity as propounded by MCGG and fully supports the inclusion of female candidates in the appointment of new director and senior management. Nevertheless, the Board is guided by the principle that appointment of new Board member shall not be based solely on gender but rather on the candidate's skill set, competencies, experience and knowledge as identified by the Nomination Committee to ensure that there is a balanced Board to function effectively.</p> <p>Currently, there is 29% of female directors on the Board and 29% of female managers in the management team as disclosed on page 49 of the Sustainability Statement in 2021 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>During the year an evaluation of the Board’s effectiveness, including the effectiveness of the Audit and Risk Management Committee, Nomination Committee, Remuneration Committee and ESOS Committee was undertaken internally by way of written questionnaire.</p> <p>The relevant evaluation forms were distributed to each respective director to assess the effectiveness of the Board and its committee. Adequate time of at least a month was given to the directors to compile and return the evaluation forms.</p> <p>Based on the evaluation results, the Board is functioning well as a unit and there is synergy amongst its members. The Board Committees assisting the Board are discharging their duties and responsibilities effectively and they have the relevant knowledge and expertise. Going forward, areas that the Board would like to put more focus in are the setting and discussion of the Group’s strategic plans, mitigation measures in response to challenges faced by the Group’s existing operations and the factors impacting the industry as well as focusing on the review of the Group’s sustainability priorities in relation to the Group’s business decision and strategies.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place policy and procedures to determine the remuneration of directors and senior management. The policy was last review in July 2021 and can be viewed at the Company's website (www.globetronics.com.my). The Company's framework on Directors and senior management's remuneration has the underlying objectives of attracting and retaining the Directors and senior management of high caliber needed to run the Group successfully.</p> <p>In the case of the Executive Directors and senior management, the various components of the remuneration are structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the expertise, experience and level of responsibilities undertaken by a particular Non-Executive Director concerned.</p> <p>On an annual basis, external consultant is engaged to provide benchmarking data on the remuneration package for Executive Directors. This information along with other available comparison data would be taken into consideration by the Remuneration Committee to determine the Executive Directors' remuneration which is then provided to the Board for approval.</p> <p>Senior management's remuneration was also tabled for deliberation and approval by the Remuneration Committee.</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

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

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

Practice 7.2

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

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

Application :	Applied																					
Explanation on application of the practice :	<p>The Board has a Remuneration Committee who is responsible for reviewing and recommending matters relating to the remuneration of Board and senior management.</p> <p>The movement and composition of Remuneration Committee for year 2021 is as per below:</p> <table border="1"><thead><tr><th>Directors</th><th>Designation</th><th>Membership</th></tr></thead><tbody><tr><td>Encik Hj. Mohammad Hazani Bin Hj. Hassan</td><td>Independent Non-Executive Director</td><td>Chairman (Appointed as member on 17.5.2021) (Redesignated on 27.7.2021)</td></tr><tr><td>Dato' Syed Mohamad bin Syed Murtaza</td><td>Independent Non-Executive Director</td><td>Member (Appointed on 27.7.2021)</td></tr><tr><td>Ms Ong Huey Min</td><td>Independent Non-Executive Director</td><td>Member (Appointed on 27.7.2021)</td></tr><tr><td>Mr Yeow Teck Chai</td><td>Independent Non-Executive Director</td><td>Chairman (Resigned on 17.5.2021)</td></tr><tr><td>Dato' Iskandar Mizal Bin Mahmood</td><td>Independent Non-Executive Director</td><td>Member (Resigned on 17.5.2021)</td></tr><tr><td>Dato' Norhalim bin Yunus</td><td>Non-Independent Non-Executive Director</td><td>Member (Resigned on 7.5.2021)</td></tr></tbody></table> <p>The Terms of Reference was last reviewed in July 2021 and is available for reference at the Company's website (www.globetronics.com.my).</p>	Directors	Designation	Membership	Encik Hj. Mohammad Hazani Bin Hj. Hassan	Independent Non-Executive Director	Chairman (Appointed as member on 17.5.2021) (Redesignated on 27.7.2021)	Dato' Syed Mohamad bin Syed Murtaza	Independent Non-Executive Director	Member (Appointed on 27.7.2021)	Ms Ong Huey Min	Independent Non-Executive Director	Member (Appointed on 27.7.2021)	Mr Yeow Teck Chai	Independent Non-Executive Director	Chairman (Resigned on 17.5.2021)	Dato' Iskandar Mizal Bin Mahmood	Independent Non-Executive Director	Member (Resigned on 17.5.2021)	Dato' Norhalim bin Yunus	Non-Independent Non-Executive Director	Member (Resigned on 7.5.2021)
Directors	Designation	Membership																				
Encik Hj. Mohammad Hazani Bin Hj. Hassan	Independent Non-Executive Director	Chairman (Appointed as member on 17.5.2021) (Redesignated on 27.7.2021)																				
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Dato' Norhalim bin Yunus	Non-Independent Non-Executive Director	Member (Resigned on 7.5.2021)																				
:																						

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The disclosure on named basis for the remuneration of individual directors for year 2021 is as per the table below.</p> <p>Note: The Executive Chairman's bonus is relatively lower than the CEO's due to the gracious desire of Executive Chairman to give more reward to the senior management from the allocated pool reserved for bonus pay out.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Mr Michael Ng Kweng Chong	Executive Director	-	-	-	-	-	-	-	116	-	1,680	750	24	413	2983
2	Dato' Heng Huck Lee	Executive Director	-	-	-	-	-	-	-	116	-	1,800	2,400	24	714	5,054
3	Dato' Syed Mohamad Bin Syed Murtaza	Independent Director	143	-	-	-	-	-	143	-	-	-	-	-	-	-
4	Ms Lam Voon Kean	Independent Director	140	-	-	-	-	-	140	-	-	-	-	-	-	-
5	Ms Ong Huey Min	Independent Director	137	-	-	-	-	-	137	-	-	-	-	-	-	-
6	Mr Ng Kok Khuan	Non-Executive Non-Independent Director	4	-	-	-	-	-	4	116	-	-	-	-	-	116
7	Encik Hj. Mohammad Hazani Bin Hj. Hassan	Independent Director	82	-	-	-	-	-	82	-	-	-	-	-	-	-
8	Dato' Norhalim Bin Yunus	Non-Executive Non-Independent Director	40	-	-	-	-	-	40	-	-	-	-	-	-	-
9	Dato' Iskandar Mizal Bin Mahmood	Independent Director	47	-	-	-	-	-	47	-	-	-	-	-	-	-
10	Mr Yeow Teck Chai	Independent Director	47	-	-	-	-	-	47	-	-	-	-	-	-	-
11	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-

15	-	Choose an item.	-	-	-	-	--	-	-	-	-	-	-	-	-	-
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Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The top senior management's remuneration for year 2021 is disclosed per the following table.	
		The Board is of opinion that disclosure of senior management's remuneration on name basis is not encouraged as a precautionary measure of confidentiality, security and retainability of the senior management.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Senior Management 1	Input info here	600,001-650,000	0-50,000	250,001-300,000	0-50,000	200,001-250,000	1,100,001-1,150,000
2	Senior Management 2	Input info here	450,001-500,000	0-50,000	250,001-300,000	0-50,000	50,001-100,000	900,001-950,000
3	Senior Management 3	Input info here	300,001-350,000	0-50,000	150,001-200,000	0-50,000	50,001-100,000	600,001-650,000
4	Senior Management 4	Input info here	150,001-200,000	0-50,000	0-50,000	0-50,000	0-50,000	200,001-250,000
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Audit and Risk Management Committee(“ARMC”) is not the Chairman of the Board.</p> <p>The Chairwoman of the ARMC is Ms Lam Voon Kean who took over the chair position from Dato’ Syed Mohamad Bin Syed Murtaza, on 27 July 2021. Both of them are Independent Non-Executive Directors whereas the Chairman of the Board is Mr Michael Ng Kweng Chong, a Non-Independent Executive Director of Globetronics Technology Bhd.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The ARMC has revised its policy during the year to observe the cooling-off period of at least three years before a former audit partner can be appointed as a member of ARMC. So far, none of the existing ARMC members were former audit partners.</p> <p>The cooling period of at least three years is stated in the ARMC Policy which is available for reference at the Company's website (www.globetronics.com.my).</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application :	Applied
Explanation on application of the practice :	<p>The policy and procedure on the assessment of suitability, objectivity and independence of the external auditor is specified in the External Auditors Policy which is available for reference at the Company's website (www.globetronics.com.my). It includes the following:</p> <ul style="list-style-type: none">• the competence, audit quality and resource capacity of the external auditor in relation to the audit;• the nature and extent of the non-audit services rendered and appropriateness of the level of fees; and• obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. <p>In September 2021, the External Auditors, Messrs. KPMG PLT ("KPMG") presented its 2021 Audit Plan which outlined its engagement team, audit timeline, the areas of audit emphasis, and their focus on key audit matters to the ARMC.</p> <p>Upon completion of their audit work, KPMG presented their audit results to ARMC in February 2022. They also provided written assurance that they had been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statements of the Group for the financial year 2021.</p> <p>The above meetings formed part of ARMC's assessment of the suitability, objectivity and independence of KPMG on an annual basis.</p> <p>Overall in year 2021, ARMC was satisfied with the suitability of KPMG based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. ARMC also reviewed the provision of the non-audit services by KPMG to the Company for the financial year 2021 and was satisfied that the provision did not in any way impair their objectivity and independence as external auditors of the Group.</p> <p>Therefore, in February 2022, the Board had approved the ARMC's recommendation for the shareholders' approval to be sought at the 25th AGM on the re-appointment of KPMG as external auditors of the Company for the financial year 2022.</p>

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Adopted
Explanation on adoption of the practice :	The ARMC comprise solely of Independent Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>All members of ARMC are financially literate and have a wide range of knowledge, experience and skills. Two (2) members of ARMC are members of the Malaysian Institute of Accountants (MIA).</p> <p>The Board performed an annual assessment of the Committee's effectiveness in carrying out its duties as set out in the Terms of Reference. The Board is satisfied that the Committee has effectively discharged its duties in accordance with its Terms of Reference. The Board Effectiveness Assessment 2021 further commended that the Committee has the right composition and the members have the relevant skills and expertise.</p> <p>The terms of reference of ARMC is available for reference at the Company's website (www.globetronics.com.my).</p> <p>In order to carry out their duties and responsibilities effectively, all members of ARMC do undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p> <p>For the overall details of ARMC in terms of composition, responsibilities and continuous professional development, please refer to ARMC report on page 52 to page 58 of 2021 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for maintaining a sound system of risk management and internal control which provides reasonable assurance of the adequacy and effectiveness of the Group's operational processes and internal controls system, compliance with laws and regulations as well as with internal procedures and guidelines, to safeguard the shareholders' investment and the Group's assets.</p> <p>A formal risk management framework has been established with the aim of setting guidelines in relation to the risk acceptable to the Group. The framework is also to ensure proper management of the risks in order to achieve the Group's goals and objectives.</p> <p>This includes identifying the principal business risks in critical areas, assessing the likelihood and impact of material exposures and determining its corresponding risk mitigation and treatment measures.</p> <p>The Enterprise Risk Management Policy is available for reference at the Company website (www.globetronics.com.my).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has overall responsibility for the Group's Risk Management Framework and has assigned the ARMC with the assistance of Business/Operations Risk Review Committee and Internal Auditor to be responsible to review the adequacy and effectiveness of the Risk Management Framework.</p> <p>In year 2021, the Group under its review of risk management has identified sixteen (16) key risks in relation to strategic, operational, financial and compliance risks and the Group has evaluated the potential impact of these risks. The Risk Register was updated, and meetings were held to communicate and deliberate the issues or risks and where appropriate, the control systems and action plans were implemented and taken to ensure the continuous risk mitigation and risk management.</p> <p>The overall features of its risk management and internal control framework and the review of the adequacy and effectiveness of this framework is disclosed in the Statement of Risk Management and Internal Control on page 67 to page 71 of 2021 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Internal Audit Manager reports to ARMC and administratively to Chief Financial Officer. She is a qualified person with over 20 years of working experience and have sufficient knowledge and resources to function effectively and independently.</p> <p>The internal audit work done for year 2021 included review of internal controls, review of risk management framework and risk enterprise assessment, review of new and revised policies as well as risk assessment on anti-corruption and bribery prevention, review of related party transactions and review on the progress of ESG targets and priorities.</p> <p>Further details of the internal audit activities are set out in the ARMC Report and in the Statement on Risk Management and Internal Control of 2021 Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit Manager is free from any relationships or conflicts of interest which could impair her objectivity and independence. The Internal Audit Manager, Ms Quah Seok Hong, is an accounting graduate and has over 20 years of working experience. She is a member of Malaysian Institute of Accountants.</p> <p>The Internal Audit Manager is assisted by adequately qualified staff from other departments within the Group on job basis to carry out the internal audit. The internal audit job assisted by the staff are on areas that are non-related to their area of work to ensure that their objectivity and independence are not impaired.</p> <p>The internal audit function is guided by the International Standards for the Professional Practice of Internal Auditing. The Board together with ARMC shall continuously monitor and improve the internal audit function.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company provides timely, regular, relevant and complete information regarding the Group's businesses and corporate developments.</p> <p>The Board's primary contact with all shareholders is via the Chief Financial Officer and Corporate Director, who have regular dialogue with institutional investors and deliver presentations to analysts and fund investors periodically. For the financial year ended 31 December 2021, due to lockdowns and MCOs implemented pursuant to Covid-19 pandemic, there were limited physical meetings held. However, there were more than 50 online meetings via Microsoft Teams, Zoom, Webex and etc with local and regional fund managers and analysts.</p> <p>Material information will in all cases be disseminated broadly and publicly via Bursa Malaysia, and other means. Information such as disclosures made to Bursa Malaysia (including interim and full year financial results, Annual Report and other announcements on relevant transactions undertaken by the Group) and the Group's business activities can be obtained from the Company's website at www.globetronics.com.my. Copies of the full announcement are supplied to the shareholders and members of the public upon request.</p> <p>The Group's website, www.globetronics.com.my also serves as a forum to communicate with shareholders and investors and to provide information on the Group's business activities. Requests for information on the Company can be forwarded to the same website. Announcements made by the Company to Bursa Malaysia are also accessible from www.bursamalaysia.com. At all times, investors and shareholders may contact the Company Secretaries for information on the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company circulates the notice of AGM at least 28 days prior to the AGM date and this is beyond the minimum stipulated period of 21 days requirement under the Companies Act 2016 and the Main Market LR of Bursa Malaysia.</p> <p>Notice of 24th Annual General Meeting(AGM) with details of the AGM to the shareholders including the eligibility of the shareholders, their rights to appoint proxies, administration guide and other relevant information pertaining to the AGM as well as explanatory notes providing detailed explanations (if needed) for the resolutions to be tabled were provided to shareholders on 7 April 2021, at least 28 days prior to the AGM which was held on 6 May 2021. Therefore, shareholders have sufficient time to review the Notice of AGM with the resolutions that are going to be discussed and voted upon during AGM and thus, allowing shareholders to make informed decisions including appointing of proxies to attend the AGM if necessary.</p> <p>The notice for the AGM is also accessible by the shareholders via the Company's website as well as Bursa Malaysia Securities Berhad's website. The said notice is also advertised in one (1) nationally circulated daily newspaper, The Star.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Board attended the 24th AGM. Board Members, Senior Management and the Group’s External Auditors were in attendance to respond to shareholders’ enquiries.</p> <p>The Company’s 24th AGM held on 6 May 2021 was live streamed with remote participation by shareholders. In adherence to the SOPs of Covid-19 in practicing physical distancing at the meeting venue, the two (2) Executive Directors, Chairman of ARMC, CFO and corporate secretaries were present in person at the broadcast venue while the remaining Directors, including the Chairman of Nomination Committee, Remuneration Committee and ESOS Committee attended the meeting remotely.</p> <p>The proceedings of the 24th AGM included presenting the performance of the Group as contained in the Annual Report, addressing all issues raised by the shareholders in relation to the operational and financial performance of the Group and further clarifications of the proposed resolutions, before putting such resolutions to vote.</p> <p>This general meeting provided a channel for shareholders to engage directly with the Board in a meaningful discussion on the specified agenda. The Board encouraged shareholders’ active participation at these meetings.</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

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 Company had conducted its first virtual AGM on 6 May 2021 at the Broadcast Venue by leveraging technology to facilitate for the conducting of Remote Participation and Voting ("RPV") provided by Agmo Digital Solutions Sdn Bhd ("Agmo").</p> <p>Detailed procedures were given to shareholders in the administrative guide together with the notice of AGM on 7 April 2021. The registration for participation in the virtual AGM was opened from 10:30am on 7 April 2021 to 10:30am on 6 May 2021 at https://web.vote2u.app.</p> <p>The new and existing user of the registration will be vetted against the Record of Depositors ("ROD") as at 30 April 2021 to confirm their shareholding. An e-mail notification to confirm the shareholder's registration for RPV to exercise their right to attend, participate and vote at the AGM was sent upon verification against the ROD and the cut-off date and time for proxy form submission.</p> <p>The shareholders participated remotely via live streaming during the 24th AGM. A video clip on the demonstration of the online voting via Vote2U was shared with the shareholders. The voting session had commenced from the start of the meeting at 10.30 a.m. until announcement of the closure of the voting session by the Chairman.</p> <p>The scrutineer, Aegis Communications Sdn Bhd verified and announced the poll results for each resolution, which included votes in favour and against, on all the resolutions that were carried. The poll results were also announced to Bursa Malaysia on the same day for the benefit of all shareholders.</p> <p>The Broadcast Venue is in the Company premise, therefore the internal Information Technology ("IT") team worked together with Agmo to ensure that good cyber hygiene practices were in place. There was also rehearsal to test the technology that will be used to facilitate the meeting and the confirmation that the chairman and key stakeholders were comfortable with it.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>At the commencement of the 24th AGM, the Chairman, Mr Michael Ng welcomed all members, proxies and invited guests to the 1st virtual AGM of the Company. He then delivered his speech on the performance of the Group in year 2021, together with an updated account of our Group's prospects and outlook going forward.</p> <p>The Secretary was invited to brief the shareholders on the proceedings of a virtual AGM and how to pose questions during the meeting including the voting on the resolutions that can be done any time throughout the meeting virtually until the closure of the voting session.</p> <p>To encourage engagement between the Directors and shareholders, shareholders are able to pose question once they were logged into the virtual meeting portal and during the meeting itself. The Group's CEO, Dato' Heng Huck Lee was invited to address the questions posed by the shareholders and proxies before the closure of the meeting. For the questions that the CEO was not able to address during the allocated time, the Chairman informed that the responses to these questions would be made available on the Company's website after the AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	

Timeframe	:		
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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.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>For the 24th AGM, Agmo was engaged to provide the audio-visual support services to broadcast the proceedings virtually. The live streaming was via the website https://web.vote2u.app.</p> <p>The virtual meeting portal – Vote2U online was secured exclusively for shareholders with approved registration for the Remote Participation and Voting (“RPV”) at the 24th AGM. The approved registration is based on the ROD as of 30 April 2021 and upon the cut-off date and time for proxy form submission. Shareholders who were in attendance in the proceedings of the 24th AGM could cast his/her votes at any time during the meeting till the announcement of the closure of voting by the chairman.</p> <p>Shareholders were also provided sufficient time and opportunity to raise questions once they were logged into the virtual meeting portal on the day of the AGM. The questions were responded to by the directors and for the questions which were not addressed during the allocated time, the responses were made available at the Company’s website after the AGM.</p> <p>Agmo was also able to collaborate well with internal IT team on the IT infrastructure to ensure the smooth AGM proceeding where the Broadcast Venue was at the Main Conference Room of the Company.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	

Timeframe	:		
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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 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The 24 th AGM was held on 6 May 2021. The proceedings of the AGM including chairman's address and the responses to the questions raised by the shareholders and proxies before and during the AGM were recorded in the minutes of the AGM. The minutes of AGM was uploaded on the Company's website at www.globetronics.com.my on 10 May 2021 which is within 30 business days after the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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