

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0032
COMPANY NAME : REDtone Digital Berhad
FINANCIAL YEAR : June 30, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of REDtone Digital Berhad ("REDtone" or "the Company") is responsible for the leadership, oversight and long-term success of the Company and its subsidiaries ("the Group"). The Board fully understands their collective responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation in order to safeguard shareholder value.</p> <p>In order to ensure the effective discharge of the Board's function and responsibilities, the Board has in place a Board Charter, and has delegated certain responsibilities to the Board Committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC").</p> <p>The Board is assisted by the Board Committees and Management to regularly review and monitor the Company's performance to ensure conformity with the overall strategy and vision of the Company.</p> <p>To ensure the effective discharge of its function and duties, the principal responsibilities of the Board include the following specific areas:-</p> <ul style="list-style-type: none">• Strategic business plan and direction of the Group• Promote good corporate governance culture within the Group• Investment and divestment proposals• Approval of financial results• Ensuring integrity of financial and non-financial reporting• Risk management• Succession planning of Board and Senior Management• Board appointments, their fees and remuneration• Board committees' appointment• Dividend policy

	<ul style="list-style-type: none"> • Review the adequacy and integrity of the Group’s internal control systems • Implement effective public communications and investor relations policies • Oversee the sustainability risks and opportunities <p>The Board also promotes good corporate governance culture by ensuring critical policies and procedures are in place and updated with the evolving business compliance and requirements. Adequate procedures were in place Group wide during the financial year to prevent and protect against corruption practices.</p> <p>The Board is kept abreast of the overall business activities of the Company through the updates from the Management at the quarterly Board meetings and in between, on an ad-hoc basis whenever deemed necessary. Any unresolved matter at each meeting will be minuted as a matter arising which is to be followed-up and discussed at the next Board meeting.</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 Board is led by YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, the Non-Independent Non-Executive Chairman of the Company. The profile of Her Royal Highness is set out in the Board of Directors' profile in the Company's Annual Report 2023.</p> <p>The Chairman is responsible for representing the Board to shareholders and ensuring the integrity and effectiveness of the governance process of the Board. The Chairman maintains regular dialogue with the Executive Director over all operational matters.</p> <p>In addition, the Chairman also acts as a facilitator at Board meetings to ensure that no Board member, whether executive or non-executive, dominates discussion and healthy discussions take place by fostering free expression of opinions of the Board members, to achieve thorough discussions and optimum decisions.</p> <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in Appendix B of the Board Charter, which is available on REDtone's website at www.redtone.com.</p> <p>The responsibilities of the Chairman include, amongst others;</p> <ul style="list-style-type: none">• Providing leadership to the Board;• Chairing meetings of the Board in such a manner that will stimulate debate on issues before the Board and encourage the most effective contribution from each Board member;• Organising the agenda for Board meetings based on input from other Directors and the Company Secretary;• Acting as liaison between the Board and management;• The point of contact for shareholders and other stakeholders on any queries and concerns regarding REDtone and its group of companies; and• Leading the Board in establishing and monitoring good corporate governance practices in the Group. <p>During the financial year ended 30 June 2023 ("FYE 2023"), the Chairman of the Board has provided effective leadership, strategic direction, and necessary governance to the Group.</p>

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

Intended Outcome

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 roles and responsibilities of the Chairman and Group Chief Executive Officer (“Group CEO”) are separate and clearly segregated. The clear distinction of responsibilities of the Chairman and Group CEO ensures a balance of authority and accountability and to avoid unfettered powers in decision-making.</p> <p>The positions of Chairman and Group CEO are held by 2 different individuals. The Chairman, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail provides overall leadership to the Board, without compromising the principle of collective responsibility for Board’s decisions whereas the Group CEO, Mr. Lau Bik Soon, supported by the Executive Committee and Management team, focuses primarily on the formulation and implementation of business strategies, oversees the implementation of the Board’s decision and policies, as well as supervises the day-to-day management and running of the Group.</p> <p>The Group CEO and the Executive Committee remain accountable to the Board for the authority delegated to them and for the overall performance of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: The Chairman of the Board is YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail. Her Royal Highness is not a member of AC, NC nor RC of the Company, and Her Royal Highness did not participate in discussion nor attended any meetings of Board Committees of the Company for the FYE 2023.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by 2 suitably qualified, experienced and competent Company Secretaries. Both Company Secretaries are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 and registered with the Companies Commission of Malaysia under Section 241 of the Companies Act 2016 and are issued with practising certificate by the Companies Commission of Malaysia.</p> <p>The Company Secretaries are responsible for ensuring that the Board procedures are followed, the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation is in order. The Company Secretaries are also responsible to organise and attend all Board and Board Committees' meetings and ensure the meetings are properly convened while proper records of the deliberations at the Board meetings and resolutions passed are maintained accordingly at the registered office of the Company.</p> <p>All Board members have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.</p> <p>The Company Secretaries' primary responsibilities, which include but not limited to the following: -</p> <ul style="list-style-type: none">(i) manage all Board and Board Committee meeting logistics, attend and record minutes of all Board and Board Committee meetings and facilitate Board communications;(ii) advise the Board on its roles and responsibilities;(iii) assist in Director training and development;(iv) advise the Board on corporate disclosures and compliance with the Company's Constitution as well as the Companies Act 2016, Listing Requirements and Malaysian Code on Corporate Governance;(v) manage processes pertaining to the general meetings;(vi) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and

	<p>(vii) serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</p> <p>The Board is satisfied with the performance of the Company Secretaries in that they have provided sound governance advice, ensured adherence to rules and procedures, as well as advocated the adoption of corporate governance best practices by the Company.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>Prior to the Board and Board Committee meetings, notice enlisting the agendas are prepared and circulated to the Directors at least five (5) days in advance. The Board members also receive their meeting materials for review within a reasonable period prior to each meeting in order for the Directors to have a constructive and effective discussion during the meetings.</p> <p>The Company Secretary attends meetings of Board and Board Committees and ensures all proceedings of the meetings such as the issues raised, deliberations and decisions of the Board and Board Committees, including any dissents and abstentions are properly minuted and documented.</p> <p>The minutes of meetings are circulated to all Directors on a timely manner upon conclusion of the meetings for their review and the confirmed minutes, being the statutory records of the Company are entered into the minutes book accordingly.</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 Charter which has been formalised and adopted by the Board, serves as a primary reference which clearly sets out the roles, responsibilities, authorities and operation of the Board, Board Committees, Chairman, Chief Executive Officer, Executive Directors and Non-Executive Directors. The Board Charter also outlines a schedule of matters reserved for collective decision of the Board, which includes but not limited to, the financial and business matters, Board and directorate issues, public reporting and miscellaneous matters which require the Board's collective decision.</p> <p>The Board Charter also outlines, amongst others, the following items:</p> <ul style="list-style-type: none">(i) Board Responsibilities(ii) Board membership guidelines(iii) Board and member evaluations(iv) Directors' remuneration(v) Board structures and procedures(vi) Relationship of the Board with Management(vii) Relationship between the Board and Shareholders, Institutional Investors, Press, Customers and et cetera. <p>The position description of the Chairman, Chief Executive Officer, Executive Directors, Non-Executive Directors, and Independent Non-Executive Directors, together with the terms of references of the Board Committees are outlined in the Board Charter.</p> <p>The Board Charter is made available on the Company's website at www.redtone.com. The Board will review the Board Charter from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current law and practices. The Board Charter was last reviewed by the Board in August 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

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 mindful of its leadership as a key pivot in creating ethical values and observing ethical conducts within the Group. In ensuring that all Directors set the tone and standards at the top by instilling the culture of sound governance and also in upholding integrity, objectivity, accountability, openness and honesty throughout the Group, the Board is guided by the 'Directors' Code of Best Practice' embedded in the Board Charter.</p> <p>The Company also adopts the 'Code of Conduct' to ensure all employees of the Group maintain and uphold a high standard of ethical and professional conduct in the course of performance of their duties and responsibilities.</p> <p>The Code of Conduct sets out the rules of conduct and include, amongst others:</p> <ul style="list-style-type: none">- Ethical Business Practices- Fair Dealing- Local Legal Requirements- International Legal Requirements- Confidential Information and Other Company Property- Conflicts of Interest- Improper Gifts or Payments- Communications with Third Parties- Securities Law Compliance and Inside Information- Anti-Money Laundering- Company Records and Financial Reporting- Fraud/ Fraudulent Activities <p>Both the Directors' Code of Best Practice and Code of Conduct are available on the Company's website at www.redtone.com.</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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to the highest standards of integrity, transparency and accountability in the conduct of its business and operations and aspires to conduct its affairs in an ethical, responsible and transparent manner. In achieving this, the Board has established and adopted a Whistleblowing Policy which provides an avenue for the employees and members of the public to report any improper conduct or genuine concerns relating to possible improprieties in financial reporting, compliance and other malpractices at the earliest opportunity, in an appropriate manner and without fear of retaliation.</p> <p>The Whistleblowing Policy provides details of the lodgement guidelines and is published on the Company's website at http://www.redtone.com/whistleblower/. The whistle-blower may report directly in writing to a dedicated email address, namely whistleblower@redtone.com or other channels, detailed in the Whistleblowing Policy.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board holds the ultimate accountability for the Group’s operations by ensuring environmental, social and governance (“ESG”) considerations are embedded in the strategic planning, risk management and in the implementation of the Group’s initiatives. The Board’s responsibility in promoting sustainability is also reflected in the Board Charter which is available on REDtone’s website at www.redtone.com.</p> <p>The Group has adopted an ESG Framework which provides guiding principles on how the culture of sustainability should be promoted across the Group. The ESG Framework compliments the Group’s approach to sustainability by expanding on the key focus areas of its sustainability strategy.</p> <p>The intended outcomes of the ESG Framework are as follows: -</p> <ul style="list-style-type: none"> • Ensuring the interests of all stakeholders are taken care of; • Achieving long-term shareholder value and confidence; • Committing to address challenges and opportunities where we conduct our businesses; • Reducing Group’s environmental footprint; • Building quality, safe and inclusive communities; and • Instilling responsible and effective business practices.
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 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 Board reviews and adopts an ESG Framework which outlines the Company’s sustainability strategies, priorities and targets.</p> <p>The ESG Framework is then adopted Company-wide and embedded into the Group’s day-to-day activities and performance indices of the senior managers.</p> <p>Strategies, priorities, targets and performance are reported in the Sustainability Statement of the Annual Report 2023 and also published in the Company’s website at www.redtone.com.</p> <p>The Group’s stakeholder engagement plan is as follows: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Stakeholder Groups</th> <th style="width: 33%;">Areas of Focus</th> <th style="width: 33%;">Methods of Engagement</th> </tr> </thead> <tbody> <tr> <td>Government and regulators</td> <td> <ul style="list-style-type: none"> • Compliance with rules and regulations • Impact from operations • Contributions to industry advancement and nation-building </td> <td> <ul style="list-style-type: none"> • Reports and compliance • Meetings and industry dialogues • Regular communication • Events and seminars </td> </tr> <tr> <td>Customers</td> <td> <ul style="list-style-type: none"> • Data privacy • Results announcement • Transparent processes • Product and service quality and delivery • Customer experience and loyalty </td> <td> <ul style="list-style-type: none"> • Customers satisfaction survey • Customer feedback/complaints channel by emails, phone-in and face to face meeting • Exhibitions, seminars and courses • Face to face technical and commercial meeting • Regular visits • Corporate website </td> </tr> </tbody> </table>	Stakeholder Groups	Areas of Focus	Methods of Engagement	Government and regulators	<ul style="list-style-type: none"> • Compliance with rules and regulations • Impact from operations • Contributions to industry advancement and nation-building 	<ul style="list-style-type: none"> • Reports and compliance • Meetings and industry dialogues • Regular communication • Events and seminars 	Customers	<ul style="list-style-type: none"> • Data privacy • Results announcement • Transparent processes • Product and service quality and delivery • Customer experience and loyalty 	<ul style="list-style-type: none"> • Customers satisfaction survey • Customer feedback/complaints channel by emails, phone-in and face to face meeting • Exhibitions, seminars and courses • Face to face technical and commercial meeting • Regular visits • Corporate website
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			<ul style="list-style-type: none"> •Social media
	Employees	<ul style="list-style-type: none"> •Equal opportunities •Diversity •Better working environment and career development •Employee welfare •Benefits and rewards •Performance, future strategies and any important updates of the Group 	<ul style="list-style-type: none"> •REDtone intranet •Internal Newsletter •Townhall meeting •Recreational activities, events and functions •Employee grievance system •Employee survey •Performance appraisal review •Social media •Internal hiring •Trainings
	Suppliers	<ul style="list-style-type: none"> •Product and service quality •Efficient supply chain management •Opportunities for business collaboration •Business relationship and continuity 	<ul style="list-style-type: none"> •Service delivery feedback •Collaboration, training and events •Meetings and discussions
	Communities and non-governmental organisations	<ul style="list-style-type: none"> •Social and economic development •Local community supports •Long-term engagement 	<ul style="list-style-type: none"> •Community collaboration and consultation •Corporate Social Responsibility activities •Philanthropic activities •Events and roadshows •Charitable contributions •Student internship
	Media	<ul style="list-style-type: none"> •Sustainability matters •Company's performance •Compliance •News releases, updates and projections 	<ul style="list-style-type: none"> •Media releases •Regular updates •Events and roadshows •Interviews
	Investors, analysts and shareholders	<ul style="list-style-type: none"> •Business performance 	<ul style="list-style-type: none"> •Analysts' meetings

		<ul style="list-style-type: none"> •Risk management •Updates and projection 	<ul style="list-style-type: none"> •Annual General Meetings •Regular updates and communication •Corporate website •Briefings and updates
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 continuously ensures it stays abreast with the latest development of the sustainability issues including climate-related risks and opportunities. The Board members have attended training on sustainability related topics and will continue engaging with subject matter experts by attending training in relation to the same. The Board also obtains updates on sustainability related issues from the External Auditors and Company Secretaries in the relevant areas.</p> <p>The Board via the NC was satisfied that the Board composition and its skills matrix is adequate to lead and oversee the sustainability 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	:		

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	During the financial year under review, the Group did not specifically include the ESG criteria in the performance evaluations of the Board and Senior Management.	
		However, subsequent to the current financial year end, the Group has identified its material sustainability risks and opportunities, persons in charge and the relevant departments involved. The ESG risk factors have been included in the Enterprise Risk Management risk register. The sustainability performance and updates are reviewed every quarter during management meetings, attended by heads of departments. The Board’s yearly assessment also includes the evaluation of the performance of the Board in addressing the Group’s material sustainability risks and opportunities.	
<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.

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: The Board is supported by the Sustainability Working Committee (“ SWC ”) on matters concerning management of material sustainability matters. The SWG is headed by the Group CEO and supported by the key management personnel from finance, corporate, marketing, operations, health and safety and human resources department, who work closely to drive the implementation of the Board’s approved ESG Framework. The SWC assists the Board in effective implementation of the sustainability strategies through regular monitoring, reviewing, and improving sustainability practices throughout the Group.

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>In line with the Malaysian Code on Corporate Governance 2021 (“MCCG”), the Board through the NC performs an annual review of the Board’s composition to determine if the Board has the appropriate make up with regard to aspects such as size, diversity, independence and alignment to the Company’s objectives and strategic goals.</p> <p>Based on its annual review, the Board is satisfied that the current Board composition is strongly suited to provide effective oversight and delegation of responsibilities, in alignment with the strategic objectives of the Group.</p> <p>As at the date of this report, the tenure of each non-executive director are as follows:</p> <table border="1"><thead><tr><th>Name of Director</th><th>Tenure (years)</th></tr></thead><tbody><tr><td>YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail</td><td>6</td></tr><tr><td>Mr. Kua Choo Kai</td><td>1</td></tr><tr><td>Dato’ Mohd Zaini Bin Hassan</td><td>11</td></tr><tr><td>Dato’ Avinderjit Singh A/L Harjit Singh</td><td>9</td></tr><tr><td>Ms. Loh Paik Yoong</td><td>8</td></tr><tr><td>Dato’ Sri Badrul Hisham Bin Abdul Aziz</td><td>1</td></tr></tbody></table> <p>The NC, with a clear mandate as specified in its Terms of Reference, assesses and reviews the tenure of each Director and annual re-election of directors standing for re-election at the Annual General Meeting (“AGM”), using the criteria specified in the Companies Act 2016, the Listing Requirements, and also other factors in light of the Directors' disclosure of interests, declarations to the Company such as transactions with the Group and any related party or conflicts of interest situations to ensure the Board is in full compliance and well informed on their fiduciary duties as a Director.</p> <p>The NC is satisfied that the Board consists of high-performing Directors who continue to maintain the highest level of independence and efficiency, forming the foundation for the efficacious governance architecture of the Company. Each Director holds industry and enterprise expertise and as such, is able to contribute greatly to the Board. Notwithstanding their deep expertise and experience, the Board constantly keeps itself updated with information of the market and industry so as to remain abreast of latest</p>	Name of Director	Tenure (years)	YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	6	Mr. Kua Choo Kai	1	Dato’ Mohd Zaini Bin Hassan	11	Dato’ Avinderjit Singh A/L Harjit Singh	9	Ms. Loh Paik Yoong	8	Dato’ Sri Badrul Hisham Bin Abdul Aziz	1
Name of Director	Tenure (years)														
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	6														
Mr. Kua Choo Kai	1														
Dato’ Mohd Zaini Bin Hassan	11														
Dato’ Avinderjit Singh A/L Harjit Singh	9														
Ms. Loh Paik Yoong	8														
Dato’ Sri Badrul Hisham Bin Abdul Aziz	1														

	<p>developments, thus further enhancing their effectiveness as Directors of the Company. In line with its duties as described in the Terms of Reference, the NC shall continue to perform annual assessments of each individual Director and evaluate the need to bring new skills and perspectives to the boardroom, as and when the need arises.</p> <p>Further details on the profiles of the individual Directors are set out in the Company's Annual Report 2023.</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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As at the date of this Report, the Board comprises 7 members, of whom 3 are Independent Non-Executive Directors, 1 is an Executive Director and 3 are Non-Independent Non-Executive Directors. The Board composition complies with Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which stipulates that at least 2 Directors or 1/3 of the Board of the Company, whichever is the higher, are independent Directors.</p> <p>Several of our Directors, although they are Non-Independent Non-Executive, are experienced and their willingness to challenge the Management with questions without apprehension and debate constructively during Board meetings helps to reinforce the check and balance of Board's decision-making process. Hence currently, the lack of majority of independent Directors in terms of delivering 50% of the Board composition does not jeopardise independence of the Board in their deliberations and all decisions are made in the best interest of the Group.</p> <p>Nevertheless, the Board is mindful of the recommendation of Practice 5.2 of the MCG and endeavours its adoption by December 2024.</p>
<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's Board Charter specifies that upon the tenure completion of 9 years with the Board, an independent director may be re-designated and continue to serve on the Board as a non-independent director. In the event the Board intends to retain an independent director beyond 9 years, the Board should justify and seek annual shareholders' approval through a two-tier voting process until the 12th year as described in the Guidance to Practice 5.3 of the MCGG.</p> <p>Dato' Mohd Zaini Bin Hassan was appointed as an Independent Non-Executive Director of the Company on 23 April 2012.</p> <p>The Company had obtained the shareholders' approval at the Twentieth AGM held on 1 December 2022 to retain Dato' Mohd Zaini Bin Hassan who has served the Board as an Independent Non-Executive Director for a cumulative term of more than 9 years to continue in office as an Independent Non-Executive Director.</p> <p>In the spirit of Practice 5.4 of the MCGG, Dato' Mohd Zaini Bin Hassan had indicated his intention to retire as an Independent Non-Executive Director of the Company at the forthcoming Twenty-First AGM, and hence Dato' Mohd Zaini Bin Hassan shall hold office as an Independent Non-Executive Director of the Company until the conclusion of the Twenty-First AGM. The NC and Board will identify a suitable replacement to fill the vacancy arising from the retirement of Dato' Mohd Zaini Bin Hassan.</p> <p>Dato' Avinderjit Singh A/L Harjit Singh was appointed to the Board as an Independent Non-Executive Director on 19 February 2014.</p> <p>At the forthcoming Twenty-First AGM of the Company, the Board proposes to retain Dato' Avinderjit Singh A/L Harjit Singh to continue to serve as an Independent Non-Executive Director of the Company, after having noted the following considerations during the annual review and assessment of his independence:</p>

	<ul style="list-style-type: none"> - He fulfils the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he will be able to function as check and balance, provide a broader view and bring an element of objectivity to the Board; - He was able to consistently demonstrate his independence and professionalism and effectively contribute and add value to the Company through the Board Committee he served as well as the Board; - He had vast experience in a diverse range of businesses and was able to provide constructive opinions and exercise independent judgement in the best interests of the Company, and actively expressed his views and participated in Board deliberations and decision making in an objective manner; - There were significant advantages to be gained from a long-serving Independent Director who has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, and was able to provide invaluable contributions to the Board in his role as an Independent Non-Executive Director. <p>The proposed retention of Dato' Avinderjit Singh A/L Harjit Singh to continue in office as an Independent Non-Executive Director is subject to shareholders' approval being obtained through a two-tier voting process.</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 Company recognises the importance and adopts a meritocracy system which does not discriminate, especially on the grounds of ethnicity, age and gender diversity at the Board and Senior Management level, allowing the breadth of perspectives. Hence, it is imperative that all appointments to the Board and to the Senior Management must be on merits.</p> <p>The current Board reflects a mix of suitably qualified and experienced professionals in the fields of telecommunications, accountancy, taxation, banking, finance, investment, media, corporate finance and property development. The combination of different professions and skills enables effective deliberation among Board members with fresh insights and objective assessment.</p> <p>The Board also embraces age diversity to encourage diversity in perspective and balance the Board's insight, experience and approach in the decision making.</p> <p>The Board, together with the NC, considers the following criteria for the appointment and recruitment process and annual assessment of the Board and the Senior Management:</p> <ol style="list-style-type: none">1. Skills, knowledge, expertise and experience;2. Character and behaviours;3. Competencies, commitment, contribution and performance;4. Potential conflict of interest situations; and5. Diversity. <p>In addition, the following fit and proper criteria were adopted for the appointment and re-election of Directors of the Company as set out in the Directors' Fit and Proper Policy: -</p> <ol style="list-style-type: none">1. Probity;2. Personal integrity;3. Financial integrity;

	<ol style="list-style-type: none"> 4. Reputation; 5. Qualifications, training and skills; 6. Relevant experience and expertise; 7. Relevant past performance or track record; 8. Ability to discharge role having regard to other commitments; and 9. Participation and contribution in the board or track record. <p>During the FYE 2023, Dato’ Sri Badrul Hisham Bin Abdul Aziz had provided his fit and proper declaration and the NC had evaluated and is satisfied that he has met the prescribed fit and proper criteria as set out in the Directors’ Fit and Proper Policy. The NC then recommended his proposed appointment as the Director to the Board and which the Board subsequently approved his appointment to take effect on 1 September 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

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board delegates to the NC the responsibility of recommending and considering the prospective candidates for new appointments to the Board.</p> <p>As there is no “one size fits all” and taking into account the business environment that the Company operates in, the Board authorises the NC the option of using external independent sources, if required, in the recruitment of candidates for directorship above and beyond referrals from board members, management or major shareholders. Evaluation of candidates include the review of resumes, reference checks and interviews based on criteria established in Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The NC will then recommend chosen candidates to the Board for consideration. This practice is specified in the Terms of Reference of the NC.</p> <p>During the FYE 2023, Dato’ Sri Badrul Hisham Bin Abdul Aziz who had provided his fit and proper declaration to the Company was appointed to the Board on 1 September 2023.</p> <p>The NC did not engage professional recruitment firms for the search of candidates for new director appointments during the FYE 2023 as:-</p> <ul style="list-style-type: none">• the Directors, Management and Major Shareholders are more well informed about the Group and thus are able to suggest candidates with the right fit;• the Board members have extensive professional networks and relationships in the industry that can be tapped into for identifying potential director candidates; and• evaluation of the candidates recommended by the Board members, Management and Major Shareholders includes impartial consideration of a good mix of skills, experience, character, competencies and diversity to the Board to enable the Board, as a whole to discharge its responsibilities effectively.

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

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The profile of the Directors including details of any interest, position, relationship, age, gender, working experience and background are set out in the Annual Report 2023.</p> <p>Upon receipt of the fit and proper declarations from the Directors who are due to retire pursuant to the Company's Constitution at the AGM, the Board had through the NC, carried out the assessment on the retiring Directors and agreed that they met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors.</p> <p>The Board then endorsed the recommendation of the NC for the retiring Directors to be considered for re-election at the forthcoming AGM.</p> <p>A statement in regards of the foregoing is disclosed in the Explanatory Notes of the Notice of the 21st AGM enclosed in the Company's Annual Report 2023.</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	:	<p>The NC is chaired by the Independent Non-Executive Director, Mr. Kua Choo Kai.</p> <p>The NC Chairman is responsible for: -</p> <ul style="list-style-type: none">(i) leading the succession planning and appointment of Directors, and overseeing the development of a diverse pipeline for Board and management succession, including the future Chairman, Executive Directors, and Chief Executive Officer; and(ii) leading the annual review of Board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board is independently assessed.
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	:	<p>The current Board comprises 2 female Directors out of 7 Directors, namely, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail and Ms. Loh Paik Yoong, making up 28% female Directors on the Board.</p> <p>The Board acknowledges the importance of boardroom diversity in terms of age, gender and race, and recognises the benefits of this diversity. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain as priority.</p> <p>The current diversity in terms of race/ethnicity, age and gender of the Board is set out below:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Race/Ethnicity</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>No. of directors</td> <td>3</td> <td>3</td> <td>1</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Age Group</th> </tr> <tr> <th>30-40</th> <th>41-50</th> <th>51-60</th> <th>61-70</th> </tr> </thead> <tbody> <tr> <td>No. of Directors</td> <td>2</td> <td>0</td> <td>4</td> <td>1</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Gender</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>No. of Directors</td> <td>5</td> <td>2</td> </tr> </tbody> </table> <p>The Board is comfortable with the current mix of skills, experience and industry-specific knowledge of the respective Directors. The Board will continue to be mindful of the gender diversity guideline when considering future changes to the Board's composition.</p> <p>Bearing that in mind, the Board envisages to adopt the gender diversity policy and have at least 30% women board representation by December 2024.</p>		Race/Ethnicity			Malay	Chinese	Others	No. of directors	3	3	1		Age Group				30-40	41-50	51-60	61-70	No. of Directors	2	0	4	1		Gender		Male	Female	No. of Directors	5	2
	Race/Ethnicity																																		
	Malay	Chinese	Others																																
No. of directors	3	3	1																																
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No. of Directors	2	0	4	1																															
	Gender																																		
	Male	Female																																	
No. of Directors	5	2																																	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board recognises the importance of boardroom diversity and values the benefits that diversity can bring to the Board. Currently, the Company does not have a formalised policy on gender diversity. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain as priority.	
		However, the Board will strive to adopt the gender diversity policy by December 2024.	
<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	: The Board, through the NC, conducts the annual assessment of the effectiveness of the Board and the Board Committees, the contribution of each individual Director and independence of independent Directors based on the following criteria, amongst others:- For Board and Board Committees:- <ul style="list-style-type: none">• composition• board process• adequacy of information and processes• accountability• performance• standard of conduct For individual Director: - <ul style="list-style-type: none">• abilities, competencies and knowledge• integrity and personality• participation at Board and Board Committees' meetings including the contribution to the business strategies and performance of the Group, including sustainability considerations• attendance at meetings• corporate governance• independence For independent Directors:- <ul style="list-style-type: none">• independence criteria in accordance with Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

	<p>Assessment of the Board and Board Committees are performed based on board review or self-assessment whilst assessment of the individual Directors is performed based on a peer review basis. Each Director is provided with the same set of assessment forms for their completion. The results of all assessments and comments by Directors are summarised and deliberated at the NC meeting and thereafter the NC's Chairman will report the results and deliberation to the Board. All assessments and evaluations carried out by the NC are documented.</p> <p>During the financial year under review, the NC, upon conclusion of the annual assessment exercise, was satisfied that the Board and Board Committee composition had fulfilled the required criteria, possess a right blend of knowledge, experience and the appropriate mix of skills. There was mutual respect amongst individual Directors which contributed to a healthy environment for constructive deliberation and robust decision-making process. Independent Directors were assessed to be objective in exercising their judgement.</p> <p>The Board will consider engaging a professional, experienced and independent party to lend greater objectivity to the assessments as and when required.</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 Company has formalised the Remuneration Policy and Procedures for the Directors and senior management. The objectives of the Group's Remuneration Policy are to ensure that formal and transparent remuneration policy and procedures are in place to attract, motivate, retain and reward Directors and senior management of the calibre needed to run the Group successfully.</p> <p>The Board, with the assistance of the RC, recommends a fair and attractive remuneration framework, which includes the remuneration packages and other terms of employment for the Executive Directors. In formulating the framework and levels of remuneration, the RC ensures the remuneration policy remains supportive of the Company's corporate objectives, is aligned with the interests of the shareholders, is able to attract, retain and motivate the Executive Directors and senior management, and is reflective of their experience and level of responsibilities.</p> <p>For Executive Directors and senior management, the remuneration package is structured to link reward to individual and corporate performance.</p> <p>For Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned.</p> <p>The Board as a whole, determines the fees for Non-Executive Directors, with each Director concerned abstaining from any decision with regards to his/her own remuneration. Taking into account the performance of the Group and the responsibilities of the Directors, the Directors' fees are set in accordance with a remuneration framework comprising responsibility fees and attendance fees.</p>

	The Remuneration Policy and Procedures is available on the Company's website at www.redtone.com .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a RC comprising wholly of Non-Executive Directors, with an objective to assist the Board to recommend a formal and transparent procedure and structure in determining the remuneration package for the Board and Senior Management. Each Director concerned shall abstain from any decision with regards to his/her own remuneration.</p> <p>The RC also has written terms of reference which is included in the Board Charter and is available on the Company's website at www.redtone.com. The said terms of reference deals with the RC's duties and responsibilities which include:-</p> <ul style="list-style-type: none">a) ensuring that the remuneration policies and decisions are made through a transparent and independent process;b) ensuring that all the Executive Directors and Senior Management are fairly rewarded for their individual contributions to the Company's overall performance and the remunerations are structured to link rewards to corporate and individual performance;c) ensuring that the compensation and other benefits motivate and encourage Executive Directors and Senior Management to act in ways that enhance the Company's long-term profitability and value;d) recommending to the Board a remuneration framework and the remuneration package for the Executive Directors and Senior Management;e) recommending to the Board the remuneration package for Non-Executive Directors; andf) ensuring recommendations of the RC are submitted for endorsement by the entire Board, covering all aspects of

	remuneration, including but not limited to Directors' fees, salaries, allowances and bonuses.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The disclosure on named basis for the remuneration of the individual Directors for the FYE 2023 and the breakdown of each Director's remuneration including fees, salary, bonus, benefits-in-kind and other emoluments are provided in the table of ensuing page.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	Non-Executive Non-Independent Director	381.0	-	-	-	-	8.6	389.6	381.0	-	-	-	-	8.6	389.6
2	Lau Bik Soon	Executive Director	-	-	-	-	-	-	-	-	95.6	816.0	198.0	-	141.7	1,251.3
3	Kua Choo Kai	Independent Director	79.0	-	-	-	-	14.5	93.5	79.0	-	-	-	-	14.5	93.5
4	Dato' Mohd Zaini Bin Hassan	Independent Director	56.0	-	-	-	-	15.8	71.8	56.0	-	-	-	-	15.8	71.8
5	Dato' Avinderjit Singh A/L Harjit Singh	Independent Director	52.5	-	-	-	-	8.6	61.1	91.8	-	-	-	-	8.6	100.4
6	Loh Paik Yoong	Non-Executive Non-Independent Director	55.0	-	-	-	-	15.8	70.8	55.0	-	-	-	-	15.8	70.8
7	Dato' Sri Badrul Hisham bin Abdul Aziz	Non-Executive Non-Independent Director	50.0	-	-	-	-	7.2	57.2	50.0	-	-	-	-	7.2	57.2
8.	Zakaria bin Abdul Hamid	Non-Executive Non-Independent Director	7.0	-	-	-	-	1.4	8.4	20.0	-	-	-	-	1.4	21.4
9.	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board has considered this practice and is of the opinion that the disclosure of the remuneration of Senior Management on a named basis would not be in the best interest of the Group due to confidentiality and security concerns as well as the competitive conditions for talent in the telecommunications industry.
		REDtone strives to hire the best talents. The Board ensures that the remuneration of Senior Management commensurate with the performance of the Company, with due consideration in attracting, retaining, and motivating Senior Management to lead and run the Company successfully. Excessive remuneration payouts are not made to the Senior Management personnel in any instance.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the AC is Mr. Kua Choo Kai, the Independent Non-Executive Director, while the Chairman of the Board is YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, a Non-Independent Non-Executive Director. This has ensured that the objectivity of the Board's review of the AC's findings and recommendations are not impaired.</p> <p>The AC Chairman, together with other members of the AC, should ensure, amongst others, that:-</p> <ul style="list-style-type: none">(i) the AC is fully informed about significant matters related to the Group's audit and its financial statements and addresses these matters;(ii) the AC appropriately communicates its insights, views, and concerns about relevant transactions and events to Internal and External Auditors;(iii) the AC's concerns on matters that may affect the Group's financial, or audit are communicated to the External Auditors; and(iv) there is coordination between Internal and External Auditors.
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 terms of reference of the AC includes a policy on observation of a cooling-off period of at least 3 years for a former partner of the Company's external audit firm and/or its affiliate firm, prior to their appointment as an AC member.</p> <p>The terms of reference of AC which is included in the Board Charter is available on the Company's website at www.redtone.com.</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 AC annually reviews and assesses the performance, suitability, objectivity and independence of the External Auditors and the level of non-assurance services rendered by the External Auditors which may impair their objectivity and independence as External Auditors of the Company. In May 2023, the AC had reviewed, and the Board had approved the list of permissible non-assurance services by the External Auditors, to mitigate the risk of the independence of the External Auditors, pursuant to the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards).</p> <p>Based on the annual assessment conducted for the FYE 2023, the AC is satisfied with the performance and independence of the External Auditors, Ernst & Young PLT as well as the fulfilment of criteria including independence of the External Auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.</p> <p>The AC also obtains annual assurance of independence from the External Auditors. The External Auditors have implemented a number of firm wide ethics and independence systems to maintain objectivity, to be free from conflicts of interest when discharging their professional responsibilities and monitor compliance with their firm's policies on independence and ethics.</p> <p>The Board, upon the recommendation by the AC, has no objection to the re-appointment of the External Auditors and will accordingly, seek for shareholders' approval at the upcoming Twenty-First AGM of the Company.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

There is 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 :	Not Adopted
Explanation on adoption of the practice :	

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>The AC members collectively possess a wide range of necessary expertise and experience in relevant accounting and related financial management to discharge their duties and provide an effective level of challenge to the Management.</p> <p>Based on the performance assessment undertaken on the AC, the NC and Board are satisfied with the overall performance of the AC members in discharging their responsibilities in accordance with its terms of reference.</p> <p>The AC members attend trainings and talks to keep themselves updated on developments on financial reporting and accounting standards, industry developments and business practices. Updates and developments in new accounting standards and interpretations are presented by the External Auditors at AC meetings.</p> <p>The Board through the AC is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for the financial year then ended. In preparing the financial statements for the FYE 2023, the Directors have ensured that applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad have been applied or complied with, as the case may be.</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

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 acknowledges its overall responsibility for continuous maintenance of a sound risk management framework and effective system of internal control. The Board has the overall responsibility in reviewing and monitoring the Group’s risk management and internal control system which provides reasonable assurance of an effective and efficient operation, compliance with laws and regulations and to safeguard shareholders’ investment and the Group’s assets.</p> <p>The Company has in place, an Enterprise Risk Management (“ERM”) framework to identify and manage the significant risks faced in the Group’s operations. The ERM framework is embedded into the culture, processes and structure of the Group and is subject to review by the Board bi-yearly. The ERM framework provides an ongoing process for identifying, evaluating and managing major risks faced by the Group that may affect the achievement of its business objectives and strategies.</p> <p>The Group’s Risk Management Committee (Management-level) headed by the Group CEO and comprising of key management personnel from the respective divisions, reports to the AC and oversees the implementation of the ERM Programme. The Risk Management Committee, guided by its terms of reference is tasked to report to the AC on key risks identified and the implementation of the action plans to address the risk issues within the risk appetite or tolerance of the Board.</p> <p>The key elements of the internal control systems established by the Board that provides direction, effective governance and oversight of internal controls include:-</p> <ul style="list-style-type: none"> • Board Committees • Organisation structure • Management and Board monitoring and reporting • Policies and procedures • Limits of authority • Planning, monitoring and reporting • Human resources procedures and guidelines

	Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Annual Report 2023.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies 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>Risk management and internal controls are embedded in the culture, processes and structures of the Group. The experience, knowledge and expertise to identify and manage such risks enables the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group's objectives.</p> <p>On an ongoing basis, the Management is responsible to identify, evaluate, manage and report major risks that affects the Group's strategies and business plans. The Group has in place an ERM Programme to assist in the risk identification and management.</p> <p>Within the ERM Programme, Company-wide key risks are identified and maintained in a formal database of risks and controls information i.e., risk registers, which captures the possible root causes, existing key controls and impact. The risks are then categorised by its risk rating, based on its likelihood of occurrence and criticality of impact i.e. Low, Medium, High and Very Significant. Gross Risk defined as the risk level exposure before consideration of the effectiveness of internal controls to mitigate the risk; i.e., the maximum level of risk exposure in the event of inadequacy or failure of internal controls is then identified together with the Nett Risk which is the risk rating after considering the internal controls in place. Based on the Nett Risk identified, Management is able to assess and focus on the key risk areas requiring attention and action plans, where required, to strengthen the current controls. Risk profiles established for both the operations and supporting functions provide Management with a holistic view of the risk considerations in its formulation of strategies and decision-making process.</p> <p>The overarching methodology that girds the Group's ERM Framework accords with the promulgations of ISO31000:2018, an internationally recognised risk management.</p> <p>Key risk areas such as finance, operations, regulatory compliance, cyber security and sustainability are continuously reviewed and updated by the Management-level Risk Management Committee to ensure the</p>

	<p>risks identified are managed within defined parameters and standards. The Company's key risks are reviewed, and its mitigation progress is reported to AC and Board on a bi-yearly basis. The Internal Audit function assists the AC in evaluating the effectiveness of the Company's risk management and internal control system through the implementation of its Internal Audit Plan. The Board has received assurance from the Group Chief Executive Officer and Chief Financial Officer that REDtone's risk management and internal control framework are operating adequately and effectively in all material aspects.</p> <p>The Board has reviewed the overall system of internal control and risk management of the Group and is of the view that the system in place during the financial year, is sound and sufficient to safeguard the Group's assets and the interests of various stakeholders.</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

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 Company maintains an internal control environment which is independent from the Management by outsourcing its internal audit function to an independent professional consulting firm as part of its effort to provide adequate and effective internal control system.</p> <p>In addition, the AC has the following duties and responsibilities to ensure the internal audit function is effective and able to function independently:-</p> <ul style="list-style-type: none">• to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;• to review the internal audit plan, processes, the results of the internal audit review, investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function; and• to approve the appointment of the internal auditor. <p>The Internal Auditors have unrestricted access to all documents and records of the Group deemed necessary in the performance of its function. They independently review the risk identification procedures and control processes implemented by Management.</p> <p>The Internal Auditors report independently and directly to the AC in respect of the internal audit function. The internal audit review is carried out in accordance with the annual internal audit plan as approved by the AC, and all audit findings and areas for improvements arising therefrom are reported to the AC.</p> <p>During the financial year under review, the AC had conducted an annual assessment of the Internal Auditors, Crowe Governance Sdn. Bhd. and is satisfied that Crowe Governance Sdn. Bhd. was able to discharge their duties and functions satisfactorily and delivered the internal audit reports according to the approved internal audit plan.</p> <p>In developing the scope of the internal audit function, the AC was satisfied that -</p>

	<p>(a) the director and manager responsible for the internal audit have relevant experience, sufficient standing and authority to enable them to discharge their functions effectively;</p> <p>(b) internal audit has sufficient resources and is able to access information to enable it to carry out its role effectively; and</p> <p>(c) the personnel assigned to undertake internal audit have the necessary competency, experience and resources to carry out the function effectively.</p> <p>The Internal Auditors have and will continue to keep abreast with developments in the profession, relevant industry and regulations to ensure they are able to perform their roles effectively.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 11.2

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 Company has outsourced its internal audit function to an independent professional consulting firm, Crowe Governance Sdn. Bhd., to assist the AC as well as the Board in discharging their responsibilities by providing independent and objective assurance and advisory services that seek to add value and improve the Group's operations.</p> <p>The Internal Auditors are free from any relationships or conflict of interest or undue influence of others to override professional and business judgement, which could otherwise impair their objectivity and independence. The independence of the Internal Audit function is derived from its direct reporting and unencumbered access to the AC. The Internal Auditors have adequate resources to carry out their audit activities.</p> <p>The outsourced Internal Auditors are headed by its Executive Director, Amos Law, who is a Certified Internal Auditor, a Chartered Member of the Malaysian Institute of Internal Auditors and a holder of the Certification in Risk Management Assurance. Amos Law together with his team, all of whom are qualified and possess the required expertise and experience are able to discharge their internal audit function duties effectively.</p> <p>The internal audits carried out by the Internal Auditors are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.</p> <p>The Internal Auditors report independently and directly to the AC on the Group's internal audit function, which is independent of the Management. The internal audit review is carried out in accordance with the annual Internal Audit Plan as approved by the AC and all audit findings arising therefrom are reported to the AC.</p> <p>During the financial year under review, the Internal Auditors in teams of 3 had conducted 4 cycles of internal audit as stipulated in the</p>

	approved Internal Audit Plan and 2 follow-up audits for past internal audits.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Board, in its best efforts, always keep the shareholders and various stakeholders informed of the Company's business and corporate developments and ensure that the Company's communication with them is informative and timely.</p> <p>The Company maintains a website at www.redtone.com to facilitate access to pertinent information concerning the Group and its operations, by the shareholders, consumers and general public. Announcements, news, promotions and all relevant updates are posted on the Company's website regularly. Shareholders may also communicate with the Company on investor relation matters by posting their enquiries to the Company through the Company's web enquiry form, which is available on its website. The Company will endeavour to reply to these enquiries in the shortest possible time. The Company also maintains a 'Facebook' page, namely, "redtonemalaysia" where corporate events and staff activities are posted as a way to engage with the employees and general public.</p> <p>The Annual Report to shareholders is also one of the main channels of communication between the Company and its shareholders and stakeholders. The Annual Report, which is prepared in accordance with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, communicates comprehensive information of the financial results and activities undertaken by the Group. All information to shareholders is available electronically as soon as it is announced or published.</p> <p>Another key avenue of communication with its shareholders is the Company's AGM, which serves as the principal forum for dialogue with shareholders where they may raise questions or seek clarifications on the Company's business and reports from the Company's Directors.</p> <p>While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-</p>

	sensitive information. Such material and price-sensitive information is not released unless it has been duly announced or made public through proper channels.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	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 Twentieth AGM of the Company was held on 1 December 2022 and the Notice for the Twentieth AGM was issued on 21 October 2022. This fulfills the minimum 28 days' notice period to be given to shareholders prior to the date of the AGM, which is in line with the recommendation of the MCGG, as per the requirement of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Notice for the Company's upcoming Twenty-First AGM to be held on 4 December 2023 is given to the shareholders at least 28 days before the date of holding the Twenty-First AGM, i.e. 23 October 2023. The same practice will apply to future AGMs of the Company.</p> <p>The Notice of AGM also provides detailed explanation for the resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to make informed decisions when exercising their voting rights.</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	:	All Directors were present at the Company's Twentieth AGM which was held through live streaming from the broadcast venue on 1 December 2022. The Board Chairman, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail and Dato' Avinderjit Singh A/L Harjit Singh participated in the Twentieth AGM remotely. The Board Committees' Chairmen, the Group CEO, the Chief Financial Officer and the External Auditors were in attendance to provide feedback in response to the shareholders' queries.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is supportive of any technology that allows shareholders’ participation at general meetings, including AGM.</p> <p>The Company conducted its Twentieth AGM on 1 December 2022 entirely through live streaming from broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan. Shareholders participated in the AGM remotely via the Remote Participation and Electronic Voting Facilities (“RPEV Facilities”) through Berjaya Registration Services e-Portal.</p> <p>The Administrative Notes of AGM including online registration and remote participation and voting were provided to shareholders. In addition, a step-by-step guide on the online voting module was presented prior to the commencement of poll voting.</p> <p>The Company has also undertaken the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.</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 13.4

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>The Chairman of the Company has always been cognisant of the importance in ensuring the AGM supports meaningful engagement between the Board, senior management and shareholders. Shareholders were encouraged to pose their questions to the Board via a real time submission of typed texts through a text box within Berjaya Registration Services e-Portal during the live streaming of the Twentieth AGM. The shareholders were given opportunity to email their questions to the Company prior to the Twentieth AGM as well.</p> <p>In addition, questions posed, or clarifications sought by Minority Shareholders Watch Group (“MSWG”) were properly and comprehensively addressed prior to the AGM. The questions from MSWG and the corresponding responses from the Directors/ Management were presented to the shareholders during the AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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>The Twentieth AGM was successfully conducted by way of live streaming and online remote voting on 1 December 2022 without any disruption. The Board considered the stability and capacity of the meeting platform to be paramount importance and measures were taken to ensure a seamless experience for shareholders and proxies who participated in the Meeting remotely.</p> <p>The Company had engaged Berjaya Registration Services Sdn. Bhd. as the service provider of RPEV Facilities, namely Berjaya Registration Services e-Portal. Berjaya Registration Services Sdn. Bhd. has the required infrastructure and equipment to support a smooth broadcast of the general meeting and interactive participation by shareholders.</p> <p>During the proceedings of the Twentieth AGM, shareholders were encouraged to pose their questions to the Board via a real time submission of typed texts through a text box within Berjaya Registration Services Sdn. Bhd.'s e-Portal during the live streaming of the Twentieth AGM. The shareholders were given opportunity to email their questions to the Company prior to the Twentieth AGM as well.</p> <p>The Board, Board Committees' Chairmen, the Group CEO, the Chief Financial Officer and the External Auditors were in attendance to provide response to the shareholders' queries.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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 minutes of the Twentieth AGM was made available to the shareholders within 30 business days after the Twentieth AGM on its website at www.redtone.com .
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.

N/A
