

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5924
COMPANY NAME : MTD ACPI ENGINEERING BERHAD
FINANCIAL YEAR : March 31, 2020

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 TO 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 MTD ACPI Engineering Berhad ("MTD ACPI" or "the Company") reviewed and approved the strategies and overall business objectives of the Company and its subsidiaries ("Group") and is collectively responsible for overseeing and ensuring that the conduct of businesses of the Group is in compliance with relevant law, policies, standards and procedures applicable ("Requirements") to the Group.</p> <p>The Board carried out the following principal responsibilities and roles.</p> <p>(a) Established strategic business model The strategic business model of the Group is based on our vision, mission and strategies to create sustainable and long-term value for shareholders and other stakeholders. The strategies focused on the core business of the Group in which, the Group has made extensive achievements, our experienced leaders and high performing team having continuously served the Group and built reputation in the industry for the Group's brand and services. Alliances were formed with trustworthy organisations to grasp potential business opportunities, both locally and overseas.</p> <p>(b) Review and approve Strategic Business Plan for the Group The Board reviewed and approved the Strategic Business Plans and Annual Operating Budget of the Group to ensure the management of the Group ("Management") focused on the management towards achieving the common strategic business objectives and plans of the Group, in the short and long-term.</p> <p>(c) Oversee and regularly evaluate the conduct of Group's businesses including, controls mechanism, operational growth and sustainability performance The Board delegated to the Chief Executive Officer ("CEO") and Management Committee to oversee the day-to-day operations and business affairs of the Group as well as, guide, direct and evaluate the businesses, risk management of the Group, and review the achievement of Business Divisions/Units against Strategic Business Plans and budgets approved by the Board.</p>

	<p>In addition, the Board delegated specific power to the Management, through clear and formally defined Delegation of Authority Guide, to ensure efficient and effective operation and performance of different levels of management up to the Board.</p> <p>(d) Implementation of policies and procedures The Board reviewed and approved the key policies and procedures of the Group for implementation in enhancing efficiency and productivity, as well as to ensure compliance with all applicable Requirements.</p> <p>(e) Assess the adequacy and integrity of internal control, risk management and management information systems The Audit Committee assists the Board in its responsibilities through oversight and review of the adequacy of compliance and internal control system while, the Risk Management Committee oversee the risk management of the Group. Nevertheless, the Board is ultimately responsible for the adequacy and integrity of internal control system and risk management of the Group.</p> <p>Detailed information are set out in the Report of the Audit Committee and Statement on Risk Management and Internal Control in the Annual Report 2020.</p> <p>(f) Human capital resources and succession planning Through the Nomination and Remuneration Committee (“NRC”), the Board assured there is periodic and annual review of the effectiveness of the Board and Board Committee as a whole and each individual Director and senior Management staff, and succession planning is in place for continuity of leadership.</p> <p>The NRC oversee the succession planning in place for continuity and viability of Management succession and human capital initiatives undertaken to nurture, cultivate and develop skilled workforce in line with the human capital strategy and efforts being undertaken by the Management to cultivate a harmonious work environment that encourages natural gender-balance and diversity across the Group.</p> <p>The NRC also reviewed and evaluated the remuneration packages of the Executive Directors and senior Management staff, and make recommendation to the Board on the proposed performance based rewards structure and the salary increment for the Group.</p> <p>The purpose is to ensure the remuneration package is competitive and attractive to recruit the right talent and retain employees through equitable rewards to our employees based on the principles of fairness and meritocracy.</p> <p>(g) Release of material information to the market and shareholders The Board ensured timely release of material development and information with regards to the Group, to the market and shareholders via announcements released to Bursa Malaysia Securities Berhad (“Bursa Securities”) and Company’s website.</p>
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	<p>The announcements made were not limited to quarterly reports on consolidated results, revaluation on the non-current assets of the Group and change in corporate information.</p> <p>At the Twenty-Sixth Annual General Meeting (“AGM”) of the Company held on 5 September 2019, MTD ACPI Group’s highlights for financial year 2019 was presented covering the performance of the Company and its Group for the past five (5) financial years including, financial year ended 31 March 2019, key highlights for construction and manufacturing, projects undertaken and completed in financial year ended 31 March 2019, current on-going projects and potential projects being pursued.</p> <p>(h) Promote ethical value and ethical business conduct and responsibility for decision making Regularly reviewed the Code of Ethics to ensure ethical values and ethical business conduct standard and compliance system are relevant and appropriate. The Board established the Code of Ethics for Directors and other policies for the Group, and incorporated work ethics into the work culture in enhancing good corporate governance practices throughout the Group, that extend from the Board, through the Management Committee to the working levels in each of the business units.</p> <p>All Directors, officers and employees of the Group are required to observe, uphold and maintain high standard of integrity in carrying out their responsibilities and roles, and to comply with relevant regulations and laws as well as, the Group’s policies and procedures.</p> <p>Whistle Blowing Policy is established to provide a structured mechanism for employees and other stakeholders, to report any concerns on any suspected or wrongful activities or wrongdoings.</p> <p>(i) Oversee the development of social trends and consider need for protective measures and corporate social responsibility (“CSR”) The Board through the CSR Panel continued to enhance CSR performance within the Group via various initiatives with the stakeholders. The initiatives were to safeguard the well-being of the communities and maintain a high standard of CSR in striving for good business performance while maintaining commitments to employees, local communities in which the Group operate and other stakeholders.</p> <p>The CSR Policy is available through the Corporate Governance section of the Company’s website www.mtdacpi.com.</p>
Explanation for departure	: Not Applicable

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

Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 roles, duties and responsibilities of the Chairman of the Board are set out in the Board Charter which is available through the Corporate Governance section in the Company's website www.mtdacpi.com.</p> <p>The Board appointed Dato' Ir. Kalid bin Alias, Independent Non-Executive Director as Chairman of the Board on 1 May 2018. The key duties and responsibilities undertaken by the Chairman, amongst others, were the following:</p> <ul style="list-style-type: none"> i) Provided leadership to the Board so that the Board can discharge its duties and responsibilities effectively and efficiently; ii) Led the Board in promoting and monitoring good corporate governance practices in the Group; iii) Presided over Board meeting and ensured smooth efficient organisation and conduct of the Board's function and meetings, that no one individual has unfettered power of decision in the Board, the Board made objective decisions and independently of the Management; iv) Set the agenda for the meetings, ensured the Board received accurate and complete information in a timely manner; v) Encouraged active participation in deliberation, decision making and contributed successfully at Board meetings; and vi) Chaired the general meeting of MTD ACPI and ensured the meeting was efficiently conducted, communication with shareholders was effective and dealt with the enquiries of the shareholders together with the other Board members and the CEO. 	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is Dato' Ir. Kalid bin Alias and the CEO is Mr. Tee Kim Siew. The roles and responsibilities of the Chairman and CEO are clearly distinct and separated, to ensure balanced distribution of power and authority between them.</p> <p>The Chairman in his capacity as Independent Director, leads and oversees the functioning of Board to ensure that it acts in the best interests of the Group by focusing on strategies, governance and compliance.</p> <p>The Chairman promotes a culture of openness and actively encourages Directors to voice their opinion and are engaged in the Group's affairs to contribute to the Board's effective functioning.</p> <p>Board meetings were planned and conducted effectively, with the support of the Company Secretaries. The Chairman ensured all Directors were properly briefed on issues arising at Board meetings and were provided with adequate and accurate information in a timely manner.</p> <p>The Board, under the leadership of the Chairman has adopted good corporate governance practices and procedures and taken appropriate steps to provide effective communication with shareholders and other stakeholders.</p> <p>The CEO, lead the Group's management is accountable to the Board for the overall implementation of the Company's strategies and the management of the operations of the Group.</p> <p>The Delegation of Authority Guide of the Company clarifies the scope of responsibility, authority and approval level of the Board, Management Committee, CEO and each level of business/operating unit, to provide necessary check and balance.</p>
Explanation for departure	:	Not Applicable
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 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	:	<ol style="list-style-type: none">1. The Board appointed two (2) Company Secretaries who are qualified under Section 235(2) of the Companies Act 2016. Both Company Secretaries are Associate members of The Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”).2. The Company Secretaries are responsible for providing comprehensive support and appropriate advice, guidance and compliance to the Board on policies and procedures, rules and regulations and relevant laws as well as best practices on governance.3. The Company Secretaries regularly monitored Board's compliances with CG requirements and Directors are continuously advised on their respective status in ensuring compliance with relevant provisions in the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”).4. Prior to the start of the financial year, the Company Secretaries scheduled meetings and activities for the Board and Board Committees at quarterly/regular intervals, as set out in the Terms of Reference to ensure availability of all Directors to attend the relevant meetings and matters requiring attention of the Board were addressed in a timely and logical manner.5. The Company Secretaries arranged and attended meetings to record proceeding of meetings. Ensured the minutes and resolutions of meetings were accurately written to reflect the proceedings thereof.6. The Company Secretaries prepared circular in relation to the renewal and new mandate for recurrent related party transactions of the Group, Corporate Governance Overview Statement and Corporate Governance Report.7. The Company Secretaries monitored the Board's effectiveness via the annual Board and Board Committee's evaluation forms and reported results thereof as well as suggested ways of improvement moving forward.8. The Company Secretaries would ensure every new Director appointed, attend the Mandatory Accreditation Programme under paragraph 15.08 of the MMLR and advised Director of

	<p>programmes for enhancement of knowledge and to meet continuing education as prescribed by MMLR.</p> <p>9. The Company Secretaries also continued monitoring and advising on training opportunities for the Board members and coordinating in-house training program to address training needs of Directors.</p> <p>10. The Company Secretaries constantly keep themselves abreast of the evolving regulatory changes and developments in CG. They have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or MAICSA for practising company secretaries in 2019.</p> <p>11. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its functions.</p> <p>12. The key role and responsibilities of the Company Secretaries are set out in the Board Charter which is available through the Corporate Governance section of the Company's website www.mtdacpi.com.</p>	
<p>Explanation for departure</p>	<p>: Not Applicable</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>: Not Applicable</p>	
<p>Timeframe</p>	<p>: Not Applicable</p>	<p>Not Applicable</p>

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The meeting dates and activities for Board and Board Committees are scheduled at the beginning of the financial year with commitment of Directors, to ensure efficient organisation of the meetings.</p> <p>Notice and agenda of Board/Board Committee meetings, minutes of meetings, meeting materials and Board and its Committee papers are uploaded to "e-Meeting", an electronic meeting management system. Directors are able to access and read the meeting materials in a convenient and timely manners.</p> <p>Agenda, minutes of meetings, matters arising were uploaded at least seven (7) days prior to the respective meeting date while the financial report and internal audit report were uploaded within an average of three (3) days prior to each meeting.</p> <p>Deliberations and decisions at Board and Board Committee meetings were minuted in a clear and accurate manner including any dissenting opinion or abstention from voting or deliberation by any Director in any particular matter, due to conflict of interest.</p> <p>Draft minutes were circulated to the Board members in a timely manner for review and comments.</p> <p>The minutes were confirmed and signed as correct record by the Board and Board Committee at subsequent meeting.</p> <p>The CEO and/or Management staff would present their proposals and clarify any matters raised by the Board members at the meetings. Management staff were invited to Board/Board Committee meetings, if necessary, to provide clarification on any matters arising, so as to enable the Board and/or Board Committee to have clear understanding in making decision.</p> <p>The Board also exercised control on matters that require Board's approval by way of circulation of Directors' Resolutions in writing, which were usually supported by standard format Board Papers providing clear and concise reporting, to seek Board's approval.</p>
	:	Not Applicable

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	: Not Applicable	
Timeframe	: Not Applicable	Not Applicable

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 was revised and approved by the Board in June 2019, to reflect the latest amendments made to the MCCG and the MMLR, and a copy is available through the Corporate Governance section of MTD ACPI website www.mtdacpi.com.</p> <p>The Board Charter is a source of reference for the Directors which outline the legal framework within which the Board could operate including specific and general expectations of the Directors, defining the fiduciary responsibilities and individual roles, responsibilities and authority of the Directors as well as collectively as a Board in the management and control of Group for the benefit of the stakeholders and to safeguard the assets of the Group. It also clarify roles and responsibilities of both the Board, Board Committee and the Management.</p> <p>A copy of the Board Charter is extended to new Directors MTD ACPI for understanding and formally committing to their fiduciary duties and responsibilities, and governance role as a member of the Board in line with the relevant requirements of Companies Act and MMLR, and best practices of MCCG.</p> <p>The key component of the Board Charter include the following:</p> <ol style="list-style-type: none">1. Leadership of the Board in directing and supervising the Group's businesses, strategic decisions and performance;2. Structure and composition of the Board in compliance with requirements of MMLR and best practices of MCCG;3. The roles and responsibilities of Chairman and CEO are clearly defined;4. Relationship between the Board, Chairman, CEO, Senior Independent Director and Board Committee, and how conflict of interest and governance issue are managed;5. A list of matters of the Group reserved for final decision-making or pre-approval by the Board not limited to, approval or monitoring material acquisition and disposals, material contracts, related party

transactions, budget, appointment and reappointment of Directors and financial performance in pursuit of its strategic plan;

6. Communication with Stakeholders - the forum for communication and how the Board manage the communication;
7. Directors' Training and Development prescribed by Bursa Securities, comprising:
 - (a) Mandatory Accreditation Programme to be attended by Directors appointed for the first time to a listed company as prescribed by Bursa Securities; and
 - (b) Continuing education program and disclosure requirements.
8. Policies and procedures established to provide guidance on decisions making and processes within MTD ACPI Group, in line with its commitment to promote accountability, efficiency and transparency;
9. The system of risk management and internal controls framework in place to safeguard shareholders' investments and Group's assets;
10. Processes for conduct of meetings of the Board, Board Committee and members of the Company and disclosure requirements pursuant to MMLR; and
11. Corporate social responsibility ("CSR") role for business sustainability.

The Board is also responsible for reviewing the appropriate corporate governance practices applicable to the Company circumstances, and ensuring processes and procedures are in place to achieve the Company's corporate governance objectives.

The Board organises and completes its work through the effective use of Board Committees:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Risk Management Committee; and
- (d) Management Committee.

Each Board Committee perform different functions and exercise authorities expressly conferred upon its respective Terms of Reference. The Board Committees are accountable to the Board and shall make recommendations to the Board on any proposals which falls under the Board's authority.

The Board has delegated the leadership and day-to-day operation of the Group to the CEO and the Management Committee. The Board would ensure that they are not in any position of conflicts.

	<p>All Directors have timely access to all relevant information of the Company and the advice of the management. Any Director may seek independent professional advice in appropriate circumstances at the Company's expenses upon reasonable request made to the Board.</p> <p>The Terms of Reference of the Board Committees are available through the Corporate Governance section of MTD ACPI's website www.mtdacpi.com.</p>	
Explanation for departure	: Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: Not Applicable	
Timeframe	: Not Applicable	Not Applicable

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 Code of Ethics for Directors of MTD ACPI Group ("Code of Ethics") was established by the Board to set out the standard of ethical business and personal behaviour of Directors required at all times in exercising their duties as Directors of the Group.</p> <p>It is aimed to:</p> <ul style="list-style-type: none">(a) Uphold the Group's commitment to stakeholders by protecting the Group's assets and ensuring their efficient use and for legitimate business purposes only; and(b) Enhance the standard of corporate governance practices and corporate behaviour within the Group based on the principles of transparency, integrity, accountability and corporate social responsibility. <p>The Board adhered to the Code of Ethics, law and regulations during the financial year ended 31 March 2020, in ensuring the activities and operations of the Group did not jeopardise the interest and well-being of society in which the Group operated.</p> <p>The Code of Ethics was updated on 21 June 2019 and is available through the Corporate Governance section of the Company's website www.mtdacpi.com.</p> <p>In addition, a Code of Conduct Policy of MTD ACPI provides ethical guidance to all staff of the Group in the conduct of their business, to ensure a common behavioural framework for all staff, irrespective of their specific job or location, commitment to and adherence to professional standards in their work and in their interactions with other staff.</p> <p>It is a condition of employment with MTD ACPI Group that all staff comply with the Code of Conduct Policy and all applicable laws, regulations and other policies of the Group and failure to comply may result in the commencement of disciplinary proceedings against the staff concerned that may lead to termination of employment.</p>

Explanation for departure	:		Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:		Not Applicable	
Timeframe	:		Not Applicable	Not Applicable

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 whistle blowing.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board established a Whistle Blowing Policy in line with its commitment to promote transparency, effective and honest communication throughout MTD ACPI Group. The Whistle Blowing Policy provide employees and other parties dealing with the Group, an avenue to raise serious concerns about any aspect of the business and operation of the Group, which they might genuinely and in good faith consider to be potentially illegal, improper or unethical rather than overlooking a problem or 'blowing the whistle' outside.</p> <p>The Whistle Blowing Policy also provide structured mechanism and hotline for whistle blower's protection and also protect whistle blower against any adverse employment actions (i.e. dismissal, demotion, suspension, harassment or other forms of discrimination), for raising allegations of business misconduct. Nevertheless, the malicious use of the Whistle Blowing Policy will result in disciplinary action being taken against a whistle blower.</p> <p>All disclosures made under whistle blowing are treated as highly confidential, and are screened, assessed and rated as either extreme, high, medium or personal grievances case, to determine the appropriate action to be undertaken pursuant to operating procedures of Human Capital Division of the Group.</p> <p>The Whistle Blowing Policy is available through the Corporate Governance section of the Company's website www.mtdacpi.com.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

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

Practice 4.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board composition was made up of 60% Independent Directors with three (3) Independent Directors [total five (5) Board members] and complied with:</p> <p>(a) MMLR – at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors; and</p> <p>(b) MCCG – at least half of the Board comprised Independent Directors.</p> <p>The Board through the NRC conducted annual assessment of the independence of Independent Directors and was satisfied that all three (3) Independent Directors fulfilled the independence criteria of the Corporate Governance Guide issued by Bursa Securities.</p> <p>At the Twenty-Sixth AGM, the shareholders approved the retention of two (2) Independent Directors as Independent Directors, who have served a cumulative term exceeding nine (9) years.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

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

Practice 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>At the Twenty-Sixth AGM, shareholders approved the retention of the following Independent Directors as Independent Directors:</p> <p>a) Dato' Ir. Kalid bin Alias, who had served as Independent Director for more than Twelfth (12) years – shareholders' approval was obtained through two (2) tier voting process; and</p> <p>b) Encik Nik Din bin Nik Sulaiman, who had served as Independent Director for more than nine (9) years.</p> <p>The Board through the NRC conducted annual assessment of the independence of Dato' Ir. Kalid bin Alias and Encik Nik Din bin Nik Sulaiman as well as their performance (each Director abstained from deliberation and decision in respect of his own assessment at NRC and Board level).</p> <p>The Board is satisfied with the level of independence demonstrated by both Independent Directors were unbiased and objective. They have respective skills, knowledge, experience, and understanding of the environment in which MTD ACPI Group operates its business, and exercised objective and independent judgement in the best interest of the Company.</p> <p>The Board proposed to seek shareholders' approval at the forthcoming Twenty-Seventh AGM, for retention of the following Independent Directors as Independent Directors:</p> <p>1. Dato' Ir. Kalid bin Alias - served more than fourteen (14) years in September 2020; and</p> <p>2. Encik Nik Din bin Nik Sulaiman - served more than eleven (11) years in September 2020.</p> <p>The resolution for retention of Dato' Ir. Kalid bin Alias as Independent Director would be subject to shareholders' approval through a two-tier voting process.</p>

Explanation for departure	:		Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:		Not Applicable	
Timeframe	:		Not Applicable	Not Applicable

Intended Outcome

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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.

Application	: Applied
Explanation on application of the practice	<p>The NRC shall determine and recommend to the Board, strategies and policies in relation to nomination and remuneration of Directors and Senior Management of the Group, for the purpose of:</p> <ol style="list-style-type: none">1. Attracting and retaining the right talent in the Board and Senior Management to drive the Company's short-term and long-term objectives;2. Strengthening the Board and Senior Management in meeting the Group's present and future needs, as well as ensuring compliance with the Requirements; and3. Identifying, considering and balancing the different skill sets, knowledge, experience, independence and backgrounds, whether it relates to age, expertise, gender, and ethnicity, and other soft attributes required as company directors. This is to bring relevant perspectives to boardroom discussion and decision-making, aimed at enhancing corporate sustainability and growth of the Group;4. The NRC will review and assess the composition of the Board and makes recommendation on the appointment of new directors to the Board. The Board's decision on each appointment will be based on merit and contribution that the selected candidates will bring to the Board;5. Ensuring a balanced composition of Executive, Non-Executive and Independent Non-Executive Directors to promote a strong element of independence in the Board and to ensure good governance. The Independent Non-Executive Directors shall be sufficient calibre and numbers, for their views to carry weight; and6. Retaining Directors based on merit for Board composition, in the context of appropriate balance of skills, experience, knowledge and understanding of the environment in which the Group operates its business and time commitment, in order for the Board to be well balanced and effective; <p>The NRC is responsible for, amongst matters, formalising policies and making recommendations to the Board on nomination, appointment and re-appointment of Directors and Board succession.</p> <p>The NRC is delegated with the role of reviewing and evaluating potential candidates' ability in discharge their duties and</p>

	<p>responsibilities based on the selection criteria, before recommending their appointment as Directors to the Board for approval. Appointments made are based on objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background and gender.</p> <p>NRC is also responsible for recommending to the Board, the appointment, replacement or removal of Senior Management and offer/renewal of new contract of service to retiring Senior Management.</p> <p>The filling of positions of CEO and Head of Business Unit were delegated to the Company's Group Human Capital Division and they will assess and evaluate the potential candidate based on working experience, skills, competencies, integrity, age, gender and commitment. Based on recommendation of Group Human Capital Division, NRC would review and make recommendation to the Board for filling the positions of CEO and Head of Business Unit.</p> <p>The NRC Policy sets out the selection criteria, processes and procedures for governing the nomination of members of the Board and Senior Management, applicable both to new appointments and re-appointments.</p>	
Explanation for departure	: Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: Not Applicable	
Timeframe	: Not Applicable	Not Applicable

Intended Outcome

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

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	Not Applicable
Explanation for departure	:	<p>It is expressed in the Board Diversity Policy ("BD Policy") of MTD ACPI that the Board takes into cognizance of the recommendation to have at least 30% women participation on the Board ("Target"), and the NRC is responsible for taking necessary measures for achievement of the target.</p> <p>The Board composed 30% women directors for the period from April 2017 to April 2018. Following the resignation of a woman Director in May 2018, the ratio of women Directors to Board members was 1 to 5 respectively (20%), which has been status quo since then due to no replacement.</p> <p>The Board took cognizance of this best practice under MCGG's recommendation and will appoint more women representation on the Board to achieve the Target in the event of any further recruitment of Directors.</p> <p>The BD Policy was revised and approved by the Board on 13 July 2020, to set out the diversity of perspectives of the Board required to support the execution of its business strategy, in order for the Board to be effective. The BD Policy is aligned with the Company's objectives, values and principles with approaches in achieving diversity on the Board to enhance quality performance of the Board.</p> <p>The approach to Board diversity include the following initiatives:</p> <ol style="list-style-type: none">1. Identifying, considering and balancing the different skill sets, knowledge, experience, independence and backgrounds, whether it relates to age, expertise, gender, and ethnicity, and other soft attributes required as company directors. This is to bring relevant perspectives to boardroom discussion and decision-making, aimed at enhancing corporate sustainability and growth of the Group;2. The NRC will review and assess the composition of the Board and makes recommendation on the appointment of new Directors to the Board. The Board's decision on each appointment will be based

	<p>on merit and contribution that the selected candidates will bring to the Board;</p> <p>3. Retaining directors are based on merit in the context of a balance of appropriate skills, experience, knowledge and understanding of the environment in which the Group operates its business, in order for the Board effective;</p> <p>4. Providing a safe and healthy environment for the views of the Directors to be heard and their concerns attended to and where bias, discrimination and harassment on any matter are not tolerated; and</p> <p>5. Appointing more women representation on the Board to represent 30% of total Board members, in the event of any further recruitment of Directors.</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>: The Board shall undertake initiatives to appoint more women representation on the Board in the event of any further recruitment of Directors, to meet this recommended best practice in the MCCG.</p>	
<p>Timeframe</p>	<p>: Not Applicable</p>	<p>Not Applicable</p>

Intended Outcome

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

Practice 4.6

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.

Application	:	Departure	
Explanation on application of the practice	:	Not Applicable	
Explanation for departure	:	MTD ACPI did not appoint any Director during the financial year ended 31 March 2020 until the date of release of this Corporate Governance Report. The Board has yet to utilise independent source to identify qualified candidates and had relied on its network and recommendations from existing board members or major shareholders. The NRC Policy allows the Board to engage external executive search firms (if necessary) to assist in finding suitable candidates for appointment of directors.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>Encik Nik Din bin Nik Sulaiman, Senior Independent Non-Executive Director of the Company is the Chairman of the NRC ("NRC Chairman"). He was appointed by the Board, based on following criteria as stated in the Terms of Reference of the NRC ("TOR NRC"):</p> <p>(a) The NRC Chairman shall be the Senior Independent Director or an Independent Director identified by the Board; and</p> <p>(b) The Chairman of the Board shall not be the NRC Chairman.</p> <p>The roles of the NRC Chairman are detailed in the TOR NRC.</p> <p>The TOR NRC is available through the Corporate Governance section of the Company's website www.mtdacpi.com.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	: Applied
Explanation on application of the practice	<p>The Board delegated to the NRC, to conduct annual evaluation on the effectiveness of the Board, its Committees and individual Director ("Evaluation") including, independency of Independent Directors, for the purpose of:</p> <p>(a) Attracting and retaining the right talent in the Board and Senior Management to drive the Company's short term and long-term objectives; and</p> <p>(b) Strengthening the Board and Senior Management in meeting the Group's present and future needs, as well as ensuring compliance with the Requirements.</p> <p>The NRC adopted formal and objective Evaluation pursuant to its Terms of Reference. Each individual member of the NRC or Board abstained from deliberation and decision in relation to his/her own evaluation/matters discussed in relation to the following.</p> <p>(a) <u>Individual Directors</u></p> <p>Evaluation by way of questionnaires through self-assessment by individual Directors, of his/her own performance and contribution to the Board, personal and professional ethics, integrity and values in providing effective governance to the Company.</p> <p>The Evaluation Forms were reviewed and rated by the NRC as a whole, and the overall ratings for each and every Director exceeded the satisfactory rating level.</p> <p>(b) <u>Board/Board Committee</u></p> <p>The criteria in the Board/Board Committee Evaluation forms are in line with the best practices of corporate governance in the Corporate Governance Guide 2nd Edition issued by Bursa Securities ("CG Guide") and subsequent updates issued. The Evaluation utilised board skills matrix which assessed the composition of the Board/Board Committee, knowledge, skills and experience of the members.</p> <p>It involves assessment of the effectiveness of the Board/Board Committee as a whole, and each individual Director/each member of the Board Committee.</p>

Based on the Evaluation conducted by the NRC, the Board was satisfied that:

- The Board structure size and composition were optimum as the Board comprises individuals with the requisite skills, knowledge, experience and competencies to effectively discharge his/her responsibilities and roles; and
- All Directors were well prepared for discussion at the meetings and have broad understanding of the business and operation of the Group, its market place and its performance against competitors.

The NRC recommended to the Board, action plans to address the gaps identified.

(c) Audit Committee Evaluation Questionnaires

The Audit Committee Evaluation Questionnaire is implemented as per Exhibit 5 of the CG Guide. The questionnaires were categorised into three (3) sections to cover Quality and Composition, Skill and Competencies and Meeting Administration and Conduct of the Audit Committee.

The Board through the NRC reviewed the Audit Committee Evaluation Questionnaire submitted by the Audit Committee and were in consensus that the Audit Committee complied with all applicable criteria and accepted the recommended action plan for improvement.

(d) Independent Directors

Prior to appointment as Independent Directors and on an annual basis, individual Independent Directors are required to complete questionnaires in the Independent Directors' Self-Assessment Checklist ("**Checklist**"), which contain criteria set out in the CG Guide.

The Board through the NRC reviewed the completed the Checklist and affirmed all Independent Directors fulfilled the criteria of independence and also fulfilled the requirements of the definition of "independent director" pursuant to MMLR. The Board also observed that the Independent Directors exercised due care, acted with integrity and exercised objectivity during their tenure as Independent Directors. There is no evidence of conflict of interest or undue influence from the interested parties.

(e) Re-election of Directors

The NRC recommended to the Board that Encik Nik Din bin Nik Sulaiman [Article 85] and Puan Nik Faeruz binti Tan Sri Nik Hussain [Article 92], who retired at the Twenty-Sixth AGM and subject to their consent to stand for re-election, be re-elected as Directors of the Company.

The re-election of both Directors were approved by the shareholders at the Twenty-Sixth AGM.

	<p>(f) <u>Directors' training needs</u></p> <p>The NRC assessed the training needs of the Board as a whole and recommended in-house training program to be conducted for the Directors and Senior Management Staff. The selection of topic for Directors' training was extended to corporate managements' topics and need not necessarily be related to Finance.</p> <p>During the financial year ended 31 March 2020, the in-house training entitled "Corporate Liability under the New Section 17A of the MACC Act - What Directors and Top-Level Management Need to Know" was conducted for Directors and Senior Management of the Group.</p> <p>g) <u>Succession Planning</u></p> <p>The NRC reviewed the renewal of employment contract of Senior Management staff, formalised succession planning and human capital development program in place for key critical senior executives' positions within the Group. The NRC noted the potential successors identified and discussed to resolve issues in implementation of succession planning.</p>	
<p>Explanation for departure</p>	<p>: Not Applicable</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>: Not Applicable</p>	
<p>Timeframe</p>	<p>: Not Applicable</p>	<p>Not Applicable</p>

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 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Policies ("NR Policies") and Terms of Reference of NRC ("TOR NRC") were adopted by the Board on 28 May 2018.</p> <p>The NRC shall determine and recommend to the Board, strategies and policies in relation to remuneration of Directors and Senior Management of the Group.</p> <ol style="list-style-type: none">1. The NR Policies provide formalised approach in considering and determining remuneration matters concerning the Directors and Senior Management Staff for the purpose of assuring recruitment and their retention within the Group while, the roles, responsibilities and authorities of the NRC in relation to remuneration matters are defined in the TOR NRC.2. The NRC have appropriate authority to discharge its duties and responsibilities as detailed in the TOR NRC without seeking approval of the Board. However, the NRC is accountable to the Board and shall make recommendations to the Board on any matter which falls under the Board's authority, as deemed fit.3. The determination of the remuneration packages for Non-Executive Directors is a matter to be decided by the Board as a whole and benchmarked against market practices of comparable public listed corporations to be competitive and attractive to motivate and retain Non-Executive Directors. The remuneration packages i.e. Directors' fees and allowances payable to the Directors are subject to the approval of the shareholders at the AGM.4. The remuneration strategy for Executive Directors and Senior Management is linked to the overall business strategies of the Company and based on pay for performance culture.5. The remuneration framework is reviewed by the NRC annually, to ensure internal equity as well as, alignment with industry and market practice.

	<p>6. The NRC reviewed disclosure of remuneration of Directors and Senior Management, and relevant information pursuant to MMLR.</p> <p>7. The NR Policies and TOR NRC are reviewed annually by the NRC or as and when necessary in accordance with the needs of the Company and upon any new regulation is implemented.</p> <p>The TOR NRC was revised and approved by the Board on 15 July 2020 respectively and a copy each is available through the Corporate Governance section of the Company's website www.mtdacpi.com.</p>	
Explanation for departure	: Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: Not Applicable	
Timeframe	: Not Applicable	Not Applicable

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 6.2

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 through the NRC reviewed the remuneration packages payable to Directors and remuneration strategy for Executive Directors and Senior Management pursuant to the NR Policies and TOR NRC.</p> <p>The key remuneration activities undertaken by the NRC for recommendation to the Board, amongst others, were the following:</p> <ol style="list-style-type: none">1. Annual assessment of the performance of Directors, Board and Board Committee including independence of Independent Directors;2. Reviewed and recommended to the Board the following proposals tabled at the Twenty-Sixth AGM:<ul style="list-style-type: none">▪ Payment of Directors' fees and allowance of up to an aggregate amount of RM303,000 for the period from 5 September 2019 until the next AGM of the Company to be held in 2020, to be made payable on a monthly basis and as when incurred; and▪ Additional Directors' allowance (excluding Directors' fees) of RM9,000 payable for the period from 6 September 2018 to 4 September 2019, being three (3) meetings allowance to be paid to the members of Risk Management Committee which was established on 28 August 2018.3. Reviewed and recommended to the Board the disclosure on name basis, the remuneration of Senior Management of the Company in bands of RM50,000.4. Reviewed the NR Policies and TOR NRC, and proposed to the Board, amendments to the NR Policies and TOR NRC to be line with the MCCG and MMLR.5. Reviewed and recommended to the Board the re-election/retention of Directors who retired at the Twenty-Sixth AGM in accordance with the Constitution of the Company.6. Reviewed the revised Board Diversity Policy; and

	<p>7. Reviewed and recommended to the Board, offer/renewal of contract of service of Management staff.</p> <p>None of the Directors participated in any way in determining their own remuneration package.</p> <p>The NR Policies and TOR NRC are available through the Corporate Governance section of the Company's website www.mtdacpi.com.</p>	
Explanation for departure	: Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: Not Applicable	
Timeframe	: Not Applicable	Not Applicable

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 7.1

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

Application	:	Applied																																						
Explanation on application of the practice	:	<p>The disclosure of individual Director's remuneration for financial year ended 31 March 2019, on a named basis has been made in the Annual Report 2019, under Corporate Governance Overview Statement.</p> <p>The Directors' fees and allowance paid in the financial year ended 31 March 2020, as set out below are disclosed in the Annual Report 2020 under Corporate Governance Overview Statement.</p> <table border="1"> <thead> <tr> <th></th> <th>Directors' Fee (RM)</th> <th>Directors' Allowance (RM)</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td>Non-Executive Director</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Dato' Ir. Kalid bin Alias</td> <td>48,000</td> <td>11,000</td> <td>59,000</td> </tr> <tr> <td>Nik Din bin Nik Sulaiman</td> <td>42,000</td> <td>17,000</td> <td>59,000</td> </tr> <tr> <td>Dato' Ir. Wan Razali bin Wan Muda</td> <td>36,000</td> <td>4,000</td> <td>40,000</td> </tr> <tr> <td>Nik Faeruz binti Tan Sri Nik Hussain</td> <td>36,000</td> <td>7,000</td> <td>43,000</td> </tr> <tr> <td>Executive Director</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Keith George Cowling*</td> <td>36,000</td> <td>24,000</td> <td>60,000</td> </tr> <tr> <td>Total</td> <td>198,000</td> <td>63,000</td> <td>261,000</td> </tr> </tbody> </table> <p>Notes: * Save as disclosed above, Keith George Cowling did not receive salary and benefits from MTD ACPI as he was remunerated under MTD Capital Bhd. MTD Capital Bhd is the holding company of MTD ACPI.</p>				Directors' Fee (RM)	Directors' Allowance (RM)	Total (RM)	Non-Executive Director				Dato' Ir. Kalid bin Alias	48,000	11,000	59,000	Nik Din bin Nik Sulaiman	42,000	17,000	59,000	Dato' Ir. Wan Razali bin Wan Muda	36,000	4,000	40,000	Nik Faeruz binti Tan Sri Nik Hussain	36,000	7,000	43,000	Executive Director				Keith George Cowling*	36,000	24,000	60,000	Total	198,000	63,000	261,000
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Intended Outcome

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

Practice 7.2

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	:	Applied																		
Explanation on application of the practice	:	<p>In line with the best corporate governance practice, remuneration paid to top five (5) Senior Management staff for the financial year ended 31 March 2019 were disclosed in band of RM50,000 in the Annual Report 2019.</p> <p>The remuneration paid to the Management Committee members comprising top five (5) senior management staff during the financial year ended 31 March 2020, are disclosed in band of RM50,000 in the table below:</p> <table border="1"> <thead> <tr> <th>Remuneration Band</th> <th>Senior Management</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>RM0.00</td> <td>Vijayaraj A/L Govindarajoo⁽¹⁾</td> <td>General Manager, Business Development</td> </tr> <tr> <td>RM0.00 to RM50,000</td> <td>Tee Kim Siew⁽²⁾</td> <td>Chief Executive Officer</td> </tr> <tr> <td>RM50,001 to RM100,000</td> <td>Keith George Cowling⁽³⁾</td> <td>Advisor, Business Development</td> </tr> <tr> <td>RM250,001 to RM300,000</td> <td>Mahadzir Hassan @ Md. Hassan</td> <td>Assistant General Manager, Head, Manufacturing Division</td> </tr> <tr> <td>RM300,001 to RM350,000</td> <td>Ahmad Tarmizi bin Ismail</td> <td>General Manager, Head, Construction Division</td> </tr> </tbody> </table> <p>Note:</p> <p>(1) Mr. Vijayaraj A/L Govindarajoo did not receive any remuneration from the Group. His remuneration is paid by MTD Project Management Services Sdn Bhd, a subsidiary of MTD Capital Bhd. MTD Capital Bhd is the holding company of MTD ACPI.</p> <p>(2) Tee Kim Siew received allowance from MTD ACPI while his remuneration is paid by MTD Capital Bhd.</p> <p>(3) Keith George Cowling received Directors' fee and allowance from MTD ACPI. His remuneration is paid by MTD Capital Bhd.</p>	Remuneration Band	Senior Management	Designation	RM0.00	Vijayaraj A/L Govindarajoo ⁽¹⁾	General Manager, Business Development	RM0.00 to RM50,000	Tee Kim Siew ⁽²⁾	Chief Executive Officer	RM50,001 to RM100,000	Keith George Cowling ⁽³⁾	Advisor, Business Development	RM250,001 to RM300,000	Mahadzir Hassan @ Md. Hassan	Assistant General Manager, Head, Manufacturing Division	RM300,001 to RM350,000	Ahmad Tarmizi bin Ismail	General Manager, Head, Construction Division
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Explanation for departure	:	Not Applicable																		

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

Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 7.3 - 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	:	Not Applicable

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 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee is Encik Nik Din bin Nik Sulaiman, who is the Senior Independent Non-Executive Director while, the Chairman of the Board is Dato' Ir. Kalid bin Alias, an Independent Non-Executive Director.</p> <p>Encik Nik Din bin Nik Sulaiman is a Member of the Malaysian Institute of Accountants (MIA), CA(M) and Fellow member of the Association of Chartered Certified Accountants (FCCA). He has been a member of the Audit Committee since 2008 and was redesignated as Chairman of the Audit Committee in 2013.</p> <p>Dato' Ir. Kalid bin Alias was redesignated as Chairman of the Board on 1 May 2018.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The requirement for a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee is set out in the Report of the Audit Committee, Section 4: Policy on Appointment of Former Key Audit Partner as Member of Audit Committee, in the Annual Report 2020.</p> <p>None of the former key audit partners have been appointed as a member of the Audit Committee of the Company.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has approved the adoption of External Auditors Policy and procedure and CG Guide Exhibit 14: External Auditor Performance and Independent Checklist for the Group with effect from 10 February 2015, to assess the suitability and independence of external auditors.</p> <p>The external auditors confirmed that they have complied with the relevant ethical requirements regarding professional independence, as stated in the Audit Planning Memorandum for financial year ended 31 March 2020, presented to Audit Committee on 26 February 2020.</p> <p>The Audit Committee annually review the appointment (resignation and dismissal, if any) of external auditors and the audit fees, and recommended the same to the Board for consideration and approval, as defined in the Terms of Reference of Audit Committee. The assessment of performance and independence of the external auditors was conducted annually, in terms of the calibre of the external audit firm, their quality professional performance, audit team, independence and objectivity, audit scope plan and audit communication.</p> <p>The Terms of Reference of Audit Committee is available through the Corporate Governance section of the Company's website www.mtdacpi.com.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on application of the practice	:	Not Applicable

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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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	:	Departure											
Explanation on application of the practice	:	Not Applicable											
Explanation for departure	:	<p>The Audit Committee comprised members with finance and technical background, who are qualified to engage with the management on the Company's financial position, operational risks and internal controls, compliance with applicable approved accounting standards to discharge their function effectively.</p> <p>The Chairman of Audit Committee, Encik Nik Din bin Nik Sulaiman is a Member of the Malaysian Institute of Accountants (MIA), CA(M) and Fellow member of the Association of Chartered Certified Accountants (FCCA) and he has extensive experience in accounting, auditing and finance.</p> <p>Details of training programmes attended by the Audit Committee members are set out below:</p>											
		<table border="1"> <thead> <tr> <th>Directors</th> <th>Training programmes</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Nik Din bin Nik Sulaiman, Chairman</td> <td> <ul style="list-style-type: none"> ▪ Directors' Dialogue with Jonathan Labrey on Integrated Reporting </td> </tr> <tr> <td> <ul style="list-style-type: none"> ▪ MIA International Accountants Conference 2019 </td> </tr> <tr> <td> <ul style="list-style-type: none"> ▪ SC Audit Oversight Board Conversation with Audit Committees </td> </tr> <tr> <td> <ul style="list-style-type: none"> ▪ Corporate Liability under the New Section 17A of the MACC Act - What Directors and Top-Level Management Need to Know </td> </tr> <tr> <td rowspan="2">Dato' Ir. Kalid bin Alias, member</td> <td> <ul style="list-style-type: none"> ▪ PowerTalk on 'Say On Pay : What do Boards Need To Know?' </td> </tr> <tr> <td> <ul style="list-style-type: none"> ▪ Corporate Liability under the New Section 17A of the MACC Act - What Directors and Top-Level Management Need to Know </td> </tr> </tbody> </table>	Directors	Training programmes	Nik Din bin Nik Sulaiman, Chairman	<ul style="list-style-type: none"> ▪ Directors' Dialogue with Jonathan Labrey on Integrated Reporting 	<ul style="list-style-type: none"> ▪ MIA International Accountants Conference 2019 	<ul style="list-style-type: none"> ▪ SC Audit Oversight Board Conversation with Audit Committees 	<ul style="list-style-type: none"> ▪ Corporate Liability under the New Section 17A of the MACC Act - What Directors and Top-Level Management Need to Know 	Dato' Ir. Kalid bin Alias, member	<ul style="list-style-type: none"> ▪ PowerTalk on 'Say On Pay : What do Boards Need To Know?' 	<ul style="list-style-type: none"> ▪ Corporate Liability under the New Section 17A of the MACC Act - What Directors and Top-Level Management Need to Know 	
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<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: Not Applicable	
Timeframe	: Not Applicable	Not Applicable

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 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board, through Risk Management Committee (“RMC”) and Audit Committee, is responsible for establishing and maintaining an adequate and effective risk management and internal control system, to safeguard shareholders’ investments and the assets of the Group.</p> <p>The policy for the Enterprise Risk Management (“ERM”) was established on 1 January 2015 and updated (as and when required), to provide guidance to the Board on dealing with risk and to ensure risk are managed proactively in a structured and consistent manner. The ERM serves as a documentary guide of the Group’s risk management policy, risk management processes and reporting framework, and is available to all employees of the MTD ACPI.</p> <p>Under ERM, risks faced by the business are identified and evaluated based on the likelihood and potential impact of each risk and where necessary, actions to mitigate the risks were also identified.</p> <p>In this regard, the Board recognises that a structured and consistent ERM framework is instrumental for the Group to deploy its operational strategies effectively. The main duties and responsibilities of RMC are stipulated in Practice 9.3 below.</p> <p>The ERM Policy and RMC Terms of Reference are available through the Corporate Governance section of the Company’s website www.mtdacpi.com.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 9.2

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

Application	: Applied
Explanation on application of the practice	<p>The key features of the risk management and internal control framework of the Group including, adequacy and effectiveness of the framework are set out in the Statement on Risk Management and Internal Control in the Annual Report 2020, a copy is available through the Corporate Governance section of the Company's website www.mtdacpi.com.</p> <p>The Group has established ERM Policy and Procedures to facilitate, evaluate and manage the key risks to safeguard shareholder's investment and assets of the Group. The Board has assumed responsibility to outline the policy for ERM to be implemented throughout the Group. The Board is assisted by the RMC to oversee and facilitate the Group's risk management initiatives. The principal responsibilities of the RMC include the following:</p> <ul style="list-style-type: none"> ▪ Communicate requirements of the ERM Policy and ensure continuous enhancement of ERM; ▪ Formulate and implement ERM mechanism to accomplish requirements of the ERM Policy; ▪ Articulate and challenge risk ratings, control effectiveness, risk treatment options and risk action plans identified by Risk Owners; and ▪ Ensure that the ERM reports prepared are submitted to the Board in a timely manner, and flash reports are submitted in the event of any risk(s) that require urgent attention. <p>The RMC is assisted by the Group Strategic Planning and Investment who facilitates the risk assessment process, by performing independent enquiry on risk identification and risk ratings determination by the respective process owners (line managers). Heads of Divisions or Businesses are responsible for identifying, analysing and evaluating risks, as well as developing, implementing risk action plans of possible risks that can affect their achievement, taking into consideration the effectiveness of controls that are capable of mitigating.</p> <p>During the year, the status of key risk action plans of the Group and the respective Divisions were presented to the RMC on a half-yearly basis.</p>

	The key features of the risk management and internal control framework of the Group including, adequacy and effectiveness of the framework are set out in the Statement on Risk Management and Internal Control in the Annual Report 2020.	
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

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 9.3 - 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	: Applied				
Explanation on application of the practice	<p>The Board established the Risk Management Committee ("RMC") on 28 August 2018. The RMC comprised three (3) members, all of whom are Independent Non-Executive Directors, as follows.</p> <table border="1"><thead><tr><th>RMC Members</th></tr></thead><tbody><tr><td>Dato' Ir. Wan Razali bin Wan Muda - <i>Chairman</i> (<i>Independent Non-Executive Director</i>)</td></tr><tr><td>Dato' Ir. Kalid bin Alias (<i>Independent Non-Executive Director</i>)</td></tr><tr><td>Nik Din bin Nik Sulaiman (<i>Senior Independent Non-Executive Director</i>)</td></tr></tbody></table> <p>The Terms of Reference of the RMC was endorsed by the Board on 1 February 2019, which outline the procedures and guidelines in relation to the risk governance role. The main duties and responsibilities of RMC include the following:</p> <ul style="list-style-type: none">(i) Create and/or recommend risk strategy (policy), framework and/or procedure aligned with the Group's strategic business objectives;(ii) Perform risk oversight and review risk profiles of the Group and organisational performance;(iii) Identification of enterprise risk which could impact the Group's business objectives; and(iv) Communicate/highlight to the Board of the risk profiles affecting the Group's business and operations, to enable Board and the Management to focus on the risks and to recommend and/or implement risk action plans to mitigate the risks. <p>Details on the Group's risk management policies and framework are set out in the Statement on Risk Management and Internal Control in the Annual Report 2020.</p> <p>The RMC Terms of Reference is available through the Corporate Governance section of the Company's website www.mtdacpi.com.</p>	RMC Members	Dato' Ir. Wan Razali bin Wan Muda - <i>Chairman</i> (<i>Independent Non-Executive Director</i>)	Dato' Ir. Kalid bin Alias (<i>Independent Non-Executive Director</i>)	Nik Din bin Nik Sulaiman (<i>Senior Independent Non-Executive Director</i>)
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Dato' Ir. Kalid bin Alias (<i>Independent Non-Executive Director</i>)					
Nik Din bin Nik Sulaiman (<i>Senior Independent Non-Executive Director</i>)					

Explanation for departure	:		Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		Not Applicable
Timeframe	:	Not Applicable	

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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is carried out by Group Internal Audit Department (“IAD”) of the Group. The Head of IAD reports functionally to the Audit Committee that allows the internal audit activity to accomplish its responsibilities to maintain organisational independence. The Head of IAD confirmed the organisational independence to the Audit Committee annually.</p> <p>The purpose, authority and responsibility of IAD are articulated in the Internal Audit Charter, which is reviewed and approved by Audit Committee annually.</p> <p>Formal evaluation on internal audit function was carried out by the Audit Committee for the financial year ended 31 March 2020 (Reference: Paragraph 3.5(d) of Audit Committee Terms of Reference).</p> <p>The Audit Committee Terms of Reference is available through the Corporate Governance section of the Company’s website www.mtdacpi.com.</p>
Explanation for departure	:	Not Applicable
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

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 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit (“IA”) function is carried out by Group Internal Audit Department (“IAD”) of the Group. The Head of IAD reports functionally to the Audit Committee that allows the internal audit activity to accomplish its responsibilities to maintain organisational independence. The Head of IAD confirmed the organisational independence to the Audit Committee annually.</p> <p>All auditing endeavours are conducted in compliance with the Institute of Internal Auditors’ (IIA) Definition of Internal Auditing, Code of Ethics and the International Standard for Professional Practice of Internal Auditing as set out in the Internal Audit Charter. The purpose, authority and responsibility of IAD are articulated in the Internal Audit Charter, which is reviewed and approved by Audit Committee annually.</p> <p>The IA function has eight (8) personnel comprising the Head of IAD, six (6) internal auditors and a secretary. The Head of IAD, Madam Low Yoke Lin is a Member of the Malaysian Institute of Accountants (MIA), a Chartered Global Management Accountant from the Chartered Institute of Management Accountants (CIMA) and Chartered Member of the Institute of the Internal Auditors (IIA).</p> <p>Three (3) of the internal auditors are members of the Institute of Internal Auditors (IIA).</p> <p>Formal evaluation on internal audit function was carried out by the Audit Committee for the financial year ended 31 March 2020 (Reference: Paragraph 3.5(d) of Audit Committee Terms of Reference).</p> <p>The Audit Committee Terms of Reference is available through the Corporate Governance section of the Company’s website www.mtdacpi.com.</p>
Explanation for departure	:	Not Applicable

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

Measure	:	Not Applicable	
Timeframe	:	Not Applicable	

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 11.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board is committed to engage in effective and transparent communication with its stakeholders, shareholders and the public through:</p> <ul style="list-style-type: none">i) The AGM, where there is open and clear dialogue with shareholders concerning matters affecting the value of shareholders' investment in the Company and also to understand the shareholders' perspective and respond to their feedback;ii) Any written reply to the queries from Minority Shareholders Watchdog Group ("MSWG") would be presented at the AGM and further clarification would be provided, if necessary;iii) It has been a practice for all members of the Board, the Chairman of each Board Committee, Senior Management staff and the External Auditors of the Company to be present at the AGM, to attend to any shareholders' queries raised, if necessary;iv) At the Twenty-Sixth Annual General Meeting, MTD ACPI Group's Highlights was presented to the shareholders by the CEO. The presentation included the performance of the Group for the past five (5) financial years including financial year ended 31 March 2019, key highlights for construction and manufacturing, projects undertaken and completed in financial year ended 31 March 2019, current on-going projects and potential projects being pursued by the Group;v) The Company maintained a dedicated website at www.mtdacpi.com, to provide access to the Group's operating businesses, latest developments, announcements to Bursa Securities and other corporate information;vi) The Company has placed various information documents pertaining to the organisation, Board and Management, corporate governance, policies, charters, and terms of references and other corporate information on its website for easy reference. In addition, investors may raise queries regarding the Group via email to enquiries@mtdgroup.com.my;vii) The Senior Independent Non-Executive Director to whom concerns of the shareholders relating to the Company may be conveyed, is an

	<p>alternative to the formal channel of communication for shareholders; and</p> <p>viii) Corporate Communication Department attends to the Group's communication needs, whenever necessary.</p> <p>Information on the integrity in corporate reporting and meaningful relationship with stakeholders is set out in the Corporate Governance Overview Statement under Principle C, in the Annual Report 2020.</p>	
Explanation for departure	: Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: Not Applicable	
Timeframe	: Not Applicable	Not Applicable

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 11.2

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

Application	:	Departure	
Explanation on application of the practice	:	Not Applicable	
Explanation for departure h	:	MTD ACPI do not fall under 'Large Companies' category as defined under the MCCG. It had undertaken initiative to adopt integrated reporting ("IR") principles as guided by the IR framework issued by International Integrated Reporting Council in the Management Discussion & Analysis, set out in the Annual Report 2019 and Annual Report 2020.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

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

Practice 12.1

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 Notice of the Twenty-Sixth AGM dated 31 July 2019 (“Notice”) together with the Annual Report 2019 of MTD ACPI, were despatched to shareholders on 31 July 2019 i.e. more than 28 days prior to the AGM held on 5 September 2019, as per requirement of MMLR and the Constitution of the Company.</p> <p>The Notice was published in The New Straits Times on 31 July 2019 and is available on Bursa Securities’s website and MTD ACPI’s website www.mtdacpi.com since 30 July 2019.</p> <p>In addition to the Notice, Explanatory Notes were provided to the agenda of the meeting to enable shareholders to consider and make informed decision in exercising their voting rights.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors attended the Twenty-Sixth AGM and their attendance were recorded in the minutes of meeting.</p> <p>The Chairman of the Audit Committees and NRC briefed the meeting on the relevant agenda of the meeting while the CEO presented MTD ACPI Group's Highlights for financial year 2019.</p> <p>The Senior Management staff and External Auditors also attended the AGM, to deal with any enquiries to be raised by the shareholders or their proxies.</p> <p>All responses to the questions of the shareholders/proxies are recorded in the minutes of Twenty-Sixth AGM, a copy is available at the Company's website www.mtdacpi.com through the Corporate Governance section.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

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

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Departure	
Explanation on application of the practice	:	Not Applicable	
Explanation for departure	:	<p>The Twenty-Sixth AGM was held at the registered office of MTD ACPI at Batu Caves, Selangor which is not in a remote location. Voting in absentia/remote shareholders' participation was not implemented.</p> <p>Electronic poll voting system was utilised at the Twenty-Sixth AGM whereby, the system utilised bar code which run on internet to cater for poll voting by shareholders or proxies present at the AGM. The system provides an efficient means of vote counting and is in line with MMLR whereby, every one share is entitled to one vote.</p> <p>The electronic polling process was conducted by Mega Corporate Services Sdn Bhd, the Poll Administrator and poll results were verified by an independent scrutineer, Mega Business Consultancy Division.</p> <p>The poll results of all votes cast in respect of each resolution was displayed on-screen at the meeting and the Chairman of the meeting declared the poll results for every resolution proposed at the meeting.</p> <p>Shareholders who are unable to attend the AGM have the option to appoint proxy/proxies or the Chairman of the meeting to vote on his/her behalf at the AGM.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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

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

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