

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7130
COMPANY NAME : Reneuco Berhad (formerly known as KPower Berhad)
FINANCIAL YEAR : June 30, 2022

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 Reneuco Berhad (formerly known as KPower Berhad) ("Reneuco" or "the Company") is responsible for the long-term performance of the Company and its subsidiaries (collectively referred to as "the Group") and for overseeing the Group's strategy and monitoring its operation. The Board's main functions are to provide leadership and guidance on the Group's strategic objectives, to ensure that necessary resources are in place for the Group to meet its objectives, as well as to review the performances of the Group and the Management against targets.</p> <p>The Board had delegated to the Group Chief Executive Officer ("GCEO"), amongst others, the responsibility for implementing the Group's strategic direction and for managing its day-to-day operations. Strategies and policies, including annual business plan and budget are developed by the GCEO together with the Management, which are then reviewed, constructively challenged and approved by the Board.</p> <p>The GCEO is responsible to communicate and execute the Group's strategic plan, which is aimed at achieving business growth, developing people and promoting good governance for a sustainable business. The GCEO ensures implementation of these plans, people engagement as well as prudent management of the Group's resources. The Board monitors the Group's performance quarterly, whereby the GCEO and the Management keep the Board informed on the financial performance of the Group as well as the development and performance of key business areas. The GCEO is also responsible to bring material issues and other relevant matters to the attention of the Board.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is able to provide effective leadership to the Board and guide the vision, strategic direction and business development of the Group, and at the same time be guided by the independent advice and views from the Directors, who offer the necessary checks and balances in the decision-making process of the Board.</p> <p>The roles and responsibilities of Chairman of the Board are clearly specified in the Board Charter, which is available on the Company's website at www.reneuco.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

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 Group's Chief Executive Officer ("GCEO") is responsible to communicate and execute the Group's strategic plan, which is aimed at achieving business growth, developing people and promoting good governance for a sustainable business.</p> <p>The positions of Chairman and GCEO are held by different individuals. The Board acknowledges the importance of a clear division of responsibilities between the Chairman and GCEO. Therefore, the positions of Chairman and GCEO are held by separate individuals to ensure an optimal balance, resulting in increased accountability and enhanced decision making.</p> <p>Datuk Mustakim bin Mat Nun was appointed as Managing Director of Reneuco on 28 June 2019, redesignated as Deputy Chairman and Group Managing Director of Reneuco on 28 November 2019. On 17 January 2022, he was redesignated as Executive Chairman and Group Managing Director. He was further redesignated as Executive Chairman on 31 March 2022.</p> <p>Amirul Afif bin Abd Aziz was redesignated from Chief Financial Officer to Group Chief Executive Officer of Reneuco on 31 March 2022. He is primarily responsible for overall operations of business and execution of the Group's strategies in line with the Board's direction.</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

<p><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></p>	
Application	: Applied
Explanation on application of the practice	: <p>As of 30 June 2022, Reneuco follows the Practice 1.4 of the Malaysian Code on Corporate Governance ("MCCG") whereby the Chairman of the Board, Datuk Mustakim is not a member of Audit Committee ("AC"), Nomination Committee ("NC") and the Remuneration Committee ("RC"). Each Committee sought to ensure that there is a check and balance practice by the Group and all the objectives are reviewed by the Board.</p> <p>The Chairperson of the AC is Ahmad Riza bin Mohd Saian, an Independent Non-Executive Director, who is not the Chairman of the Board. Riza is a Fellow Chartered Accountant of Chartered Accountants Australia & New Zealand ("CAANZ"). His profile is disclosed on the Profile of Directors of the Annual Report.</p> <p>The Chairperson of the NC and RC are Sarah Azreen binti Abdul Samat, a Non-Independent Non-Executive Deputy Chairman, who is not the Chairman of the Board. Sarah is a certified practising accountant by CPA Australia in 2001. She is also a holder of Capital Markets Services Representative's Licence (CMSRL). Her profile is disclosed on the Profile of Directors of the Annual Report.</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 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is supported by an outsourced Company Secretary who is a Chartered Secretary registered with The Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) as well as qualified Company Secretary under Companies Act 2016.</p> <p>The main roles of a Company Secretary include the following:</p> <ul style="list-style-type: none">➤ to attend Board and Board Committees’ Meetings and prepare minutes of meetings;➤ to ensure all the Board meetings are properly convened;➤ to keep proper record of all the statutory documents of the Company; and➤ to provide professional and timely advice to the Board members on all regulatory compliance and corporate governance matters from time to time. <p>The Company Secretary constantly keep herself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through continuous training. The Company Secretary is suitably qualified, competent and capable of carrying out the duties 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

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>Reasonable notice of meetings and the agenda on the business to be conducted at the meetings and meeting material that provided relevant information such as minutes of previous meetings, management reports and financial reports were furnished to the Directors prior to the Board meeting so that each Director had ample time to review the papers to enable informed decision making.</p> <p>The Company, however, allows exceptional cases, whereby the meeting materials are furnished to Board members in less than five (5) working days on urgent and/or extraordinary matter(s), of which there is insufficient time in collating relevant information and details.</p> <p>The deliberations and decisions at the Board and Board Committee meetings are well documented and minuted. The actions to be taken by respective parties are included in the minutes, in which the Board can follow-up with the respective parties on the status of the matters discussed during the previous meeting.</p> <p>The minutes of the Board and Board Committees are circulated to the Directors for review in a timely manner. All the meeting materials are reviewed by the Management to ensure the accuracy and completeness of the information contained before presented to the Board or Board Committees.</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

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>In performing its duties, the Board is guided by the Board Charter that sets out, amongst others, its roles, composition, responsibilities, powers, board committees and board meeting processes. The key elements of governance principles embedded in the Board Charter regulate the Board's conducts and guide the business strategic initiative of the Group.</p> <p>The Board would regularly review the Board Charter and the Terms of Reference ("TOR") of the Board Committees to ensure they remain consistent with the Board's objective and responsibilities, and relevant standards of corporate governance. The Board Charter is available on Reneuco's website at www.reneuco.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 3.1

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 noted the importance of the Code of Ethics and Conduct ("Code") of the Group that emphasised the Group's commitment to ethical practices and compliance with the applicable laws and regulations which also governs the standards of ethics and good conduct expected from the Directors and employees of the Group.</p> <p>The Company has adopted this Code to provide guidance to every member of the Company's Board of Directors. Each Director is responsible for reading and understanding this Code and use it as a guide in the performance of his or her responsibilities as a director. The Board is committed to establish a corporate culture that promotes ethical conduct throughout the Company and ensures that its business is conducted with integrity, transparency and fairness. In discharging its fiduciary duties, the Board must always act in good faith and in the best interests of the Company and at the same time ensuring that its obligation to shareholders and stakeholders are met. All of its Directors help to foster a sense of commitment to this Code among all Directors, and to foster a culture of fairness, honesty and accountability within the Company.</p> <p>The Code of Ethics and Conduct are available on Reneuco's website at www.reneuco.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	:		
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Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised a Whistleblowing Policy that provides a channel to enable employees and other stakeholders to report any suspected breaches of law, regulations or any illegal act observed in the Group, including financial malpractice or fraud, non-compliance with regulatory requirements, hazards in relation to health, safety or the environment, criminal activity and corruption. It outlines the procedures for reporting a genuine concern on any breach of conduct that are taking place, have taken place or may take place in the future. The Group treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in a good faith.</p> <p>The Whistleblowing Policy and Form are available on Reneuco's website at www.reneuco.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 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>In establishing the Sustainability agenda as a Group-wide commitment, the Board and the Management have established the sustainability governance structure to extend oversight from financial to non-financial performance.</p> <p>The Group has established a Group Sustainability Committee comprising the Board and the key members of Management under the oversight of the Executive Chairman.</p> <p>The Committee takes responsibility in providing the decision pertaining to sustainability which involves the setting up of sustainability strategies and continuously working to improve the Group's material sustainability issues, managing sustainability risks and opportunities. The Group Sustainability Committee is assisted by:</p> <ol style="list-style-type: none"> 1. Sustainability Unit, under the Department of Corporate Finance and Strategy. 2. Sustainability Working Group (SWG).
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>Reneuco’s key sustainability driver is guided by by our stakeholders (internal and external), risk and opportunities, and the impacts to support its long-term strategy and success.</p> <p>The Board and Management under the Group Sustainability Committee ensures the strategies, priorities, target, and performance against targets are well-communicated to the internal and external stakeholders to obtain the desired impacts. The coordination between Group Sustainability Committee and Sustainability Working Group was bridged by the Sustainability Unit under Department of Corporate Finance and Strategy to make sure the effort can be effectively communicated at the working level.</p> <p>Coequally, the Board has approved the Stakeholder Identification and Engagement Policy to ensure systematic initiatives and communication among our stakeholders (internally and externally) by considering the diversity of business segments within 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

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>During the financial year ended 30 June 2022, the Board had put more emphasis on the sustainability matters relevant to the Group's businesses.</p> <p>The Board had participated in training and/or seminars to stay abreast with and understand the sustainability issues relevant to the Company and the Group's business, including climate-related risks and opportunities.</p> <p>On 28 June 2022, the Board had attended training on Taskforce on Climate-related Financial Disclosure (TCFD) Recommendation framework by an external consultant to keep themselves abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The formation of the Sustainability Committee of Reneuco was established on 30 June 2022. The evaluation of the Committee will be carried out during the next financial year.	
		Alternative Practice: Not Available	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Among the responsibilities of the NC is to review and consider the appointment and re-appointment of a member of the Board guided by the Board and Senior Management Diversity Policy and Directors' Fit and Proper Policy to recommend to the Board for its consideration and decision per the Terms of Reference of the NC.</p> <p>The NC of Reneuco is responsible to review and recommend to the Board of the Group, the appointment and re-election of Directors as well as oversees the assessment of performance and contribution of Board. The NC reviews annually the required structure, size and composition of the Board (including diversity in skills, knowledge, experience, gender, age and ethnic by taking into account the size and complexity of Reneuco's operations.</p> <p>The NC also reviews and evaluates the tenure, performance and the contribution of each Director, including those retiring at the Annual General Meeting ("AGM") prior to making any recommendations to the Board and the shareholders for their re-election. The recommendations on the re-election of Directors at the AGM are subject to the NC being satisfied with the performance and contribution of the retiring Directors based on the latest annual performance review.</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 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of having a diverse Board in terms of age, qualification and gender to provide the necessary range of perspectives, experience and expertise in bringing value to the Company. Currently, the Board consists of seven (7) members, comprising of the following:</p> <p>a) One (1) Executive Chairman; b) One (1) Non-Independent Non-Executive Deputy Chairman; c) One (1) Non-Independent Non-Executive Directors; and d) Four (4) Independent Non-Executive Directors.</p> <p>The presence of majority of Independent Directors on the Board provides the essential check and balance to guarantee that the interests of all shareholders and the general public are given due consideration in the Board’s decision-making process.</p> <p>The Independent Directors does not involve in the day-to-day management of the Group nor participate in any of the Group’s business dealings to remain free of any conflict of interest in undertaking their roles and responsibilities as Independent Directors effectively.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Not applicable - Step Up 5.4 adopted	
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

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	: Adopted
Explanation on adoption of the practice	: The Board of Reneuco limits the tenure of its Independent Directors to nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Based on the Board Charter of the Company, if the Board intends to retain an Independent Director beyond nine (9) years, the Board should seek annual shareholders' approval through a two-tier voting process in accordance with the MCGG.

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 NC guided by the Board and Senior Management Diversity Policy will recommend to the Board the suitable candidates for appointment as Board members, member of Board Committees and Executive Director of the Company based on the following evaluation criteria:</p> <ul style="list-style-type: none"> • skills, knowledge, expertise and experience; • professionalism; • time commitment to effectively discharge his role as a director; • contribution and performance; • character, integrity and competence; • boardroom diversity including gender diversity; and • in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities / functions as are expected from Independent Non-Executive Directors. <p>This helps to ensure an appropriate balance between the experience perspectives of the long-term directors and new perspectives that bring fresh insights to the Board.</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 NC the responsibility to establish a formal and transparent procedure for the nomination and appointment of new directors to the Board. The Board uses a variety of sources for identification of suitable candidate of directors.</p> <p>In considering potential candidates for appointment, the NC guided by the NC's TOR, Board's Fit and Proper Policy and the Board and Senior Management Diversity Policy undertakes a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role.</p> <p>During the FY2022, the Board has appointed En. Ahmad Riza bin Mohd Saian and Ir. Ts. Dr. Muhammad Mahadi Mohamad as the Non-Independent Non-Executive Director on 17 January 2022 and 31 March 2022 respectively.</p> <p>The NC has the authority to obtain the services of professional recruitment firms to source the candidates for directorship or seek independent professional advice whenever necessary. Based on the recommendation of the NC, the Board will deliberate on the appointment of the proposed candidate after taking into consideration the factors such as age, gender, ethnicity, skill and expertise, personal qualities and characteristics, educational background, time commitment, capability to discharge duty as director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>Shareholders are kept well-informed of the changes to the Board as well as the Committees through the Company's announcements to Bursa Malaysia. The Directors' profiles are also made available on the website at www.reneuco.com.</p> <p>The performance of each Director subject for re-election is assessed through the Board's annual evaluation. The areas of assessment of Directors include roles and duties, knowledge and integrity, governance and independence, risk management skills and interactive skills.</p> <p>The information for the Directors standing for re-election is disclosed in the Explanatory Notes to the Notice of the 25th Annual General Meeting. The details of the Directors including their interest, position, experience and relationship are set out in the Directors' profile in the Annual Report 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 5.8

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Chairman of NC, Sarah Azreen binti Abdul Samat (“Sarah”) is the Non-Independent Non-Executive Deputy Chairman.
		Based on Paragraph 15.08A(1) of Bursa Malaysia Securities Berhad Listing Requirements, the NC complies with the requirement of comprising exclusively of Non-Executive Directors. Together with three (3) other NC members, namely Ahmad Riza bin Mohd Saian, Ir. Ts. Dr. Muhammad Mahadi bin Mohamad and Tan Yee Hou, Sarah led the NC to discuss and deliberates the matters thoroughly. Upon obtaining the majority votes, the NC will make recommendation to the Board for consideration.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company recognises that Board diversity improves the decision-making capability and the quality of the Board's performance. The Directors are also aware that the Board size influences Board effectiveness, as such the Directors would always consider the ideal Board size to warrant efficient functioning of the Board.</p> <p>The Company currently has two (2) women Directors out of seven (7) Directors representing 29% of the Board composition.</p> <p>The NC is in the midst of identifying a suitable female candidate for the appointment as Director of the Company to meet the women Director requirement as soon as practicable pursuant to the Board and Senior Management Diversity Policy of the Company which is available for reference at www.reneuco.com.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted the Board and Senior Management Diversity Policy which requires women candidates to be given priority consideration in the recruitment process of finding the suitable candidates for the roles. This is on the ground that the gender diversity target that the Company strive to achieve 30% of women representation in the Board and Management level. The Company recognised the importance of gender diversity towards providing opinions from diverse perspectives for decision making.</p> <p>With regards to the employees, the Company is dedicated in providing its people with the best skills, knowledge and tools to accomplish their roles effectively. A diverse set of skilful individuals that have different skill sets as well as variety of experiences is important to help in achieving the Company's short- and long-term business goals. Reneuco encourage mutual respect for its people and applicants comparable. The Company employ and promote based on merit and evaluate all the potential candidates impartially. Employees are evaluated based on behavioural and professional criteria for career progression. Diversity and equal opportunities in a workplace will promote a better and stronger relationships among employees and management.</p> <p>The Board and Senior Management Diversity Policy of the Company is available for reference at www.reneuco.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

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The NC performed a formal and objective annual evaluation in assessing the performance of the Board, Board Committees, individual Directors and Senior Management. The evaluation is performed based on the feedback from the respective Directors and Senior Management to the following questionnaire and evaluation forms distributed by the Company Secretary/Management to the respective parties:</p> <ul style="list-style-type: none">➤ Audit Committee Evaluation Questionnaire;➤ Audit Committee Members' Self and Peer Evaluation Form;➤ Independent Directors' Self-Assessment Checklist;➤ Directors and Senior Management's Evaluation Form;➤ Board Skills Matrix Form; and➤ Board and Board Committees Evaluation Form <p>The Company Secretary compiled the completed forms from the respective Directors and table the outcome results to the NC for deliberation before making recommendation to the Board.</p> <p>For the financial year ended 30 June 2022, the NC has concluded that the Board, Board Committees and individual Directors have discharged their duties effectively and that the current size and composition of the Board is well-balanced with the right mix of skills.</p> <p>The Board also opined that the current Board has the right blend of knowledge and experience to optimise the Company's performance and strategy. The Board has also through the NC assessed the independence of all the Independent Directors and the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to continue to exercise independent judgment.</p>

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board with the assistance of the Remuneration Committee ("RC") with the guidance of the Remuneration Policy and Procedures for Directors and Senior Management and the RC's TOR, reviews the overall remuneration process of the Executive Directors, and Key Executives of the Company, while the remuneration for the Non-Executive Directors was determined by the Board as a whole.</p> <p>In practice, on annual basis, the RC reviews and recommends to the Board, the remuneration packages of the Executive Directors and Key Executives of the Company, while the remuneration for the Non-Executive Directors was determined by the Board as a whole, with the objective to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and Senior Management team.</p> <p>The Board on 9 September 2022 has in place Remuneration Policy and Procedures for Directors and Senior Management to determine the remuneration of Directors and Senior Management, which considers the responsibilities, the skills and experience required, with the performance of the Company, and the individual performance of its people.</p> <p>According to the Company's Remuneration Policy and Procedures for Directors and Senior Management, the Company will provide a fair, reasonable and competitive remuneration for its Executive and Non-Executive Directors as well as its Senior Management. This is on the basis to ensure that the Company attracts and retains high calibre individual who have the skills, experience and knowledge to lead the Company to greater stepping stones. The Company's Remuneration Policy and Procedures for Directors and Senior Management is published on the corporate website at www.reneuco.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 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	:	The RC was established to assist the Board in developing remuneration policies and procedures that enable the Group to attract, motivate and retain qualified Directors and key Senior Management personnel. Full details of the functions and duties of the RC are stated in its Terms of Reference, which is available on the Company's website at www.reneuco.com . The RC comprises exclusively of Non- Executive Directors.
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 detailed disclosure on name basis for the remuneration of the individual directors are set out in the Reneuco's Annual Report 2022 under the Corporate Governance Overview Statement.

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	Dato' Dr. Ir. Ts. Mohd Abdul Karim bin Abdullah <i>(Resigned on 10 December 2021)</i>	Independent Director	53.23	2.00	Input info here	Input info here	4.76	Input info here	59.99	69.19	2.00	Input info here	Input info here	4.76	Input info here	75.96
2	Datuk Mustakim bin Mat Nun (Executive Chairman)	Executive Director	120.53	5.85	Input info here	Input info here	6.45	Input info here	132.83	170.53	5.85	Input info here	Input info here	6.45	Input info here	182.83
3	Sarah Azreen binti Abdul Samat (Deputy Chairman)	Non-Executive Non-Independent Director	70.00	4.40	Input info here	Input info here	6.45	Input info here	80.85	120.00	4.40	Input info here	Input info here	6.45	Input info here	130.85
4	Dato' Arivalagan A/L Arujunan	Non-Executive Non-Independent Director	67.00	4.40	Input info here	Input info here	7.68	Input info here	79.08	67.00	4.40	Input info here	Input info here	7.68	Input info here	79.08
5	Kok Pauline	Independent Director	67.00	4.40	Input info here	Input info here	5.37	Input info here	76.77	67.00	4.40	Input info here	Input info here	5.37	Input info here	76.77
6	Tan Yee Hou	Independent Director	67.00	4.40	Input info here	Input info here	5.37	Input info here	76.77	67.00	4.40	Input info here	Input info here	5.37	Input info here	76.77
7	Ahmad Riza bin Mohd Saian	Independent Director	32.90	2.40	Input info here	Input info here	2.86	Input info here	38.17	37.90	2.40	Input info here	Input info here	2.86	Input info here	43.17
8	Ir. Ts. Dr. Muhammad Mahadi bin Mohamad	Independent Director	18.00	1.80	Input info here	Input info here	1.34	Input info here	21.14	18.00	1.80	Input info here	Input info here	1.34	Input info here	21.14
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Due to confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board decided not to disclose the Senior Management's remuneration components on name basis on the bands of RM50,000.00.</p> <p>The Board is of the view that the disclosure of the Senior Management's remuneration components will not be in the best interest of the Company given that the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.</p> <p>As an alternative, the Board is of the view that the disclosure of Senior Management's aggregated remuneration on unnamed basis in the bands of RM50,000.00 in the Company's Annual Report 2022 is adequate.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:	The Chairperson of the AC is Ahmad Riza bin Mohd Saian, an Independent Non-Executive Director, who is not the Chairman of the Board. Riza is a Fellow Chartered Accountant of Chartered Accountants Australia & New Zealand (“CAANZ”). His profile is disclosed on the Profile of Directors of the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 Audit Committee (“AC”) is well noted on the importance of independency of its external auditor to ensure that there will be no conflict-of-interest related issue will rise in the future. The External Auditors Policy of the Company as well as the Terms of Reference of the AC provides that a former audit partner (including former partner of affiliate firm) who is a potential candidate to be appointed as a member of the AC shall observe a cooling-off period of at least three (3) years before his/her appointment.</p> <p>The External Auditors Policy can be found in the Terms of Reference of the AC which is available for reference at www.reneuco.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 Board, through its AC maintains a formal and transparent relationship with its External Auditors. The Board had delegated the responsibility to the AC for making recommendations on the appointment, re-appointment or removal of the External Auditors as well as on their remunerations. The AC ensured that the External Auditors work closely with the Internal Auditors to enhance the effectiveness of the overall audit process.</p> <p>The AC assessed the performance and effectiveness of the External Auditors annually, considering amongst others, their qualifications, effectiveness of the audit process, quality of service and their independence.</p> <p>The AC had on 17 October 2022 conducted an assessment on the External Auditors' performance by taking into the consideration of the following criteria:</p> <ul style="list-style-type: none">➤ the adequacy of the experience and resources of the External Auditors;➤ the nature of the non-audit services and the fees payable for such services; and➤ the level of independence of the External Auditors. <p>The AC is satisfied that the External Auditors of the Company, Messrs Al Jafree Salihin Kuzaimi PLT, have discharged their duties professionally, ethically and independently for the financial year ended 30 June 2022 before recommending to the Board for the re-appointment of Messrs Al Jafree Salihin Kuzaimi PLT as External Auditors for the next financial year.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	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 Board reviews the terms of office of the AC members and assess the performance of the AC and its members through an annual Board Committee effectiveness evaluation. Based on the outcome of the evaluation, the Board is satisfied with the AC's existing performance.</p> <p>The AC members are aware of the need to continuously develop and increase their knowledge in the area of accounting and auditing standards, given the changes and development in this area from time to time.</p> <p>During the financial year 2022, all the members of the AC attended professional development trainings. The record of training attended by AC members is disclosed in the Corporate Governance Overview Statement of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for maintaining a sound and effective system of risk management and internal control to safeguard shareholders' investment and the Group's assets, as well as reviewing the adequacy and effectiveness of these systems to support the Group's strategy and operations to achieve its business objectives.</p> <p>To discharge these responsibilities, the Board is assisted by the Risk Management Committee ("RMC") in fulfilling the oversight responsibilities of reviewing the control systems in general and assessing the adequacy and effectiveness of the risk management and internal control practices conducted by the Management.</p> <p>The Board is supported by the Management in developing, implementing, and monitoring sound practices for identifying and managing strategic, financial and operational risks and for providing assurance that risk management and internal control practices with respect to the conduct of business are implemented and adhered to within the Group.</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 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The key features of the risk management and internal control framework, which cover its adequacy and effectiveness are disclosed under the Statement on Risk Management and Internal Control in the Group’s Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The RMC comprises of two (2) Independent Non-Executive directors and one (1) Non-Independent Non-Executive Deputy Chairman and one (1) Non-Independent Non-Executive director.</p> <p>The Risk Management Committee assists the Board to oversee and review the effectiveness of the Group's risk management and internal control systems. The RMC will discuss and deliberate the matters thoroughly during their meeting.</p> <p>Upon obtaining the majority votes from the members of the Committee, the RMC will make recommendation to the AC/Board for consideration.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Group's internal audit function is carried out by an outsourced internal audit firm which is independent of the activities the Internal Auditor's audit. The Board, through the AC and guided by the AC's TOR conducted annual review on the effectiveness of the internal audit function including assessing the quality of audit review and ensuring that the Internal Auditors have sufficient knowledge and experience to perform their role effectively. The AC had on 17 October 2022 conducted an assessment on the Internal Auditors' performance and satisfied with their performance.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company’s internal audit function is outsourced to an independent professional firm, namely Tricor Axcelasia Sdn. Bhd. (“Axcelasia”), which reports functionally directly to the AC. The Internal Auditor regularly reviews and appraises the effectiveness of the governance, risk management and internal control processes within the Company’s key operations and table its findings/recommendations to the AC for consideration.</p> <p>The person in charge from Axcelasia, namely Encik Noradlan bin Abdul Latif who has 25 years of diverse professional experience in the scope of internal auditing in internal audit, risk management, and corporate governance advisory. He is also a member of Institute of Internal Auditors (“IIA”) and the Malaysian Institute of Accountant. He has a Certification in Control Self – Assessment (United States) and a bachelor’s degree in Accounting from University Utara Malaysia.</p> <p>Axcelasia consists of 3 to 4 staffs in the internal audit department including the outsourced internal audit leader with various professional qualifications and associate members of the Institute of Internal Auditors Malaysia.</p> <p>All internal auditors are free from any relationships or conflict of interest, which could impair their objectivity and independence.</p> <p>The internal audit is conducted using a risk-based approach and is guided by the International Professional Practice Framework (IPPF) issued by the IIA.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company strives to promote a better understanding of the Group through investor relations' activities. Apart from general meetings, the Company has put in place the following initiatives to facilitate effective communication with its shareholders:</p> <ul style="list-style-type: none">(a) the Annual Report, which contains information such as Management Discussion and Analysis, financial statements, and information on the Audit Committee, Corporate Governance, Sustainability and Corporate Social Responsibility, and Risk Management and Internal Control;(b) various announcements made to Bursa Securities, which include timely release of financial results on a quarterly basis. Concurrent with these releases, the Company posts all announcements on its website, and releases announcements to major newspapers and public media;(c) attending to shareholders' and investors' emails and phone enquiries; and(d) the Company's website at www.reneuco.com. under Investor Relations' section, which houses Bursa announcements, annual reports, quarterly reports, slide presentations from analyst briefings, and other corporate information on Reneuco. The Board Charter of the company is housed under the Corporate Information: Corporate Governance section. The website also provides Investor Relations' contact for shareholders to direct their queries or concerns to. <p>During the AGM of the Company, the Board holds active communication with the shareholders by inviting questions from the shareholders and proxies and to explain the financial results and future business direction of the Group, where necessary.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company dispatches the notice of its Annual General Meeting (“AGM”) to the shareholders at least 28 days before the AGM.</p> <p>The Company’s Annual Report and Notice of the AGM for the financial year ended 30 June 2021 were disseminated/made available to the shareholders on 30 October 2021, which was more than 28 days prior to the 24th AGM held on 14 December 2021. The Notice of AGM was also published in a nationally circulated newspaper concurrently.</p> <p>There was sufficient time given to shareholders prior to convening of the 24th AGM to enable the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the 24th AGM.</p> <p>The Company will continue to give not less than twenty-eight (28) days’ notice period for the forthcoming 25th 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 13.2

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 the Directors had attended and participated in the Company's 24th AGM held in 2021. As the general meetings were held during the lockdown in Malaysia, the GMD, one of the Director, and Group Chief Financial Officer and the Company Secretary were presented at the broadcast venue, whereas, the other Directors attended and participated the general meetings virtually.</p> <p>During the Extraordinary General Meeting ("EGM") held on 24 August 2022, the Deputy Chairman and Group Chief Executive Officer were presented at the broadcast venue, whereas, the other Directors and the Company Secretary attended and participated the general meetings virtually. The Executive Chairman of the Company was absent with apology during the EGM due to unforeseen circumstances.</p> <p>During the 24th AGM and EGM, the shareholders participated in the meetings by posting questions through the virtual platform for the Directors to respond and provide clarifications. With the presence of the Directors, the shareholders were given meaningful responses to all questions proposed during the AGM and EGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 24th AGM as well as the EGM were conducted entirely through live streaming from the broadcast venue at One Capital Market Services Sdn. Bhd. on 14 December 2021 and 24 August 2022 respectively.</p> <p>The shareholders posted their questions to the Board via real time submission of typed texts and voted remotely at the General Meetings via the Remote Participation and Voting facilities provided by One Capital Market Services Sdn. Bhd. at http://www.onecapital.com.my.</p> <p>Detailed instructions and procedures on the remote participation and e-voting process were provided in the Company's notification to the Shareholders on the administrative details of the 24th AGM and EGM.</p> <p>The e-voting had provided a more efficient and accurate outcome of the results. For the benefit of all shareholders, the outcomes were also announced by the Company to Bursa Securities on the same day after the conclusion of the 24th AGM and EGM respectively.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>In order to ensure that the Company's 24th AGM provides an effective communication and constructive feedback from the shareholders, the Chairman of the 24th AGM, Datuk Mustakim bin Mat Nun briefed the shareholders, corporate representatives and proxies present virtually at the Meeting of their rights to pose questions and vote on the resolutions set out in the Notice of the 24th AGM. All the Directors had attended and participated in the Company's 24th AGM where the GMD, one of the Director, and Group Chief Financial Officer and the Company Secretary were presented at the broadcast venue and the other Directors attended and participated the general meetings virtually.</p> <p>During the EGM commenced on the 24 August 2022, the Deputy Chairman of the Company who was appointed as the Chairman of the Meeting, Cik Sarah Azreen binti Abdul Samat once again briefed the shareholders, corporate representatives and proxies present virtually at the Meeting of their rights to pose any questions and vote on the special resolution set out in the Notice of the EGM at the commencement of the EGM. The Deputy Chairman and Group Chief Executive Officer were presented at the broadcast venue, whereas, the other Directors and the Company Secretary attended and participated the general meetings virtually. The Executive Chairman of the Company was absent with apology during the EGM due to unforeseen circumstances.</p> <p>Throughout the 24th AGM and the EGM, the shareholders participated in the meetings by posting questions through the online meeting platform at http://www.onecapital.com.my for the Directors to respond and provide clarifications. With the presence of the Directors, the shareholders were given meaningful responses to all questions proposed during the AGM and EGM. The shareholders were also encouraged to submit questions to the Board by email prior to the 24th AGM and EGM.</p>

	There were sufficient time and opportunity made available for the shareholders to pose questions. The live questions posed by shareholders were read out by the Senior Management in order to support meaningful engagement between the Board, Senior Management and shareholders. All the questions and answer had been responded and uploaded to the Company's website together with the Minutes of the 24th AGM and EGM, including those questions not taken up during the Q&A session.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>The 24th AGM as well as the EGM were conducted on a fully virtual basis through live streaming from the broadcast venue at One Capital Market Services Sdn. Bhd. (“One Capital”) on 14 December 2021 and 24 August 2022 respectively.</p> <p>The Poll Administrator, One Capital had verified the eligibility of shareholders/corporate representatives/proxies to attend the 24th AGM and EGM based on the General Meeting Record of Depositors upon the cut-off date for the time for proxy forms’ submission. This online platform was secured exclusively for the shareholders with approved registration via the Remote Participation and Voting (“RPV”) at the 24th AGM and EGM.</p> <p>The shareholders posted their questions to the Board via real time submission of typed texts and voted remotely at the General Meetings via the RPV facilities provided by One Capital Market Services Sdn. Bhd. via http://www.onecapital.com.my. The shareholders were allowed to submit their votes within a stipulated time. A video guide on the online remote voting process was shown before the voting commenced.</p> <p>Detailed instructions and procedures on the remote participation and e-voting process were provided in the Company’s notification to the Shareholders on the administrative details of the 24th AGM and EGM.</p> <p>The e-voting had provided a more efficient and accurate outcome of the results. Upon completion of voting, the poll results were verified and announced by the scrutineers. For the benefit of all shareholders, the outcomes were also announced by the Company to Bursa Securities on the same day after the conclusion of the 24th AGM and EGM respectively.</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 24 th AGM and EGM of the Company were made available on the Company's website at https://reneuco.com/general-meeting within 30 business days from the 24 th AGM and EGM on 14 December 2021 and 24 August 2022 respectively.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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