

NETX HOLDINGS BERHAD

Company Registration No. 200001030834 (533441-W)
(Incorporated in Malaysia)

Corporate Governance Report 2024

	Total	Applied/ Adopted	Departure	Not Applicable	Not Adopted
Recommended Practices	43	40	2	1	-
Step-up Practices	5	1	-	-	4

Practice No.	Description
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.
Practice 5.4 (Step Up)	The board has a policy which limits the tenure of its independent directors to nine years without further extension.
Practice 5.9	The board comprises at least 30% women directors.
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.
Practice 8.3 (Step Up)	Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.
Practice 9.4 (Step Up)	The Audit Committee should comprise solely of Independent Directors.
Practice 12.2	Large companies are encouraged to adopt integrated reporting based on a globally recognised framework. Not Applicable – The Company is not a large companies.

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0020
COMPANY NAME : NETX HOLDINGS BERHAD
FINANCIAL YEAR : November 30, 2024

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 plans the strategic direction, development and control of the Group and has embraced the responsibilities listed in the Board Charter to discharge its stewardship and fiduciary responsibilities. The key matters reserved for approval by the Board are the quarterly financial results, audited financial statements, annual budget, significant expenditures, significant acquisitions and disposals, appointment of Directors/Board Committee members, related party transactions, potential conflict of interest situations and other relevant matters affecting the Group's business.</p> <p>Generally, the Executive Director is responsible for making and implementing operational and corporate decisions while the Non-Executive Directors balance the Board accountability by providing their independent views, advice and judgement in safeguarding the interests of the shareholders. Non-Executive Directors play a key supporting role, contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate objectives, policies and decisions.</p> <p>The Chairman is responsible for the Board's effectiveness and conduct whilst the Executive Director has the overall responsibilities over the Group's operating units, organisational effectiveness and implementation of the Board's policies and decisions. The Executive Director is the decision maker and is involved in a leadership role overseeing the day-to-day operations and management and is accountable for the conduct and performance of the Group's businesses.</p> <p>The Board has set the management authority limit and retained its authority of approval on significant matters.</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>During the financial year under review, the Board is chaired by an Independent Non-Executive Director who is not related to the Executive Director. The Board believes that the element of independence that currently exists is adequate to provide assurance that there is a balance of power and authority in the Board. In addition, the Chairman is not involved in the day-to-day management of the Group's business and has no relationship that could materially interfere with his judgement.</p> <p>The Chairman is responsible for the Board's effectiveness and conduct, implementing the Group's policies, business plans and executive decision making and is assisted by the Executive Directors. The Chairman also promotes an open environment for debate and ensures effective contributions from Non-Executive Directors. He also exercises control over the quality, quantity and timeliness of information flow between the Board and management. Together with the other Non-Executive Directors, he leads the discussion on the strategies and policies recommended by the management.</p> <p>At a general meeting, the Chairman plays a role in fostering constructive dialogue between shareholders, the Board and management.</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>During the financial year under review, the Company also complied with the recommendation of the MCCG where different individuals hold the positions of the Chairman and the Executive Director, and the Chairman is a non-executive member of the Board.</p> <p>The roles of the Chairman and the Executive Director are clearly defined and segregated, to ensure an appropriate balance of power and authority, increased accountability and enhanced capacity of the Board for independent decision-making. The Chairman is not related to the Executive Director, and is responsible for leading the Board in the oversight and supervision of the Group's management; whilst the Executive Director is responsible for the day-to-day operations of the Group, which includes implementing the policies and decisions of the Board. The Executive Director reports to the Board with respect to matters concerning the Board members and the Group.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	In line with the recommendation of the MCCG, the Chairman is not a member of any of the Board Committees. This is to ensure checks and balances as well as that objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s).
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has access to the advice and services of the Company Secretary who is suitably qualified and competent to support the Board. The Company Secretary is responsible for providing support and guidance to the Board on policies and procedures, rules and regulations and relevant laws in regard to the Company as well as the best practices on governance.</p> <p>The Company Secretary provides support to the Chairman to ensure the effective functioning of the Board and also organises and attends all Board meetings and Board Committee meetings, ensuring that an accurate and proper record of deliberation of issues discussed, decisions and conclusions are taken.</p> <p>The Company Secretary records, prepares and circulates the minutes of the meetings of the Board and Board Committees and ensures that the minutes are properly kept at the registered office of the Company and produced for inspection, if required. In addition, the Company Secretary also updates the Board regularly on amendments to the Listing Requirements, practices and guidance notes, circulars from Bursa Securities, legal and regulatory developments and impact, if any, to the Group.</p> <p>The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through continuous training. The proposed change of the Company Secretaries (if any) is a matter for the Board, as a whole to decide.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their functions.</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	:	The Board on an annual basis would agree on the meeting dates for the whole year so that each member of the Board is able to plan his schedule accordingly. The agenda for the Board meetings, together with appropriate reports and information on the Group's business operations, and proposal papers for the Board's consideration are circulated to all the Directors prior to the meetings, in sufficient time so that all Directors are given time to prepare, evaluate, obtain additional information or clarification prior to the meeting. The proceedings and resolutions reached at each Board meeting are documented in the minutes and signed by the Chairman of the meeting. The Company Secretary records, prepares and circulates the minutes of the meetings of the Board and Board Committees and ensures that the minutes are properly kept at the registered office of the Company and produced for inspection, if required.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established a Board Charter which sets out the Board's functions and responsibilities, including the division of responsibilities between the Board, the different Board Committees, the Chairman and the Executive Director. A set of Directors' Code of Conduct has also been formalised which includes the key values, mission, principles and ethos of the Company.</p> <p>The Board Charter serves as a reference and primary induction literature, providing Board members and management insights into the function of the NetX Board. The Board reserved matters covering areas such as strategy and business planning, finance and controls, people, compliance, support and assurance are entrenched in the Board Charter.</p> <p>Both the Board Charter and Directors' Code of Conduct are also available on the Company's website at www.netx.com.my. The Board Charter is subject to review from time to time and in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.</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	:	The Group has put in place a Code of Conduct for the Directors and employees that sets the guidelines for their conduct. The ethical standards required all Directors and Employees to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders. The Director's Code of Conduct is available at the Company's website at www.netx.com.my , while the employee's code of conduct is set out in the Employee Handbook.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group has also put in place its Whistleblowing Policy and procedures by which an employee or stakeholder to raise concerns or disclose in good faith any unethical behaviour, malpractice, non-compliance and unethical business conduct and to enable prompt corrective actions and measures to resolve them effectively.</p> <p>Any employee who has a reasonable belief that there is serious malpractice relating to the matter disclosed may direct such complaint and report to the Audit and Risk Management Committee (“ARMC”) in writing. The identity of the whistleblower will be kept confidential and protection is accorded against being disadvantaged in any way such as victimization, retribution and harassment.</p> <p>The Whistleblowing Policy is available at the Company’s website at www.netx.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social and governance ("ESG") aspects of business which underpin sustainability. The Board understands that balancing ESG aspects with the interests of various stakeholders is essential to enhancing investor perception and public trust. The Company strives to achieve a sustainable long-term balance between meeting its business goals and compliance with relevant environmental and related legislation as well as ensuring a safe and healthy working environment.</p> <p>The Board fulfils its responsibilities by delegating to the senior management which comprises representatives from various business units. The senior management is responsible for implementing, overseeing and addressing all sustainability related issues from stakeholders and update the Board on the Group's sustainability management performance, key material issues identified by stakeholders and planned follow-up measures.</p> <p>The Corporate Social Responsibility Policy and Sustainability Policy can be found on the Company's website at www.netx.com.my. The details of the sustainability effort are presented in the Corporate Sustainability Statement of this Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social and governance ("ESG") aspects of business which underpin sustainability. The Board understands that balancing ESG aspects with the interests of various stakeholders is essential to enhancing investor perception and public trust. The Company strives to achieve a sustainable long-term balance between meeting its business goals and compliance with relevant environmental and related legislation as well as ensuring a safe and healthy working environment.</p> <p>At those companies in which the Group has an interest but that do not form a part thereof, the Company will promote, through its representatives on the boards of directors thereof, the alignment of their own policies with those of the company, such that they adhere to principles and guidelines that are consistent with those established in the ESG Policy and in the environmental, social and corporate governance and regulatory compliance policies in further development thereof. The Group also committed to cascade its sustainability commitment, practices and culture to its extended business partners, suppliers and contractors.</p> <p>The Corporate Social Responsibility Policy and Sustainability Policy can be found on the Company's website at www.netx.com.my. The details of the sustainability effort are presented in the Corporate Sustainability Statement of this 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

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

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and management integrated sustainability considerations into all business decisions, functions and work processes, with the aim of creating value and contributing to sustainable development.</p> <p>The Board has in place policies and guidelines with integration of Environmental, Social and Governance (“ESG”) elements to promote good corporate governance culture within the Group and embedding sustainability principles into business operation. These include Corporate Social Responsibility Policy, Sustainability Policy, Code of Conduct and Ethics, Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy.</p> <p>The Board has delegated its sustainability responsibilities to the management. The management has been actively reviewing and monitoring sustainability initiatives to ensure alignment with the Company’s business goals. The management also diligently ensure that the Company’s conduct is in line with the Malaysian Code of Corporate Governance, Bursa Malaysia Securities Berhad’s Listing Requirements, Securities Commission Act, Companies Act 2016 and other local laws.</p> <p>The Board and management continue to advocate the element of sustainability within our business, the Company will stay committed to developing and enhancing our practices and initiatives.</p> <p>Further details of the sustainability effort are presented in the Corporate Sustainability Statement of 2024 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

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Board Assessment and Evaluation for financial year ended 30 November 2024 included assessment on Board’s evaluation and understanding on Environmental, Social and Governance (“ESG”) and sustainability issues that are relating to the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	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>The Nominating and Remuneration Committee ("NRC") reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual Directors.</p> <p>The NRC evaluate Board effectiveness in the areas of composition, roles and responsibilities, and whether the respective Board Committees effectively discharged their functions and duties in accordance with their terms of reference. The evaluation process involved a self-review assessment, where Directors will assess their own performance.</p> <p>The criteria used by the NRC in evaluating the performance of an individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, are in a set of questionnaires. The Board did not engage any external party to undertake an independent assessment of the Directors.</p> <p>Based on the assessment conducted for the financial year ended 30 November 2024, the Board and the NRC are satisfied with the current size, composition as well as the mix of qualifications, skills and experience among the Board and Board Committees members. The assessment and evaluation are properly documented.</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 currently consists of five (5) members, comprising of an Independent Non-Executive Chairman, two (2) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Executive Director.</p> <p>The current Board composition complies with Rule 15.02 of the Listing Requirements of at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors as well as the MCCG's recommendation of at least half of the Board members are Independent Directors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted the nine (9) years policy for Independent Directors. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director. In the event the Board intends to retain such Director as an Independent Director after the latter has served a cumulative term of nine (9) years, the Board will justify the decision and seek annual shareholders' approval through a two-tier voting process.</p> <p>The Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his/her responsibilities in the best interest of the Company should be the predominant factors to determine the ability of a Director to serve effectively as an Independent Director.</p> <p>The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgement on Board deliberations and decision making.</p> <p>As at 30 November 2024 none of the Independent Non-Executive Directors of the Company has served the Board for a cumulative term of more than nine (9) years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating and Remuneration Committee (“NRC”) has been entrusted with the responsibility to identify and review candidates for appointment to the Board. The Board has established a nomination process of Board members to facilitate and provide a guide for the NRC to identify, evaluate, select and recommend to the Board the candidate to be appointed as a Director of the Company. The NRC is responsible for identifying and recommending suitable candidates to fill vacancies arising from resignation, retirement or if there is a need to appoint an additional Director with the required skill or profession to the Board to close the competency gap in the Board.</p> <p>Upon receiving a nomination for a new Director, the review process entails the assessment of the candidate’s background, experience, knowledge and skills critical to the Group’s business. Other criteria such as integrity, wisdom, independence of the candidates, existing commitments, potential risk and/or conflict of interest are also considered in the assessment of the suitability of candidates for appointment to the Board.</p> <p>Upon the evaluation of the candidates, the NRC shall report to the Board its findings and recommendations. The Board would based on the recommendations of the NRC proceed to approve or decline the appointment of the candidates as the new Director of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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	:	Currently, the sources to identify suitably qualified candidates for appointment of directors are recommendations from existing Board members, senior management or major shareholders. However, the Board and Nominating and Remuneration Committee ("NRC") would not hesitate to utilise independent sources to identify suitably qualified candidates, where necessary.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating and Remuneration Committee (“NRC”) would carry out formal assessment evaluation the performance as well as identifying any gaps or areas of improvement of the Individual directors, Board and Board Committee annually. The NRC also would identify the directors to be retired (“Retiring Directors”) by rotation in accordance with the Constitution of the Company and assess the Retiring Directors’ eligibility for re-election by considering their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective director’s performance and contributions to the Board, the NRC then recommend to the Board the re-election of the Retiring Directors at the forthcoming Annual General Meeting (“AGM”).</p> <p>The Board endorsed recommendation of the NRC after reviewing the performance evaluation of the Retiring Directors, that the Retiring Directors to be considered for re-election at the forthcoming AGM.</p> <p>A statement of the Board is satisfied with the performance evaluation of the Retiring Directors, hence endorsed the recommendation of the NRC for the Retiring Directors to be considered for re-election pursuant to the Company’s Constitution at the forthcoming AGM, is disclosed in the Explanatory Notes of the Notice of 24th AGM enclosed in the Company’s 2024 Annual Report.</p> <p>The details of the respective directors to be retired during the forthcoming AGM were disclosed in the Profile of Directors in the Company’s 2024 Annual Report including their age, gender, position in the Company, qualification, working experience, expertise, any position in Board Committee, any conviction of offence in the past 5 years and any conflict of interest with the Company. The shareholdings of the Retiring Directors were disclosed in the Analysis of Shareholdings in the Company’s 2024 Annual Report.</p>

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

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nominating and Remuneration Committee of the Company is chaired by Mr Chen Chee Peng, the Independent Non-Executive Director of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, our Board comprises one (1) female Director, representing 20% of total numbers of the Board.</p> <p>The Board recognises the merits of Boardroom Diversity in adding value to the collective skills, perspectives and strengths of the Board. As such, the Board had adopted the Board Diversity Policy which sets out the Company's approach to diversity on the Board of NetX. The Board endeavors to have a diversity of the Board and its workforce in terms of gender, experience, qualification, ethnicity and age. The NRC is responsible for ensuring that diversity objective is adopted in Board recruitment, Board performance evaluation and succession planning processes whereas diversity in the workforce shall be decided by the management.</p> <p>The Board also recognises that gender diversity is of importance to the boardroom and will continue to encourage and propose women candidates subject to the identification of suitable candidates with appropriate skills.</p> <p>Currently, our Board comprises one (1) female Director, representing 20% of the total number of the Board. In line with the MCCG of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as consider the appointment of additional female directors onto the Board in the future to bring about a more diverse perspective.</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 had adopted the Board Diversity Policy which sets out the Company’s approach to diversity on the Board of NetX. The Board endeavors to have a diversity of the Board and its workforce in terms of gender, experience, qualification, ethnicity and age. The Nominating and Remuneration Committee (“NRC”) is responsible for ensuring that diversity objective is adopted in Board recruitment, Board performance evaluation and succession planning processes whereas diversity in the workforce shall be decided by the management.</p> <p>The Board also recognises that gender diversity is of importance to the boardroom and will continue to encourage and propose women candidates subject to the identification of suitable candidates with appropriate skills.</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

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 Nominating and Remuneration Committee (“NRC”) reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual Directors.</p> <p>The NRC evaluate Board effectiveness in the areas of composition, roles and responsibilities, and whether the respective Board Committees effectively discharged their functions and duties in accordance with their terms of reference. The evaluation process involved a self-review assessment, where Directors will assess their own performance.</p> <p>The criteria used by the NRC in evaluating the performance of an individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, are in a set of questionnaires. The Board did not engage any external party to undertake an independent assessment of the Directors.</p> <p>Based on the assessment conducted for the financial year ended 30 November 2024, the Board and the NRC are satisfied with the current size, composition as well as the mix of qualifications, skills and experience among the Board and Board Committees members. The assessment and evaluation are properly documented.</p> <p>The Board conducts an assessment of the independence of the Independent Directors annually. During the financial year, the Board obtained confirmation of independence from the Independent Directors and none of the Independent Directors disclosed any relationships that could materially interfere with or be perceived to materially interfere with their independent judgement and ability to act in the best interests of NetX. The Board is satisfied that the Independent Directors are independent</p>

	as they fulfilled the required criteria stipulated in the Listing Requirements.	
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	:	The Board has established a Remuneration Policy to facilitate the Nominating and Remuneration Committee ("NRC") to review, consider and recommend to the Board for decision on the Directors' remuneration. The Board believes in a Remuneration Policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective is to offer a competitive remuneration package to attract, develop and retain talented individuals to serve as Directors. A copy of the Remuneration Policy is available on the Company's website at www.netx.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the MCCG, the Board has established the Nominating and Remuneration Committee ("NRC") which comprise two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.</p> <p>Under its terms and reference, the functions of the NRC are as follows:</p> <ul style="list-style-type: none">• assess the suitability of the candidates in terms of their competencies, commitment, contribution and performance;• recommend to the Board the nomination of a person or persons to be a Board member(s) by the shareholder(s) or Director(s);• recommend to the Board, Directors to fill the seats on Board Committees;• assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each existing individual director and thereafter, recommend its findings to the Board;• review the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board and thereafter, recommend its findings to the Board;• review the Board's succession plans and training programmes;• facilitate Board induction and training programmes;• review on an annual basis the term of office of each of the Audit and Risk Management Committee ("ARMC") members and the performance of the ARMC and each of its members;

	<ul style="list-style-type: none"> • recommend to the Board, the remuneration packages of the Executive Director of the Company in all its forms, drawing from outside advice as necessary; and • recommend to the Board, the Directors' fees and other benefits payable to the Directors for shareholders' approval. <p>The terms of reference of NRC are available on the Company's website at www.netx.com.my.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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 details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) and categorised into appropriate components for the financial year ended 30 November 2024 were disclosed in the pages 39 to 40 of the Company's 2024 Annual Report.

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' Sri Wan Ahmad Najmuddin Bin Mohd	Independent Director	60	15.40	0	0	0	0	75.40	82	15.40	0	0	0	0	97.40
2	Tan Sik Eek	Executive Director	0	0	378	0	0	46.56	424.56	809.92	0	378	0	0	46.56	1,238.89
3	Yong Ket Inn	Non-Executive Non-Independent Director	48	15.40	0	0	0	0	63.40	92.03	15.40	0	0	0	0	107.43
4	Ong Siew Min	Independent Director	48	15.40	0	0	0	0	63.40	48	15.40	0	0	0	0	63.40
5	Chen Chee Peng	Independent Director	48	15.40	0	0	0	0	63.40	48	15.40	0	0	0	0	63.40
6		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
7	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
8	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
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
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Intended Outcome

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

Practice 8.2

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

Application	:	Departure								
Explanation on application of the practice	:									
Explanation for departure	:	<p>The Company opts not to disclose the senior management's remuneration components (salary, bonus, benefits-in-kind and other emoluments) on a named basis as it is not in the best interest of the Company and senior management personnel to disclosure of their personal data to the public at large.</p> <p>The Company notes the need for transparency in the disclosure of its key senior management remuneration, the Company is of the opinion that the disclosure of remuneration details may be detrimental to its business interests, given the competitive landscape for key personnel with requisite knowledge, technical expertise and working experience in the Company's business activities, where intense headhunting is a common industry challenge. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.</p> <p>The Company is of the view that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the key senior management on named basis.</p> <p>The number of key senior management in office at the end of the financial year and the total remuneration from the Group categorized into the various bands were as follows:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">Total</th> </tr> </thead> <tbody> <tr> <td>RM150,001 – RM200,000</td> <td style="text-align: right;">2</td> </tr> <tr> <td>RM200,001 - RM250,000</td> <td style="text-align: right;">0</td> </tr> <tr> <td>RM300,001 – RM350,000</td> <td style="text-align: right;">1</td> </tr> </tbody> </table> <p>The remuneration of the senior management personnel, which is a combination of annual salary, bonus and benefits-in-kinds are determined similarly to other management employees of the Group. The basis of determination has been consistently applied</p>		Total	RM150,001 – RM200,000	2	RM200,001 - RM250,000	0	RM300,001 – RM350,000	1
	Total									
RM150,001 – RM200,000	2									
RM200,001 - RM250,000	0									
RM300,001 – RM350,000	1									

	<p>and is based on individual performance and the overall performance of the Group. The aggregate remuneration of the top three (3) senior management received for the financial year ended 30 November 2024 was RM0.63 million representing 15.28% of the total employees' remuneration of the Group.</p> <p>The Board is of the view that disclosure of remuneration of the Directors of the Board and key senior management by appropriate components and the top three (3) senior management's total combined remuneration package should meet the intended objectives of the MCCG.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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 Audit and Risk Management Committee is Ms Ong Siew Min and she is not the Chairman of the Board.	
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	:	NetX recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the Audit and Risk Management Committee (“ARMC”) of the Company was former key audit partners of the external auditors appointed by the Group. As recommended by MCCG, the Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of the Group.	
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 Audit and Risk Management Committee ("ARMC") has in place a policy to assess the performance, independence and quality of External Auditors on an annual basis and report to the Board its recommendation for the re-appointment of the External Auditors at the Annual General Meeting.</p> <p>As part of the evaluation process, the ARMC will obtain feedback from the management team on the quality of the audit service of the External Auditors. The External Auditors assure the ARMC that they were independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>To assess or determine the suitability and independence of the External Auditors, the ARMC has taken into consideration, among others, the following:</p> <ul style="list-style-type: none"> i) The adequacy of the experience and resources of the External Auditors; ii) The External Auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan; iii) The nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and iv) Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.
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 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>Mr Yong Ket Inn, is a fellow member of the Institute of Chartered Accountants in England and Wales and Malaysian Institute of Taxation and also a member of the Malaysian Institute of Accountants since 1987. In addition, Ms Ong Siew Min is also a fellowship member of the Chartered Institute of Management Accountants, United Kingdom and a registered accountant with the Malaysian Institute of Accountants. Accordingly, the Company complies with Rule 15.09(1)(c) of the Listing Requirements.</p> <p>Collectively, the members of the Audit and Risk Management Committee ("ARMC") have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the ARMC. The qualifications and experience of the individual ARMC members are disclosed in the Profile of Directors on pages 22 to 23 of the 2024 Annual Report. During the financial year ended 30 November 2024, all the members of the ARMC had undertaken the relevant training programmes to keep themselves abreast of the latest developments in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties 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

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 has established an on-going process to continuously review the adequacy and effectiveness of the Group’s risk management framework and system of internal control. The Board through its Audit and Risk Management Committee (“ARMC”) supported by the Internal Auditor that is independent of the activities it audits, conducted periodic assessments during the financial year to ensure proper risk governance and determine the nature and extent of the significant risks that may hinder the Group from achieving its objectives are being adequately evaluated, managed and controlled. Audit Issues as well as actions agreed by the management to address them were tabled and deliberated by Internal Auditor during the ARMC Meetings, the minutes of which are then presented to the Board.</p> <p>The Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and reviewing of the major strategic, business and operation risks within the Group. Both the Board of Directors and ARMC review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports on a yearly basis.</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	:	<p>The Board is committed to determine the Company’s level of risk tolerance and to actively identify, assess and monitor key business risks to safeguard shareholders’ investments and the Company’s assets by monitoring the internal controls in place with the assistance of the Audit and Risk Management Committee (“ARMC”), the External Auditors and the Internal Auditors, who will report directly to the ARMC on the effectiveness and efficiency of the internal control processes and procedures periodically to ensure that the system is viable and robust.</p> <p>Further details of the risk management framework and the system of internal control of the Group are presented in pages 44 to 46 on the Statement of Risk Management and Internal Control of the Company’s 2024 Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Company has incorporated risk management function in its Audit Committee. The current composition of the Audit and Risk Management Committee consists of two (2) Independent Non-Executive Directors and one (1) Non-independent Non-Executive Director.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function is outsourced to a professional services firm to provide the Audit and Risk Management Committee ("ARMC") with an independent assessment of the adequacy and effectiveness of the Group's system of internal control. The outsourced internal auditors report functionally to the ARMC and administratively to the Board. Its responsibilities include providing independent and objective reports on the state of internal controls of the significant operation units in the Group to the ARMC, with recommendations for improvement to the control procedures, so that remedial actions can be taken in relation to weaknesses noted in the systems.</p> <p>The ARMC works with the Internal Auditors to ensure that the internal audit plan encompasses the audit of the essential services and the follow-up on the audits. The internal auditors are required to perform periodic testing of the internal control systems to ensure that the system is robust.</p> <p>Information on the Company's risk management framework and internal control system is presented in the Statement of Risk Management and Internal Control of Company's 2024 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

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 Group's internal audit function is outsourced to an independent professional consulting firm, CAS Consulting Services Sdn. Bhd. ("CAS Consulting") to provide the Audit and Risk Management Committee ("ARMC") with an independent assessment of the adequacy and effectiveness of the Group's risk management and internal control system.</p> <p>CAS Consulting engagement director in charge of the Group's internal audit is Mr Kong June Hon, a Chartered Accountant of the Malaysia Institute of Accountants and a Chartered Member of the Institute Internal Auditors Malaysia. CAS Consulting has assigned two staffs to provide internal audit services during the financial year under review.</p> <p>During the financial year under review, the internal audit personnel of CAS Consulting affirmed to the ARMC that they were free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>CAS Consulting reports functionally to the ARMC and administratively to the Board, and accomplishes its objectives by adopting a systematic and disciplined approach to evaluate and continuously improve the effectiveness of risk management, control and governance process of the Group. CAS Consulting carries out its function in accordance with the Internal Audit Standards outlined in the International Professional Practises Framework issued by the Institute of Internal Auditors and other nationally and internationally recognised frameworks.</p> <p>The internal audit was carried out based on an audit plan approved by the ARMC. The audit plan took into consideration the Corporate and Divisional Risk Profiles and input from the senior management and the ARMC members. The ARMC works with CAS Consulting to ensure that the internal audit plan encompasses the audit of significant operating units in the Group and the follow-up audits.</p>

	<p>The results of the audits in the internal audit reports were reviewed by the ARMC. CAS Consulting provides independent and objective reports on the state of the internal controls system, with recommendations for improvement, so that remedial actions can be taken in relation to weaknesses noted in the systems. The relevant management members are made responsible for ensuring that corrective actions on reported weaknesses are taken within the required timeframes. CAS Consulting will conduct follow-up audits to ensure that the corrective actions are implemented appropriately. In this respect, CAS Consulting has added value by enhancing the governance, risk management and control processes within the Group.</p>	
<p>Explanation for departure</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>Timeframe</p>		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company. It ensures that timely releases of the quarterly financial results, circulars, press releases, corporate announcements and annual reports are made to its shareholders and investors.</p> <p>The Company has adopted a Corporate Disclosure Policy aiming at effectively handling and disseminating corporate information timely and accurately to its shareholders, stakeholders, and the investing public in general as required by Bursa Securities. The Corporate Disclosure Policy is available on the Company's website at www.netx.com.my.</p> <p>The Board ensures that all material information and corporate disclosures are discussed with the management prior to dissemination to ensure compliance with the Listing Requirements. In deciding on the necessary disclosures and announcements, the Board is also guided by Bursa Securities corporate disclosure guides as published by Bursa Securities from time to time. The Board delegated the authority to the Executive Director to ensure that the Corporate Disclosure Policy is being adhered to by the management and Company Secretary. The Executive Director is also given the authority to approve all announcements.</p> <p>The Company's website has a section dedicated to shareholders under Investor Relations where shareholders can check on the latest announcements of the Group, Annual Reports, Quarterly reports, Corporate policies and contact information.</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	:	The Annual General Meeting (“AGM”) is the main delivery channel for dialogue with all shareholders. As recommended by the MCCG, the notice of AGM will be despatched to shareholders at least twenty-eight (28) days before the AGM, to allow shareholders to have sufficient time to go through the Annual Report and make the necessary attendance and voting arrangements. Shareholders are encouraged and are given ample opportunities to review the annual report, to appoint proxies and to collate questions to be asked at the AGM. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published at least in a major local newspaper. The Board will ensure that each item of special business included in the notices of the AGM or extraordinary general meeting is accompanied by a full explanation of the effects of any proposed resolution.	
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>The tentative dates of the AGM will be discussed and fixed by the Board in advance to ensure that each of the Directors will be able to make the necessary arrangements to attend the planned AGM. The Twenty-Third (23rd) AGM of the Company which was held on 29 April 2024 was conducted by way of a virtual basis and online remote voting using the Remote Participation and Voting Facilities and has been attended by all the Directors of the Company.</p> <p>The Board members who are also Chairman of the respective Board Committees are present at the AGM to respond to questions raised by the shareholders if addressed to them. The Company also allocated sufficient time during the AGM for a Question-and-Answer session whereby the shareholders, who could submit questions in text form, were responded to accordingly by relevant members 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

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's forthcoming Annual General Meeting will be held on a hybrid mode at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("Meeting Venue") and virtually by way of electronic means via online meeting platform at https://rebrand.ly/NetX-AGM ("Online Platform")</p> <p>In addition, the shareholders are allowed to appoint any person(s) as their proxy to attend, participate, speak and vote in their stead at a general meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>At the commencement of all general meetings, the Chairman will inform the shareholders of their rights to poll voting. A scrutineer is appointed to validate the votes cast at the general meeting. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman will declare the number of votes received, both for and against for each separate resolution. The outcome of a general meeting will be announced to Bursa Securities on the same meeting day.</p> <p>During the AGM, the shareholders are invited to raise questions relating to the financial performance, the business activities of the Group and matters tabled at the general meeting. The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders. Suggestions and comments by shareholders in the AGM will be noted by the Board for consideration.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Company's forthcoming Annual General Meeting ("AGM") will be held on a hybrid mode at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("Meeting Venue") and virtually by way of electronic means via online meeting platform at https://rebrand.ly/NetX-AGM ("Online Platform").</p> <p>For shareholders who wish to attend the AGM virtually, the Company had provided an Administrative Guide to the shareholders, which set out the procedures and requirements for Remote Participation and Voting ("RPV") facilities. Shareholders and proxies that successfully registered for RPV were able to submit their questions electronically via the RPV facilities before and during the AGM. Shareholders/proxies may joint the AGM online, and also voted electronically using the RPV facility.</p> <p>At the AGM, the shareholders are encouraged to participate in the questions and answers session, where they will be given the opportunity to raise questions or seek more information during the AGM. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholders.</p> <p>The external auditors also will be invited to attend the AGM of the Company to respond and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.</p>
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.6

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	: In line with the recommendation of MCCG, the minutes of the 23 rd AGM held on 29 April 2024 has been posted on the Company's website for public viewing within thirty (30) business days after the 23 rd AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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