

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0120
COMPANY NAME : VISDYNAMICS HOLDINGS BERHAD
FINANCIAL YEAR : October 31, 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 PERSUANT 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 Group is headed by a Board that leads and exercises effective controls over the Group's activities, whereby collective decisions and/or close monitoring are conducted on issues relating to strategy, performance, resources, standards of conduct and financial matters. The matters reserved for the collective decision of the Board are listed in the Board Charter of the Company, which is available on the Company's website.</p> <p>The Board has delegated the day-to-day management of the Group to the Chief Executive Officer and specific responsibilities to the Board Committees.</p> <p>The Board's principal responsibilities include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning, developing and implementing procedures to enable effective communication with stakeholders, etc.</p> <p>The Board is kept abreast of the overall business activities of the Company and the strategic plans of the Group through the updates from Management at the quarterly meeting.</p> <p>The roles and responsibilities of the Board are set out in the Board Charter while the Board Committees' roles and responsibilities in discharging its functions are set out in the respective Board Committees' Terms of Reference.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is led by the Senior Independent Non-Executive Chairman, Vincent Loh. The Chairman is committed to good corporate governance practices and has been leading the Board towards a culture of high performance.</p> <p>As provided under the Company's Board Charter, the Chairman is responsible for, among others:</p> <ul style="list-style-type: none"> • Inculcating a positive culture in the Board and leading the Board in setting good values and high standards in managing the Company; • Encouraging all Directors to play an active role in Board activities; • Ensuring the Board receives accurate, timely, and clear information to take part in active debates on strategic issues; • Facilitating the effective contribution of Non-Executive Directors; and • Ensuring effective communication with the shareholders and relevant stakeholders. 	
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 positions of Chairman and Chief Executive Officer (“CEO”) are held by different individuals to ensure balance of power, accountability and division of roles and responsibilities of the Board and Management of the Company’s business and operations. The roles of the Chairman are distinguished from those of the CEO with a clear division of responsibilities as outlined in the Company’s Board Charter.</p> <p>The Chairman is primarily responsible for matters pertaining to the Board and the overall conduct of the Group and is committed to good corporate governance practices and leading the Board towards a high performing culture, while the CEO is responsible for the implementation of board policies and decisions approved by the Board, and he is obliged to report to the Board at Board Meetings all material matters currently or potentially affecting the Group and its performance, including all strategic projects and regulatory developments that may have an impact on the daily operations. All Board decision are made unanimously or by consensus. The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.</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 1.4

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	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>Mr. Pang Nam Ming, the Chairman of the Board, is not a member of the Audit Committee, Nomination Committee and Remuneration Committee (collectively known as "Board Committees").</p> <p>Nonetheless, Mr. Pang participated the Board Committees' meetings by way of invitation but he does not participate in the decision making of the Board Committees.</p> <p>The attendance of the Board Chairman at the Board Committees' Meeting was solely to provide inputs on the issues discussed, taking into account of his vast experience in corporate management, financial management and corporate governance.</p> <p>The Board Committees are of the view that the Chairman's input and contribution are valuable to the decision making process. The Chairman had always encourage open and constructive discussion amongst the member to ensure that the proposal put forth at the meeting is deliberated by all members. Hence, his attendance does not impair the objectivity of the Board Committees.</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.

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 Group is supported by the Company Secretaries who are qualified to act pursuant to Section 235(2) of the Companies Act 2016.</p> <p>The roles and responsibilities of the Company Secretaries include, but are not limited to the following:</p> <ul style="list-style-type: none">• manage all Board and Board Committees meetings, attend and record minutes of all Board and Board Committees meetings and facilitate Board communications;• guide the Board on its roles and responsibilities;• guide the Board on corporate disclosures and compliance with Listing Requirements, the Company's Constitution, Companies Act 2016 and other relevant rules and regulations;• monitor corporate governance developments, assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and• Undertake the statutory duties as prescribed under the Companies Act 2016.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis for an effective discharge of the Board's responsibilities and has full and unrestricted access to all information pertaining to the Group's business and affairs, including major financial, operational and corporate matters.</p> <p>The notice and agenda for each meeting are transmitted to each Board member at least seven (7) days in advance of the meeting. Procedures have been established for the timely dissemination of meeting papers to all Directors at least five (5) days prior to the Board and Board Committee meetings, to facilitate decision making by Directors and to deal with matters arising from such meetings.</p> <p>The Board and Board Committee meetings are always scheduled in mid-week and the meeting material will be provided to the Directors on the last business day of the week before the scheduled meeting so that the Directors have sufficient time to go through all meeting materials during non-business days.</p> <p>In addition, the meeting papers are disseminated electronically to enable Directors and committee members to access meeting documents and company information in a timely and more efficient manner, thus improving Board performance and the overall effectiveness of decision-making. The Directors may request further information or clarification from the Senior Management on the matters to be deliberated prior to the meeting to ensure the effectiveness of the proceedings at the meeting, if necessary.</p> <p>Senior Management and external advisers are invited to attend Board meetings to provide additional insights and, professional views, advice, and explanations on specific items on the meeting agenda.</p> <p>Deliberations and decisions made at Board and Board Committees meetings are documented in the minutes, including matters where Directors abstained from voting or deliberation. The draft minutes are circulated to the Directors and Board Committees members for their perusal. The minutes are confirmed as a correct record by the Board and Board Committees at the following 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

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is guided by its Board Charter which clearly sets out the Board's roles and responsibilities in discharging its fiduciary and leadership functions.</p> <p>To enhance accountability, the Board has established clear functions reserved for the Board, individual Directors and Senior Management. In addition, the Board has delegated some of its authorities to various committees established to assist the Board in discharging its duties and responsibilities. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands.</p> <p>The Board Charter provides guidance for Directors and Senior Management regarding the responsibilities of the Board, Board Chairman, Executive Directors, Independent Non-Executive Directors, and Senior Independent Director, as well as the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.</p> <p>The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the corporate governance practices of the Company and the responsibilities of the Board in discharging its governance function.</p> <p>The Board Charter was last reviewed on 23 September 2021 and approved by the Board on 22 December 2021, in line with regulatory changes. The Board Charter is available on the Company's website at www.vis-dynamics.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 Group is committed to achieving and monitoring high standards pertaining to behaviour at work.</p> <p>The Board adheres strictly to the Code of Conducts in discharging its oversight role effectively. The Code of Conducts require all Directors, officer and employees of the Company and its subsidiary to observe high ethical business standards, 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.</p> <p>The Code of Conducts, Anti-Bribery and Corruption Policy have been incorporated into the Board Charter of the Company and is available on the Company's website at www.vis-dynamics.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has adopted a Whistleblowing Policy for the Group as a measure to promote the highest standard of corporate governance and transparency. The Whistleblowing Policy outlines the avenues for Directors, employees, and other stakeholders to raise concerns or disclose in good faith any improper conduct within the Group and to enable prompt corrective actions and measures to resolve them effectively.</p> <p>Any party who has reasonable belief that there is serious malpractice relating to the matter disclosed, may direct such a complaint and report to the Senior Independent Non-Executive Director and/or the Chairman of the Audit Committee, in writing. Management will ensure that the whistleblower, who raises a genuine complaint in good faith shall not be penalised for such disclosure and that the identity of such a complainant shall be kept confidential.</p> <p>The Whistleblowing Policy is incorporated in the Board Charter.</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 Company has a governance structure in place where the Board represents the highest authority and is ultimately accountable for managing sustainability matters within the Group. The Board is committed to making sustainability an integral component of the Group's business conduct. A sustainability framework that was in line with industry best practices as well as the Group's vision and mission was established in the year 2021. The sustainability framework incorporated five sustainability strategic pillars i.e. Investors, Market Leadership, Society, Environment and Workforce with four material sustainability matters such as Peace, Prosperity, Planet and People.</p> <p>The Group's sustainability management is driven by the Sustainability Committee, comprises the Senior Management team and the Heads of Department. The Sustainability Committee is responsible for monitoring and implementing the Group's environmental, social and governance (ESG) initiatives.</p> <p>The sustainability practices of the Group are disclosed in the Sustainability Statement of the Company's Annual Report, which is reviewed and approved by 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

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 Group reckons the importance of establishing close relationships with both internal and external stakeholders, and all the businesses and functional units are empowered by the Group to regularly engage with their respective stakeholders to ensure that material issues impacting stakeholders’ interests are addressed in the practices and business strategies.</p> <p>The ESG priorities, targets, and progress are reported in the Sustainability Statement of the annual report to the internal and external stakeholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is mindful of the importance of its members having an adequate understanding of industry issues that may pose a threat to the sustainability of the Group’s business and that they should possess the appropriate skills and experience to manage those risks.</p> <p>The Board, with the assistance of the Nomination and Remuneration Committee, reviews the training needs of the Directors and the composition of the Board to ensure the Directors are ESG competent, keep abreast of market trends, changes in the regulatory climate, and ensure the Board has a mix of financial, legal, management, sustainability, and other backgrounds that could provide the Company with considerable experience in various aspects when working in synergy.</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 annual assessment of the Board for the financial year 2021 did not include a review of the Board's performance in addressing sustainability risks and opportunities. The Board will amend the Board assessment form to include the same in the performance evaluation for the financial year 2023.	
	:	-	
<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>The Nomination Committee (NC) reviews the composition of the Board, the Board Committees, performance of each individual director on an annual basis before recommending the directors who shall retire by rotation for re-election at the Annual General Meeting to the Board for consideration.</p> <p>In December 2022, the NC after taking into account the satisfactory performance and contributions of the following Directors and recommended their re-election to the Board at the 18th Annual General Meeting on 27 March 2023:</p> <table border="1"> <thead> <tr> <th>Provision of Constitution</th> <th>Name of Director</th> </tr> </thead> <tbody> <tr> <td>Clause 97</td> <td>Mr. Choy Ngee Hoe</td> </tr> <tr> <td>Clause 104</td> <td>Ms. Chin Peck Li Ms. Olivia Lim Mr. Gan Lim</td> </tr> </tbody> </table>		Provision of Constitution	Name of Director	Clause 97	Mr. Choy Ngee Hoe	Clause 104	Ms. Chin Peck Li Ms. Olivia Lim Mr. Gan Lim
Provision of Constitution	Name of Director								
Clause 97	Mr. Choy Ngee Hoe								
Clause 104	Ms. Chin Peck Li Ms. Olivia Lim Mr. Gan Lim								
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 is made of seven (7) members, four (4) of whom are Independent Directors.</p> <p>These Independent Directors provide a diversity of perspective and view that allows for more robust, thoughtful discussions and a detailed vetting of proposals. The diversity of views enable decisions to be made based on a more thorough analysis of matters arising, and therefore, decisions are made more objectively.</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	:	None of the Independent Directors of the Company has exceeded a cumulative term of 9 years. The tenure of service of the Independent Directors is as follows:																						
		<table border="1"><thead><tr><th>No.</th><th>Name</th><th>Date of Appointment</th><th>Tenure as Independent Director (as at February 2023)</th></tr></thead><tbody><tr><td>1.</td><td>Pang Nam Ming</td><td>10 June 2015</td><td>7 years 8 months</td></tr><tr><td>2.</td><td>Chin Peck Li</td><td>1 June 2022</td><td>8 months</td></tr><tr><td>3.</td><td>Olivia Lim</td><td>1 June 2022</td><td>8 months</td></tr><tr><td>4.</td><td>Gan Lim</td><td>1 June 2022</td><td>8 months</td></tr></tbody></table>	No.	Name	Date of Appointment	Tenure as Independent Director (as at February 2023)	1.	Pang Nam Ming	10 June 2015	7 years 8 months	2.	Chin Peck Li	1 June 2022	8 months	3.	Olivia Lim	1 June 2022	8 months	4.	Gan Lim	1 June 2022	8 months		
No.	Name	Date of Appointment	Tenure as Independent Director (as at February 2023)																					
1.	Pang Nam Ming	10 June 2015	7 years 8 months																					
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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 Group practices non-discrimination of any form, whether based on race, age, religion or gender throughout the organisation, including in the selection of Board members and Senior Management. The Board has adopted a Diversity Policy which is incorporated into the Company's Board Charter and published on the Company's website.</p> <p>The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company. Notwithstanding the challenges in achieving the appropriate level of diversity on the Board, the Board is continuing to work towards addressing this as and when vacancies arise and suitable candidates are identified. The Company's primary responsibility in making new appointments is always to select the best candidates available.</p> <p>As and when vacancies arise at the Board and Senior Management, the Board will take into consideration of different aspects such as professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background in identifying the suitable candidate for such vacancy.</p> <p>On Senior Management level, the Board will endeavour to achieve diversity at this level, and as and when the need arises, the Board will consider the appointment of more female candidates to Senior Management.</p> <p>Currently, there are three female directors on the Board and one female on the Senior Management team of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 Nomination Committee (“NC”) evaluates the balance of skill, knowledge, experience, gender, independent elements, and diversity on the Board, and the current and future needs and size of the Board before making any new appointment.</p> <p>In identifying the candidates for appointment to the Board, other than solely relying on the recommendations from existing Board members, Management and/or major shareholder, the NC also explores independent sources to identify suitably qualified candidates.</p> <p>In considering a new appointment to the Board, the NC takes into consideration the diversity of the Board, in terms of gender, age, ethnicity, professionalism, skill, background, character, competence, and integrity.</p> <p>During the financial year 2022, the Board appointed three (3) new Independent Directors. In identifying suitably qualified candidates for appointment, the NC had obtained recommendations from existing Directors as well as independent organisation.</p> <p>The NC had reviewed the credentials of six (6) potential candidates, of whom three (3) were sourced from an independent organisation i.e. the Institute of Corporate Directors Malaysia (ICDM).</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	:	There was no individual standing for election as new director at the 17th Annual General Meeting (“AGM”) held on 30 March 2022. The details of the directors who will retire by rotation at the upcoming 18th AGM, as well as the statement by the Board and Nomination Committee (“NC”) that they are satisfied with the performance and effectiveness of the retiring directors, will be included on page 48 of the Corporate Governance Overview Statement.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nomination Committee (“NC”) consists exclusively of Independent Non-Executive Directors, and is chaired by Ms. Olivia Lim, the Independent Non-Executive Director of the Company.</p> <p>The NC Chairman is responsible for leading the succession planning and appointment of the Board members including the Chairman and the Chief Executive Officer, leading the annual review of board effectiveness, and ensuring that the performance of each individual director is independently assessed.</p> <p>The Terms of Reference of the NC are available on the Company’s website at www.vis-dynamics.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

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	:	Applied	
Explanation on application of the practice	:	The Board has 3 female directors i.e. Ms. Ong Hui Peng, Ms. Chin Peck Li and Ms. Olivia Lim, representing 43% of women directors on a board of seven (7) 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

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 a Diversity Policy and will through the Nomination Committee consider gender diversity as part of its future selection of candidates for Board and Senior Management positions.</p> <p>The Diversity Policy, which is incorporated into the Board Charter, is made available on the Company’s website at www.vis-dynamics.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 Nomination Committee (“NC”) carries out the annual evaluation for assessing the effectiveness of the Board as a whole, the Board Committees and the contributions of each individual Director. The evaluation was conducted using the Evaluation Forms which set out the assessment criteria as approved by the Board which covered areas such as the Board Structure, Board operations, roles and responsibilities of the Board, the Board Committees and the Chairman’s roles and responsibilities. For Individual Assessment, the assessment criteria include contribution in respect of interaction, quality of inputs, and understanding of role.</p> <p>For the financial year ended 31 October 2022, the NC has assessed the effectiveness of the Board as a whole, the Board Committees, the contribution of individual Directors and the independence of Independent Directors.</p> <p>From the results of the assessment, the NC concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated his or her commitment to the Group in terms of time and participation during the year under review, and recommended to the Board the re-election of retiring Directors at the Company’s forthcoming Annual General Meeting.</p> <p>In addition, the NC had reviewed the terms of office of the Audit Committee (“AC”) and each member of the AC, as well as the financial literacy of the AC members and was of the opinion that the AC had discharged its duties and obligations 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

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place a Remuneration Policy for Directors and Senior Management to enable the Group to attract, retain and motivate Directors with the relevant experience and expertise needed after considering the recommendations of the Remuneration Committee (“RC”) to assist in managing the Group effectively.</p> <p>The Remuneration Policy is set out in the Board Charter of the Company which is available on the Company’s website at www.vis-dynamics.com.</p> <p>The remuneration of Non-Executive Directors is reviewed by the RC and determined by the Board as a whole. The remuneration package for Executive Directors has been structured to link rewards to corporate and individual performance, while the remuneration of Non-Executive Directors reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors. Directors’ fees and benefits payable to the Directors of the Company are subject to the shareholders’ approval at the Company’s Annual General Meeting.</p> <p>In determining the remuneration of the Senior Management, the RC considers the roles, skills, competency and the performance of the individual.</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	:	<p>The Board has established a Remuneration Committee ("RC") which is comprised exclusively of Independent Non-Executive Directors. The RC is responsible for recommending to the Board, the remuneration of the Directors and Senior Management according to the Remuneration Policy of the Group.</p> <p>The RC is governed by written Terms of Reference ("TOR") which deal with its authority and duties. The TOR of the RC is published on the Company's website at www.vis-dynamics.com.</p> <p>The RC meets at least once a year to review and recommend the Board's remuneration package and/or reward payments that reflect their respective contributions for the year, the achievement of each division's goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year.</p> <p>During the financial year 2022, the RC met once to review and assess the remuneration package of the Board members and Senior Management taking into consideration the skills, expertise, composition, size, and experience of the Board, including the core-competencies of both Executive and Non-Executive Directors and the contribution of each individual 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

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 aggregate remuneration paid or payable to all Directors of the Company during the financial year 2022 is listed on a named basis in the table below.

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	Choy Ngee Hoe	Executive Director	-	-	687	57	-	716	1,460	-	-	687	57	-	716	1,460
2	Lee Chong Leng	Executive Director	-	-	408	34	5	472	919	-	-	408	34	5	472	919
3	Ong Hui Peng	Executive Director	-	-	-	-	-	-	-	-	-	224	19	-	238	481
4	Vincent Loh <i>(Resigned on 29 September 2022)</i>	Independent Director	77	2	-	-	-	-	79	77	2	-	-	-	-	79
5	Pang Nam Ming	Independent Director	72	1	-	-	-	-	73	72	1	-	-	-	-	73
6	Wang Choon Seang <i>(Resigned on 29 September 2022)</i>	Independent Director	66	1	-	-	-	-	67	66	1	-	-	-	-	67
7	Chin Peck Li <i>(Appointed on 1 June 2022)</i>	Independent Director	25	1	-	-	-	-	26	25	1	-	-	-	-	26
8	Olivia Lim <i>(Appointed on 1 June 2022)</i>	Independent Director	25	1	-	-	-	-	26	25	1	-	-	-	-	26
9	Gan Lim <i>(Appointed on 1 June 2022)</i>	Independent Director	25	1	-	-	-	-	26	25	1	-	-	-	-	26

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 Board has considered this practice and is of the opinion that the disclosure of the Senior Management's remuneration on a named basis would not be in the best interest of the Group due to the competitive conditions for talent in the industry.</p> <p>The Board considers the information regarding the remuneration of the Senior Management personnel to be sensitive and proprietary in view of the competitive nature of the human resource market and the Company's efforts in retaining executive talents.</p> <p>The Senior Management's remuneration have been disclosed in bands of RM50,000 but not on named basis under the Corporate Governance Overview Statement in the Company's Annual Report 2022 as follows:</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>Below RM50,000</td> <td></td> </tr> <tr> <td>RM50,001 – RM100,000</td> <td></td> </tr> <tr> <td>RM100,001 – RM150,000</td> <td></td> </tr> <tr> <td>RM150,001 – RM200,000</td> <td></td> </tr> <tr> <td>RM200,001 – RM250,000</td> <td></td> </tr> <tr> <td>RM250,001 – RM300,000</td> <td>2</td> </tr> </tbody> </table>	Range of Remuneration	Number of Senior Management	Below RM50,000		RM50,001 – RM100,000		RM100,001 – RM150,000		RM150,001 – RM200,000		RM200,001 – RM250,000		RM250,001 – RM300,000	2
Range of Remuneration	Number of Senior Management															
Below RM50,000																
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RM150,001 – RM200,000																
RM200,001 – RM250,000																
RM250,001 – RM300,000	2															
<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	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	-	-	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)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee (“AC”) consists of three (3) members, all of whom are Independent Non-Executive Directors.</p> <p>The AC is chaired by Ms. Chin Peck Li, who is not the Chairman of the Board. This is to ensure that the objectivity of the Board’s view of the AC’s finding and recommendations is not impaired. The profile of Ms. Chin is set out on page 34 of the Annual Report 2022.</p> <p>The responsibility of the AC is outlined in the Terms of Reference of the AC, including but not limited to reviewing the Group’s risk management and internal control, financial reporting, and the appointment and performance of External Auditors and Internal Audit Function. The Terms of Reference of the AC are available on the Company’s website at www.vis-dynamics.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 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Terms of Reference of the Audit Committee (“AC”) requires a former partner of the external audit firm to observe a cooling off period of at least three (3) years before being appointed as a member of the AC.</p> <p>Currently, no former partner of the Company’s external audit firm has been appointed as a Director or a member of the AC.</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 had adopted the External Auditors Policy and Procedure, which is incorporated in the Board Charter, to review and assess the performance, suitability, and independence of the external auditors, as well as the non audit services provided by the external auditors and the network firms/companies.</p> <p>The Audit Committee ("AC") will carry out an annual assessment on the performance, suitability and independence of the External Auditors, guided by the External Auditor Performance and Independence Checklist. The assessment shall focus on areas such as calibre, quality process and performance, audit team quality and performance, independence and objectivity, audit scope and planning, appropriateness of fees and audit communication</p> <p>The AC received assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accounts.</p> <p>Based on the outcome of the annual assessment conducted in December 2022 on the External Auditors' performance, technical competence and professional independence, the AC recommended to the Board the re-appointment of Messrs. Al Jafree Salihin Kuzaimi PLT as the External Auditors of the Company for the financial year ending 31 October 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All the members of the Audit Committee are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	All members of the Audit Committee ("AC") are financially literate and assist the Board to oversee and scrutinise the process and quality of the financial reporting and ensure the accuracy, adequacy, and completeness of the report, as well as compliance with the relevant accounting standards. All members of the AC undertake continuous professional development and have an annual discussion with the External Auditors on financial reporting development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules.
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 oversees, reviews, and monitors the operation, adequacy and effectiveness of the Group's system of internal control. The Board is responsible for defining the level of risk appetite, obtaining approval, oversee the operations of the Group's Risk Management Framework, assessing its effectiveness and reviewing any major or significant risk facing the Group.</p> <p>The Audit Committee ("AC") oversees the risk management of the Group and advises the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation. The AC also reviews the action plan implemented and makes relevant recommendations to the Board to manage residual risks. The Group had put in place a Risk Management Policy to oversee the risk management of the Company. The monitoring of the risk management by the Group is enhanced by the internal audits carried out by the Internal Audit Function, with specific audit objectives and business risks identified for each internal audit cycle based on the internal control plan approved by the AC.</p> <p>The Board has been integrating the risk issues into their decision-making process whilst maintaining the flexibility to lead the business of the Group through the ever-changing internal and external environments. The Board continues to maintain and review its internal control procedures to ensure the protection of its assets and its shareholders' investment.</p> <p>Further details can be found in the Statement on Risk Management and Internal Control on pages 61 to 65 of 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

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 recognises that identification, evaluation, and management of significant risks faced by the Group is an ongoing processes. Continuous reviews are carried out by the Internal Audit Function and Management to identify, evaluate, monitor, and manage significant risks affecting the business and ensure that adequate and effective controls are in place.</p> <p>The findings of the Internal Audit Function are reported to the AC at the scheduled meeting. The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group’s risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review.</p> <p>Based on the assurance from the Chief Executive Officer and Chief Financial Officer, results of the internal audit activities, as well as the review of the Group’s risk Management process and internal control system, the Board is of the view that the Group’s risk management and internal control system are satisfactory to meet the Group’s needs and have not resulted in any material losses, contingencies, or uncertainties that require disclosure in the Group’s Annual Report.</p> <p>The Statement on Risk Management and Internal Control in the Annual Report 2022 provides an overview of the state of internal controls and risk management 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

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit (“IA”) function of the Company is outsourced to an independent professional service firm, GovernAce Advisory and Solutions Sdn. Bhd., which provides support to the Audit Committee (“AC”) in monitoring and managing risks, controls and governance processes of the Group.</p> <p>The main role of the IA function is to review the effectiveness and adequacy of the existing internal control policies and procedures and to provide recommendations, if any, for their improvement. The Internal Auditors have direct access and report all the matters of internal control to the AC.</p> <p>Based on the results of the evaluation conducted by the AC during the financial year, the AC noted that the IA function is effective and able to function independently.</p> <p>During the financial year under review, the Internal Auditors have conducted review of the Group in accordance with the Internal Audit Plan, which has been approved by the AC.</p> <p>Details of the IA function are set out in the AC Report in the 2022 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has outsourced the Internal Audit (“IA”) function to GovernAce Advisory and Solutions Sdn. Bhd. to assist the Board and the Audit Committee in discharging their responsibilities by providing independent assessment on the adequacy, efficiency, and effectiveness of the Group’s internal control system.</p> <p>The engagement Director, Mr Ryan Chong, has diverse professional experience in the IA, risk management and corporate governance advisory. He is a Chartered Member of the Institute of Internal Auditors Malaysia. Mr Ryan Chong is also a Certified Internal Auditors, a Certified Practising Accountant and a Chartered Accountant.</p> <p>The number of staff deployed for the IA reviews ranges from three to four per visit including the engagement Director. The staff involved in the internal audit reviews possess professional qualifications and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia. The IA staff on the engagement and the engagement Director are free from any relationships or conflict of interest, that could impair their objectivity and independence, and the internal audit reviews were conducted using a risk based approach and guided by the International Professional Practice Framework.</p> <p>The information on the IA function is available in the Statement on Risk Management and Internal Control in the 2022 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

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 importance of being transparent and accountable to the Company's stakeholders and acknowledges that continuous communication between the Company and its stakeholders would facilitate mutual understanding of each other's objectives and expectations. Hence, the Board consistently ensures the supply of clear, comprehensive, and timely information to their stakeholders via various disclosures and announcements, including quarterly and annual financial results, which provide investors with up-to-date financial information of the Group. All these announcements and other information about the Company are available on the Company's website which shareholders, investors and the public may access.</p> <p>The Company has put in place a Corporate Disclosure Policy with the objective of ensuring communications to the public are timely, factual, accurate, complete, broadly disseminated and where necessary, filed with regulators in accordance with applicable laws.</p> <p>In addition, the Directors engage with shareholders at least once a year during the annual general meeting to understand their needs and seek their feedback.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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>In 2022, the Notice of the 17th Annual General Meeting (“AGM”) was sent to the shareholders at least 28 days before the AGM, in advance of the 21-days requirement under the Company’s Constitution, the Companies Act 2016 and the Listing Requirements, which provided additional time to the shareholders to make the necessary arrangements to attend and participate in person or by corporate representatives or proxies, and consider the resolutions that would be discussed and decided at the AGM.</p> <p>The Company also provides details of the AGM to the shareholders regarding the eligibility of the shareholders, their rights to appoint proxies, and other relevant information pertaining to the AGM. In addition, there are explanatory notes providing detailed explanations for the resolutions to be tabled at the AGM to enable the shareholders to make informed decisions when exercising their voting rights.</p> <p>The Notice of the forthcoming 18th AGM was given to the shareholders at least 28 days before the 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 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors attended the Company's 17th Annual General Meeting held on 30 March 2022.</p> <p>The Board Chairman, the Chairman of the Board Committee, the Chief Executive Officer and Chief Financial Officer and the External Auditors were in attendance to answer questions raised by shareholders.</p> <p>The presence of all the Directors presented opportunities for the shareholders to engage with each Director and also allowed the shareholders to direct their questions and concerns to the respective Directors and Board Committee Chairman.</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 17th Annual General Meeting (“AGM”) of the Company held on 30 March 2022 was conducted on a fully virtual basis via live streaming and through the remote participation and voting (“RPV”) facilities.</p> <p>The RPV facilities enabled shareholders to attend, participate, pose questions (via real time submission of typed text), and vote remotely without physically attending the 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>The Board recognises the importance of general meetings in creating meaningful communication between the Board, Senior Management Team and Shareholders. At the Annual General Meetings ("AGMs") of the Company, the Chairman ensures that shareholders have the opportunity to participate effectively in these meetings.</p> <p>All Shareholders are given sufficient time and opportunities to communicate their views by posing questions to the Directors and the Senior Management Team regarding matters affecting the Company.</p> <p>The Company's external auditors, Al Jafree Salihin Kuzaimi PLT will also be present at the AGM to assist the Board in addressing any relevant queries related to the conduct of the audit and the preparation and content of the auditors' report.</p> <p>During the 17th Annual General Meeting ("17th AGM"), a question-and-answer session was opened to the shareholders to pose their questions during the live stream. All the questions raised by shareholders during the live stream and received prior to the meeting were responded by the Directors and Management during the 17th AGM.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The 17th Annual General Meeting (“17th AGM”) of the Company was held on a fully virtual basis through electronic live streaming and online remote voting from a broadcast venue using the Remote Participation and Voting (“RPV”) facilities, namely the Lumi AGM solution provided by Boardroom Share Registrars Sdn. Bhd.</p> <p>The administrative details of the 17th AGM, as well as the detailed registration and voting procedures, were shared with the shareholders and the same were also published on the corporate website. The Company also allowed the pre-meeting submission of questions to the Board at its designated email address prior to the 17th AGM.</p> <p>The RPV facilities enabled shareholders to attend, participate, pose questions (via real time submission of typed texts), and vote remotely without physically attending the meeting. Questions received both before the meeting and during the live stream were both answered by the Directors and Management during the meeting.</p> <p>Voting procedures were explained at the meeting and an independent scrutineer was appointed to validate the votes. The votes cast, for or against, and the respective percentages, on each resolution were displayed on the screen and subsequently announced to Bursa Malaysia Securities Berhad.</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 17th Annual General Meeting (“AGM”) of the Company are made available on the Company’s website at www.vis-dynamics.com within 30 business days of the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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