

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5006
COMPANY NAME : Varia Berhad (Formerly known as Stella Holdings Berhad)
FINANCIAL YEAR : June 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 plays a key role in the governance process through its review and approval of the Group's direction and strategy, monitoring of business performance and review of the adequacy and integrity of the Group's internal control system. The Board believes that commitment to its fiduciary duties and responsibilities is critical to its goal of driving long term shareholders' value.</p> <p>The Board is also entrusted with the responsibility of exercising reasonable care of the Group's resources in enhancing the shareholders' long-term value while taking into account of other stakeholders.</p> <p>The Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:-</p> <ul style="list-style-type: none">• Reviewing and adopting the strategic plan for the Group• Overseeing the conduct of the Group's business to determine whether the business is being properly managed.• Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks• Reviewing the adequacy of the Group's management information and internal control systems• Reviewing and approving the financial results; quarterly and annually• Ensuring the Company adheres to high standards of ethics and corporate behaviour <p>The Board is also mindful of the importance of building a sustainable business and therefore, takes into consideration its economic, environment and social impact when developing the corporate strategy of the Group.</p>

	<p>To enable the Board to discharge its duties effectively whilst enhancing business and operational efficacy, the Board delegates certain responsibilities to the following Committees:-</p> <ul style="list-style-type: none"> • Audit Committee • Nomination and Remuneration Committee • Risk Management Committee • Sustainability Committee • Share Issuance Scheme Committee <p>All Board Committees have its own terms of reference and act within the authority which thereafter, report to the Board with the necessary recommendation.</p> <p>The Board also has an effective working partnership with the Management in establishing the strategic direction. The Management is responsible for supporting and assisting the Managing Director in implementing and running the Group's day to day business.</p> <p>Our stakeholders are informed of the Group's performance through public releases of the relevant information that are available at the Company's corporate website at www.varia.com.my</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

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	:	The Chairman of the Board provides strong leadership and is responsible for ensuring the adequacy and effectiveness of the Board's governance process. The roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter, which is available on the Company's website at www.varia.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

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of the Chairman and Managing Director are separately held with each having distinct authority and responsibilities. The Board realises the importance in the separation of roles and responsibilities of the Chairman and the Managing Director as this will ensure that there is a balance of power and authority, such that there is no excessive concentration of power in the Chairman or the Managing Director.</p> <p>The Chairman provides strong leadership and is responsible for ensuring the adequacy and effectiveness of the Board's governance process, while the Managing Director is responsible for the effective running the Group's operations and implementation of the Board's policies and decisions.</p> <p>The roles and responsibilities of the Chairman and Managing Director are set out in the Board Charter, which is available in the Company's website at www.varia.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

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is not a member of the Audit Committee and Nomination & Remuneration Committee and has not participated in any of the said Committees' meetings.
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 Company Secretary, who is qualified and experienced, provides advice and the required support to the Board on regulatory requirements and corporate governance matters to ensure that the Board discharges their duties and responsibilities effectively.</p> <p>She attends all Board meetings and ensures that accurate and adequate records of the proceedings of the Board meetings and decisions made are properly recorded.</p> <p>All Directors have access to the advice and services of the Company Secretary and to obtain independent professional advice whenever necessary, at the expense of the Company.</p> <p>The Company Secretary attends programmes and seminars to keep abreast with regulatory changes and development in corporate governance, rules and regulations through continuing education and professional training.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs to enable them to discharge their duties. The Management is responsible for furnishing the Board with timely and accurate information that may assist the Board to facilitate informed decision making.</p> <p>Board and Board Committees' meetings for the ensuing financial year are scheduled in advance before the end of each financial year to enable the Directors to plan ahead and fit the year's meetings into their respective schedules. Prior to the Board and the Board Committees' meetings, meeting materials, which include agenda and reports relevant to the issues of meeting, are forwarded to all Directors, normally 5 to 7 days prior to the meeting, to allow Directors reasonable time to consider matters and enhance the quality of discussions and decisions recommended at the meetings. Any additional information requested by Directors is also readily available.</p> <p>The Board also notes the decisions and salient issues deliberated by Board Committees through the updates by the respective Chairman of the Committees or the minutes/resolutions of these Committees. The Board receives and reviews recommendations made by the Board Committees and gives approval, when required.</p> <p>Minutes of meetings are circulated in a timely manner to Directors for review after each meeting and the Board ensures that the minutes of meetings are properly recorded to accurately reflect the proceedings of the meeting and decision made.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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	:	The Company has established a Board Charter to promote high standards of corporate governance. The Board Charter is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its Committees and also identified issues and decisions reserved for the Board. The Board Charter is made available at the Company's website www.varia.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 board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adopts and observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, as the Board is fully supportive of the principles of the said Code of Ethics and finds it suitable for the Company to uphold the same principles.</p> <p>The Code of Ethics for Company Directors is made available at the Company's website www.varia.com.my.</p> <p>Varia Group is committed to conduct its business transparently and with integrity and have in place a separate Code of Ethics to govern the conduct and discipline of its employees, which is under the administration of the Group Human Resource Department. The Group has also adopted the Anti-Corruption & Bribery policy which will further safeguard its business operations. All employees have been educated on the content and the implications of the Anti-Corruption & Bribery policy.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The 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 established and adopted a Whistleblowing Policy to set out the mechanism and framework for employees or any parties to report any concerns they may have regarding any suspected and/or known misconduct and wrongdoing in the workplace.</p> <p>The Whistleblowing policy is made available at the Company's website www.varia.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>Varia Group remains mindful that its activities should be carried out with high standards of corporate and social responsibility as it strives to align its businesses and engage all stakeholders in its daily operations, minimise environmental impact arising from its business operations and actions and improving the social and economic conditions of its stakeholders, employees and the communities that it operates in.</p> <p>The Board is primarily responsible for the Group's sustainability practices and performance and the Sustainability Committee is tasked to assist the Board in managing sustainability related matters.</p> <p>The Sustainability Committee is entrusted with the responsibilities to incorporate sustainability considerations in the Group's business and management of economic, environmental and social risks.</p> <p>The Sustainability Committee is supported by the Management Committee, comprises of heads of department/subsidiaries. The Management Committee executes, implements and monitors the sustainability considerations in the Group's business and management of economic, environmental and social risks on a day-to-day basis.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The 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’s sustainability practices, priorities and performance are disclosed in the Sustainability Statement in the Annual Report.</p> <p>The Annual Report which is also available in the Company’s website is accessible to all stakeholders and members of the public.</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	:	The Board keeps itself abreast of relevant sustainability developments by way of formal training sessions and industry talks. The details of the training programmes attended by the Board are as stated in the Corporate Governance Overview Statement in the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 evaluation/assessment questionnaires has included questions on sustainability related to the Group. However, presently, the senior management evaluation has not included their performance in addressing sustainability risk and opportunities. The Board is of the opinion that the company shall conduct further study to develop the criteria for the performance evaluation of the senior management in addressing the Group's sustainability risk and opportunities.	
Explanation for departure	:	Please provide an explanation for the departure.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<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>All Directors have completed the Board Assessment and Evaluation for financial period ended 30 June 2024. Based on the evaluation carried out, the Nomination and Remuneration Committee concluded that overall, the Board's composition and size was conducive for effective discussion and decision making and was satisfied that it has an appropriate balance of expertise, skill and attributes among the Directors including relevant core competencies.</p> <p>For the directors seeking for re-election at the forthcoming 27th Annual General Meeting of the Company, the Nomination and Remuneration Committee has conducted an assessment on the performance and contribution including the independence, where applicable, of the said directors based on the annual board assessment and recommended the said directors for re-election. The Board has endorsed the Nomination and Remuneration Committee's recommendation to re-elect the said 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 5.2

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	:	For the financial period ended 30 June 2024, the Board comprised of 10 Directors of whom, 5 are Independent Non-Executive Directors. Subsequent to the close of the financial period 30 June 2024, Mr Koay Xing Boon, an Independent Non-Executive Director, resigned from the Board on 30 July 2024, followed by the appointment of Dato' Sri Dr Mohd Nizom bin Sairi as the Company's Independent Non-Executive Chairman on 3 October 2024.	
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	:	The tenure of all independent non-executive directors of the Company did not exceed the cumulative term limit of nine years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and senior management comprising members from wide range of professionalism, business and financial background, all of which provide the Group with a wealth of expertise, experiences and networks to draw upon.</p> <p>The Company's overriding objective in any new appointment is to select a suitable candidate with a view to achieving a high-performing Board and senior management. Appointments to the Board and senior management are based on merit, in the context of character, skills, experience and competency the Board and senior management as a whole requires to be effective.</p> <p>The Company believes that such merit-based appointment helps the Company to achieve effective stewardship and management of the Group.</p> <p>The Directors are to allocate sufficient time to the Company to perform their duties effectively including being prepared for meetings and contributing effectively to the business of the Company. They should notify the Board on any new directorship.</p> <p>The identification and appointment of new Director undergo a process led by the Nomination and Remuneration Committee which reviews the required mix of skills, experience and other qualities of the Director to ensure that the Board is functioning effectively and efficiently. The Board has adopted a Directors' Fit & Proper policy, which serves as a guide for the Nomination and Remuneration Committee and the Board in their review and assessment of candidate to be appointed as Director as well as Directors seeking re-election. The Board makes the final decision on the appointment of new Director prior to release of announcement of the appointment to Bursa Malaysia.</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>Selection of candidates for appointment of new director may be recommended by Directors, management and major shareholders and the Nomination and Remuneration Committee will consider multiple channels including independent sources to identify suitably qualified candidate for appointment of new director. The Board is also opened and may seek external independent sources to identify suitably qualified candidate.</p> <p>The Nomination and Remuneration Committee shall consider the candidates' skills, knowledge, expertise and experience, proposes new candidate for appointment to the Board based on the prescribed set of criteria as set out in the terms of reference of the Nomination and Remuneration Committee, the Directors' Fit & Proper policy and any other additional criteria as may be identified from time to time.</p>
Explanation for departure	:	Please provide an explanation for the departure.
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<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 5.7

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	:	The information of the directors standing for re-election are set out in the respective directors' profile in the Company's Annual Report. The Board's statement of support on the re-appointment of the directors is set out in the explanatory note of the Notice of Annual General Meeting.	
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 Nomination Committee is chaired by the Senior Independent Non-Executive Director, Dato' Kamarulzaman bin Jamil.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Company has one woman director which fulfilled the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to have at least one woman Director on Board.</p> <p>The Board will endeavour to increase board gender diversity and will make the appropriate efforts to include women on the list of candidates to be considered for Board position.</p> <p>The Board recognised the importance of promoting gender diversity and eventhough the Company has not reached the 30% women representation at Board level, the Board discharges its duties objectively and effectively in the best interest of the Group taking into account the diverse perspectives and insights.</p>	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<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	:	The Board has disclosed the Company's policies on gender diversity in the Corporate Governance Overview Statement in the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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>On annual Board evaluation, the Nomination and Remuneration Committee and the Board reviewed and assessed the following during the financial period:-</p> <ul style="list-style-type: none">• The effectiveness of the Board and Board Committees• The character, integrity, competence, time commitment, contribution and performance of each individual Director• The mix of skill and experience of each individual Director• The independence of the Independent Directors <p>The criteria on the evaluation of the effectiveness of the Board related to, amongst others, the appropriate composition and committees in correspondence to the Board's oversight duties, the right mix of skills and experience to optimise performance and strategy, clear definition of roles and responsibilities of the Board and individual Director.</p> <p>The criteria on the evaluation of the effectiveness of Board Committees related to, amongst others, whether the Board Committees have the right composition, knowledge on financial and related laws and regulations, whether the Board Committee properly discharges their responsibilities and provides appropriate report and recommendations to the Board.</p> <p>Based on the evaluation carried out, the Nomination and Remuneration Committee and the Board concluded that overall the Board's size is conducive for effective discussion and decision making and are satisfied that it has an appropriate balance of expertise, skill and attributes among the Director including relevant core competencies.</p> <p>During the financial period under review, the Independent Non-Executive Directors completed a self-evaluation of their independence</p>

	based on the criteria of independence of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”). The Nomination and Remuneration Committee and the Board had reviewed and assessed the results of the said self-evaluation and concluded that the Independent Directors have met the criteria of independence based on 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 Company has in place a remuneration policy and procedures which sets out the criteria to be used in recommending the remuneration package for Directors and senior management to ensure that the Directors and senior management are adequately remunerated for the services they render. The remuneration policy and procedures is available at the Company's website www.varia.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>The Nomination and Remuneration Committee comprises of 5 members, majority being independent directors.</p> <p>The responsibilities of the Nomination and Remuneration Committee are as follows:-</p> <ul style="list-style-type: none"> to recommend to the Board, the remuneration of each Director in all its form, with the respective Directors abstain from deliberating their own remuneration; and to establish and review the remuneration packages of each individual Executive Director such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Group successfully. <p>The terms of reference of the Nomination and Remuneration Committee is disclosed on the Company's website at www.varia.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	:	Please refer to the detailed disclosure on named basis for the remuneration of individual directors for the financial period ended 30 June 2024 as per attached.

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	Datuk Lau Beng Wei	Executive Director	-	-	375	-	-	46	421	-	-	-	-	-	-	-
2	Datuk Lau Beng Sin	Executive Director	-	-	375	-	-	46	421	-	-	410	-	-	-	410
3	Datuk Manivannan a/l Ganapathy	Executive Director	-	26	300	-	-	38	364	-	-	-	-	-	-	-
4	Dato' Kamarulzaman bin Jamil	Independent Director	60	17	-	-	-	-	77	-	-	-	-	-	-	-
5	Shahrizam bin A Shukor	Independent Director	45	18	-	-	-	-	63	-	-	-	-	-	-	-
6	Sharifah Rafidah binti Wan Mansor	Independent Director	45	9	-	-	-	-	54	-	-	-	-	-	-	-
7	Dato' Jamaluddin bin Sabeh	Independent Director	45	18	-	-	-	-	63	-	-	-	-	-	-	-
8	Datuk Wira Roslan bin Ab Rahman	Non-Executive Non-Independent Director	41	10	-	-	-	-	51	-	-	-	-	-	-	-
9	Koay Xing Boon (resigned on 30 July 2024)	Independent Director	41	15	-	-	-	-	56	-	-	-	-	-	-	-
10	Datuk Kok Boon Kiat (appointed on 2 January 2024)	Non-Executive Non-Independent Director	18	2	-	-	-	-	20	-	-	-	-	-	-	-
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The remuneration of the top five senior management of the Group are not disclosed on a named basis in the bands of RM50,000 due to confidentiality and sensitivity of each remuneration package.	
		The aggregate remuneration of the key senior management of the Group for the financial period ended 30 June 2024 has been included in the Audited Financial Statements.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee, Encik Shahrizam bin A Shukor, 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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>None of the Audit Committee members at present or in the past were former key audit partners of the Company's external auditors.</p> <p>It is not a practice of the Board to appoint any former key audit partners as member of the Audit Committee.</p> <p>If the need arises in future to consider former key audit partners as member of the Audit Committee, the Audit Committee will incorporate a policy which requires a former key audit partner to observe a cooling-off period of at least three (3) years before he can be appointed as an Audit Committee member.</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

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	:	During the financial period under review, the Audit Committee has carried out an assessment on the performance of the external auditors for the financial period covering areas such as calibre, performance, audit team, audit scope and planning, independence and objectivity, audit communications as well as audit fees prior to submission to the Board for approval.	
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	:	The Audit Committee comprises of all Independent 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 have the necessary skills to discharge their duties and are able to understand matters under the purview of the Audit Committee. The qualification and experience of the individual Audit Committee members are disclosed in the Profile of Board of Directors in the Annual Report. The Audit Committee members will undertake relevant training/seminars from time to time to keep abreast with current developments in the market place as well as the current changes in laws and regulatory requirements. The Audit Committee is also regularly updated during the Audit Committee meeting by the External Auditors on the current changes to the accounting and audit standards and policies.
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 had established an effective risk management and internal control framework as set out in the Statement on Risk Management and Internal Control in the Annual Report 2024 of the Company.</p> <p>In this respect, the Board has established a governance structure to ensure effective oversight of risks and control in the Group. It is assisted by Risk Management Committee and Risk Management Working Committee.</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 discloses the features of its risk management and internal control framework, and the adequacy and effectiveness of the framework in the Statement on Risk Management and Internal Control in the Annual Report 2024 of the Company.</p> <p>The Board acknowledges its overall responsibility of the Group's system of internal control as well as risk management to safeguard shareholders' investment and the Group's assets. The effectiveness of the Group's internal control is reviewed by the Audit Committee during its quarterly meetings. This review covers the governance, risk and compliance controls as well as the process for the identification, evaluation and management of the significant risks faced by 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	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established a Risk Management Committee, which comprises of 4 members, majority being independent directors.</p> <p>The Risk Management Committee assists the Board in overseeing the risk management process within the Group.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established an internal audit function which assists the Audit Committee in the discharge of its duties and responsibilities.</p> <p>The internal audit function is effective and able to function independently. The internal auditor helps the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</p> <p>The internal auditor is responsible for reporting to the Audit Committee in quarterly meetings. The Audit Committee Chairman will then report on any pertinent issues that need to be brought to the attention of the Board.</p> <p>The internal audit function and activities are set out in the Statement on Risk Management and Internal Control and Audit Committee Report in the Annual Report 2024.</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 Internal Audit (“IA”) Department is headed by Encik Mohd Syahir bin Jalani, who holds a Bachelor’s Degree with Honours in Accounting from University Tenaga Nasional (UNITEN) and is an associate member of the Institute of Internal Auditors (“IIA”) Malaysia. He reports directly and functionally to the Audit Committee and administratively, to the Company’s Executive Director. He has extensive experience in the areas of governance, risk management and internal control prior to his appointment.</p> <p>Encik Mohd Syahir, along with IA department’s internal audit personnel, are free from any family relationships or conflict of interest with Directors and/or the major shareholders and do not have any conflict of interest with the Group which could impair their objectivity and independence. The number of staff deployed for the internal audit reviews ranging between 1 to 2 persons per assignment.</p> <p>The internal audit process is conducted based on IIA’s International Professional Practices Framework which covers review on the effectiveness of internal controls, security of assets, compliance with applicable laws and regulations, and other areas which could have a significant risk and impact to the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 believes in clear communication with the Company's shareholders and other stakeholders. The Board continuously ensures that it maintains a high level of disclosure and communication with its stakeholders through various practicable channels. The annual reports and the announcements made are the primary modes of communication to report on the Group's business, activities and financial performance to its stakeholders. In addition to various announcements made during the period, the timely release of financial results on a quarterly basis provides stakeholders with an overview of the Group's performance and operations.</p> <p>The Company's website at www.varia.com.my also provides an avenue for stakeholders and members of the public to assess information pertaining to the Group, which is being updated regularly.</p> <p>The general meetings are opportunities to meet shareholders, to encourage them to interact and participate in getting to know the Company and the Group's progress and performance.</p> <p>The Board has also established corporate disclosure policies and procedures to enable accurate and timely disclosures to the regulators, shareholders and 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

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 Company despatches its notice of Annual General Meeting (“AGM”) to shareholders at least 28 days before the AGM to enable them to consider the resolutions and make an informed decision in exercising their voting rights at 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	:		

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 Annual General Meeting on 21 September 2023 (“AGM”).</p> <p>Shareholders were given the opportunity to seek and clarify any pertinent and relevant issues raised in the meeting in relation to the operations and performance of the Group and to exchange views with the Board. The Chair of all the respective Board Committees and senior management were also in attendance to respond to the shareholders’ queries.</p> <p>The external auditors were present at the AGM to provide their professional and independent clarification on issues and concerns raised by the shareholders.</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 General Meetings in 2023 were held virtually through live streaming and online remote voting. For the virtual meetings, only shareholders who have registered and who have been verified by the poll administrator were allowed to participate in the meetings.</p> <p>Shareholders are encouraged to participate (including posting questions to the Board via real time submission of typed texts) and vote remotely at the general meetings of the Company by using the Remote Participation and Voting Facility provided by the Company's appointed agent with the procedures as set out in the annual report and/or circular to shareholders and administrative guide, which are also available on the Company's website at www.varia.com.my</p> <p>The general meetings and online voting were conducted using a system which contains data privacy and security features.</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 Annual General Meeting held on 21 September 2023 ("AGM") was conducted through live streaming with an online remote participation and voting.</p> <p>During the AGM, the Chairman briefed the shareholders on the Group's performance and they were given sufficient time to raise any questions via real time submission of typed texts in the communication chat box.</p> <p>The Chairman responded to all the questions posed by the shareholders before the commencement of poll voting.</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 Annual General Meeting held on 21 September 2023 ("AGM") was conducted through live streaming with an online remote participation and voting. The details of the virtual AGM i.e. registration and e-voting procedures were set out in the Administrative Guide.</p> <p>Shareholders were given sufficient time to raise any questions via real time submission of typed texts in the communication chat box, which were made visible to all meeting participants during the AGM.</p> <p>Questions submitted by the shareholders during the AGM were read out and answered by the 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 13.6

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 Annual General Meeting (“AGM”), which included the questions raised by the shareholders together with the responses made and outcome of the voting results, was made available to the shareholders at the Company’s website at www.varia.com.my , no later than 30 business days after 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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