

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7017  
**COMPANY NAME** : KOMARKCORP BERHAD  
**FINANCIAL YEAR** : June 30, 2025

## 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has primary responsibility to shareholders for the welfare of the Company and is responsible for the business and the affairs of the Company. The Company recognises the importance of the Board in providing a leadership and sound base for good corporate governance in the operations of the Company.</p> <p>The principal responsibilities of the Board includes, amongst others:-</p> <ul style="list-style-type: none"> <li>• reviewing and adopting strategic plan for the Company;</li> <li>• overseeing the conduct of the Company's business and build sustainable value for shareholders;</li> <li>• succession planning of the Chairman, Executive Director and Senior Management, includes evaluating, selecting and appointing the potential candidate; and</li> <li>• reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.</li> </ul> <p>To ensure the effective discharge of its responsibilities, the Board has delegated certain functions and responsibilities to the following Board Committees:</p> <ul style="list-style-type: none"> <li>• Audit Committee ("<b>AC</b>");</li> <li>• Nomination Committee ("<b>NC</b>"); and</li> <li>• Remuneration Committee ("<b>RC</b>").</li> </ul> <p>The Chairman of each Board Committees will report to the Board on the summary of deliberation of its meeting, including key issues considered at the committee meeting. The Board Committees is required to discharge their duties in accordance with the Terms of Reference ("<b>TOR</b>") within the power and authority conferred by the Board.</p>

	The Board Charter and the Board Committees' TOR are available on the Company's website at <a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board is YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad, an Independent Non-Executive Director, which reinforces the Board's commitment to independence and strong governance.</p> <p>The Chairman is principally responsible for leading the Board and ensuring its effectiveness in all aspects of its role. His responsibilities, which are clearly defined in the Board Charter, include:</p> <ul style="list-style-type: none"> <li>• Providing leadership at the Board level and setting the tone from the top in promoting integrity, sound governance, and a culture of accountability;</li> <li>• Ensuring that the Board functions effectively by facilitating open and constructive discussions, encouraging active participation, and promoting an environment that allows for healthy debate;</li> <li>• Leading the Board in its oversight of strategy, governance, and compliance matters while ensuring alignment with the Company's long-term objectives;</li> <li>• Acting as the key representative of the Board in engagement with shareholders and other stakeholders, thereby promoting effective communication and maintaining trust.</li> </ul> <p>In carrying out these responsibilities, the Chairman ensures that the Board collectively discharges its fiduciary duties effectively and upholds the principles of transparency, fairness, and sustainability in all decision-making processes.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The roles and responsibilities of the CEO is undertaken by the Executive Director of the Company. The positions of Chairman and Executive Director are held by two different Individuals to ensure proper governance. The Chairman of the Company is YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad whilst the Executive Director is Mr Roy Ho Yew Kee.</p> <p>This separation of roles between the Chairman and Executive Director provides a clear division of responsibilities. It ensures that power and authority are appropriately balanced, preventing any one individual from having unchecked decision-making power. This structure promotes accountability and effective oversight, contributing to the Company's sound governance practices.</p> <p>The Chairman is responsible to lead the Board in its collective oversight of management whilst the Executive Director is primarily responsible in implementing the Board's decisions and oversees the Group's business and day-to-day management.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad the Independent Non-Executive Chairman, is not a member of the AC, NC and RC.</p> <p>This separation of roles is consistent with best corporate governance practices and ensures that the Chairman does not participate in, nor influence, the deliberations of these Committees. It further enhances the objectivity, independence and credibility of the Committees in discharging their respective functions and responsibilities.</p> <p>By maintaining this clear division, the Board is able to safeguard the integrity of the governance framework and uphold stakeholder confidence in the decision-making process.</p>
<b>Explanation for departure</b> :	<p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by a suitably qualified and competent Company Secretary, who is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and holds the requisite professional license approved by the Companies Commission of Malaysia.</p> <p>The Company Secretary provides guidance on corporate governance matters, compliance with the Companies Act 2016, the Main Market Listing Requirements (“<b>MMLR</b>”) of Bursa Malaysia Securities Berhad (“<b>Bursa Securities</b>”), and other applicable laws, rules and regulations.</p> <p>The Company Secretary plays an advisory and facilitative role, ensuring that:</p> <ul style="list-style-type: none"><li>• Proper procedures are observed in the conduct of meetings of the Board and its Committees;</li><li>• Deliberations and decisions are accurately recorded, documented, and communicated to the relevant parties for timely implementation; and</li><li>• Directors are kept informed of regulatory updates, governance developments and best practices through regular briefings and circulation of relevant materials.</li></ul> <p>In addition, the Company Secretary supports the Board in organising induction programmes, training sessions and continuous professional development to ensure Directors remain well-equipped to discharge their fiduciary duties effectively.</p> <p>The Company Secretary also undertakes continuous professional training and development to maintain the high level of knowledge and skill required to effectively support the Board and enhance the Company's governance framework.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and Board Committees have set clear expectations with regard to their conduct of meetings through Board Charter and respective TOR established therein.</p> <p>To facilitate effective deliberation and decision-making, the notice of meeting, agenda and comprehensive meeting papers are circulated to all Directors at least five (5) business days prior to the meeting. This practice ensures that Directors are given sufficient time to review the information, seek additional clarification from Management, or request for further input from the Company Secretary or external advisers, where necessary.</p> <p>The meeting materials typically include, among others, financial reports, operational updates, corporate proposals, governance matters and any other relevant supporting documents, enabling Directors to discharge their fiduciary duties with diligence and informed judgement.</p> <p>Upon conclusion of each meeting, the Company Secretary prepares and circulates the draft minutes to the Board members within a reasonable period for their review and feedback. The minutes capture key deliberations, rationale for decisions, as well as any significant concerns raised, before being confirmed at the subsequent meeting. All confirmed minutes are properly documented and maintained at the Registered Office of the Company.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Board Charter which sets out the roles, functions, composition, and processes of the Board. It serves as a key reference document for the Board, Board Committees, individual Directors, and Management in the performance of their duties, ensuring compliance with the MMLR of Bursa Securities and the principles of the Malaysian Code on Corporate Governance (“<b>MCCG</b>”).</p> <p>The Board Charter also clearly outlines matters specifically reserved for the Board’s deliberation and decision-making, thereby supporting sound governance and accountability.</p> <p>The Charter is periodically reviewed by the Board to ensure that it remains relevant and aligned with the evolving regulatory framework, corporate governance best practices, and the needs of the Company. Any updates are deliberated and approved by the Board.</p> <p>The Board Charter is accessible to all stakeholders on the Company’s website at <a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Code of Ethics and Conduct (“<b>the Code</b>”) to foster a corporate culture of ethical behaviour and integrity throughout the Group. The Code provides guidance to Directors, Management, and Employees on ethical standards, highlighting areas of potential ethical risk, and outlines procedures to identify, address, and report unethical conduct.</p> <p>To reinforce the Group’s commitment to ethical business practices, the Board has also adopted an Anti-Corruption Policy (“<b>the Policy</b>”). This Policy sets out the standards of conduct expected of all Directors and employees in preventing corruption, bribery, and extortion, ensuring compliance with applicable laws and regulatory requirements.</p> <p>Both the Code and the Policy are made accessible to all stakeholders via the Company’s website at <a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a>, demonstrating transparency and the Group’s commitment to upholding corporate governance best practices in line with leading PLCs.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group recognises that a genuine commitment to integrity requires a secure mechanism for employees and other stakeholders to report unethical, illegal, improper, or other misconduct without fear of reprisal or intimidation.</p> <p>The Board has established a Whistleblowing Policy to uphold the Company's values and provide a confidential and transparent process for raising concerns. The Policy allows stakeholders including employees, customers, suppliers, government bodies, and financial institutions, to report genuine concerns regarding possible improprieties within the Group.</p> <p>Employees who reasonably believe in good faith that malpractice has occurred are encouraged to report the matter promptly to their line manager, the Group's Chairman, or the Audit Committee Chairman. All reports are treated confidentially, and whistleblowers are assured protection against any form of retaliation.</p> <p>The whistleblowing policy is made available on the Company's website at <a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that sustainability considerations are integral to long-term business success and value creation for all stakeholders. The Board, together with senior management, assumes responsibility for the governance of sustainability, overseeing the Group's sustainability strategies, priorities, and targets to ensure alignment with the Company's corporate objectives.</p> <p>The Company's sustainability governance framework ensures that material environmental, social, and governance ("ESG") matters are identified, monitored, and integrated into business decision-making processes. The Board regularly reviews the Company's approach to sustainability to ensure it remains relevant and effective in responding to emerging trends and stakeholder expectations.</p> <p>Information on the Company's material sustainability issues, including its societal and environmental impacts, as well as key sustainability initiatives, is disclosed in the Sustainability Statement of the Annual Report 2025, reflecting the Company's commitment to transparency and responsible business practices in line with leading PLC standards.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that effective stakeholder engagement is essential in driving sustainable value creation and supporting the Company’s long-term business objectives. Regular engagement with stakeholders enables the Board to understand their expectations, obtain feedback, and align the Company’s sustainability strategies with stakeholder interests.</p> <p>The Company engages with stakeholders through a combination of formal and informal channels, including meetings, surveys, briefings, and other communication platforms. Insights and feedback obtained from these engagements provide valuable input for the Board in assessing sustainability priorities and making informed decisions.</p> <p>Details on the Company’s stakeholder engagement practices, including the communication of its sustainability strategies, priorities, targets, and performance, are disclosed in the Sustainability Statement of the Annual Report 2025, demonstrating transparency and accountability.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that understanding sustainability issues, including ESG considerations, is critical to the long-term success of the Company. Directors actively seek to keep themselves informed of sustainability matters that are relevant to the Company's business and operating environment, including emerging trends, climate-related risks, and opportunities.</p> <p>To enhance their knowledge and insight, the Board encourages participation in relevant internal and external training programs, seminars, workshops, and industry forums on sustainability, ESG practices, and climate-related issues. This ensures that the Board is well-equipped to provide guidance, oversight, and strategic direction on sustainability matters.</p> <p>The Board and Management continue to embed sustainability considerations into the Company's business operations and decision-making processes, reinforcing a culture that promotes ethical, responsible, and sustainable business practices.</p> <p>Further details on the Company's approach to sustainability and its key initiatives are disclosed in the Sustainability Statement of the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>: The Board recognises that effective governance of sustainability requires accountability at the highest levels. Accordingly, the annual performance evaluation of the Board, its Committees and individual Directors, incorporates an assessment of their effectiveness in addressing the Company’s material sustainability risks and opportunities.</p> <p>For the Board, the evaluation covers areas such as:</p> <ul style="list-style-type: none"> <li>• Oversight of sustainability strategies and integration of ESG considerations into decision-making;</li> <li>• Effectiveness in monitoring sustainability targets and key performance indicators (“KPIs”);</li> <li>• Engagement on climate-related risks, stakeholder concerns, and long-term value creation.</li> </ul> <p>While Senior Management is responsible for implementing sustainability initiatives and driving operational execution, formal performance assessments of Senior Management do not currently include a review of sustainability matters. The Board monitors sustainability performance through regular reporting and oversight of material ESG issues.</p> <p>The outcome of the Board’s assessment is documented, deliberated, and used to guide improvements in the Company’s sustainability governance and strategic decision-making.</p>
<b>Explanation for departure</b>	:
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b>	:
<b>Timeframe</b>	:

**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.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The key senior management team led by the Executive Director, Mr. Roy Ho Yew Kee, reports to the Board and is responsible for managing sustainability practices, policies, and procedures to improve sustainability performance.

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Pursuant to Clause 102 of the Company's Constitution, all Directors are required to retire from office at least once every three (3) years, but shall be eligible for re-election. This policy ensures periodic refreshment of the Board and provides shareholders with the opportunity to assess the performance of Directors.</p> <p>The NC conducts an annual evaluation of each Director's performance, independence (where applicable), and contribution to the Board's effectiveness in decision-making. This evaluation takes into account factors such as skills, experience, time commitment, and alignment with the Company's strategic objectives.</p> <p>Based on the NC's assessment, the Board reviews the suitability and performance of Directors due for retirement and makes recommendations to shareholders on their re-election. For the upcoming Annual General Meeting ("AGM") of 2025, the NC has recommended the retiring Directors who have demonstrated satisfactory performance and contributions for re-election to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at 30 June 2025, the Board comprises five (5) members, including one (1) Independent Non-Executive Chairman, one (1) Executive Director, and three (3) Independent Non-Executive Directors. Independent Non-Executive Directors constitute a majority of the Board, ensuring balanced decision-making and independent oversight.</p> <p>The Board is of the view that the current composition provides an appropriate mix of skills, knowledge, experience, and independence to lead the Group effectively. The presence of Independent Non-Executive Directors ensures that management proposals are constructively challenged, and decisions are made in the best interest of the Company and its shareholders.</p> <p>All Independent Non-Executive Directors meet the criteria for independence as defined under the MMLR of Bursa Securities.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter provides that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of this period, an Independent Director may continue to serve on the Board, subject to redesignation as a Non-Executive Director.</p> <p>In exceptional circumstances where the Board intends to retain an Independent Director beyond nine (9) years, the Board, upon the recommendation of the NC, will provide clear justification for the extension and seek annual shareholders’ approval via a two-tier voting process. This practice ensures transparency and allows shareholders to assess the independence and suitability of the Director to continue serving in an independent capacity.</p> <p>As at the date of this report, none of the Independent Non-Executive Directors have served the Board beyond the cumulative nine-year term. The Board remains committed to maintaining an appropriate balance between continuity, experience, and independence in its composition, in line with good corporate governance practices.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of diversity in the boardroom and senior management, including age, gender, nationality, ethnicity, and professional background. Appointments to the Board and Senior Management are made based on objective criteria, merit, and with due regard for the diverse skills, experience, and perspectives required to support the Group's strategic objectives. The Group strictly adheres to non-discrimination practices in all appointments.</p> <p>The NC is entrusted with identifying, assessing, and recommending suitable candidates for appointment to the Board, as well as reviewing and assessing the composition and performance of the Board. In making its recommendations, the NC considers a range of factors including the mix of skills, knowledge, experience, integrity, competence, time commitment, independence, and diversity, including gender diversity, to ensure that the Board and Senior Management are equipped to meet the Group's business requirements and long-term strategic goals.</p> <p>The Company has adopted a Directors' Fit and Proper Policy to guide the NC in reviewing and assessing potential candidates for directorship and Directors seeking re-election. The Policy outlines the fit and proper criteria for consideration, ensuring that appointees possess the requisite qualifications, experience, and character.</p> <p>Further, the Company has implemented a Gender Diversity Policy recognising that diverse boards and senior management teams enhance decision-making, drive innovation, and contribute to long-term organisational success.</p> <p>Both the Directors' Fit and Proper Policy and the Gender Diversity Policy are published on the Company's website and accessible at <a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a>.</p>
<b>Explanation for departure</b>	:	

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

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, with the assistance of the NC, is responsible for the identification and appointment of the Company's Directors. Under the TOR of the NC, the NC is responsible for evaluating and recommending suitable candidates for directorship on the Board.</p> <p>In identifying and assessing potential candidates, the NC considers a comprehensive set of criteria, including but not limited to:</p> <ul style="list-style-type: none"><li>• Skills, knowledge, expertise, and relevant industry experience;</li><li>• Professionalism and character;</li><li>• Commitment, including the time necessary to effectively discharge the responsibilities of a Director;</li><li>• Boardroom diversity, including gender, age, professional background, and experience; and</li><li>• Integrity, competence, and ability to exercise independent judgment where applicable.</li></ul> <p>Where appropriate, the NC may seek the assistance of independent professional search firms to identify and evaluate candidates to ensure objectivity and broaden the pool of suitably qualified candidates.</p> <p>For candidates being considered for the role of Independent Non-Executive Director, the NC further evaluates their ability to discharge the specific responsibilities expected of independent directors, including the ability to provide objective and unbiased judgment, challenge management proposals constructively, and safeguard the interests of minority shareholders.</p> <p>This structured and objective process ensures that the Board remains diverse, balanced, and capable of supporting the strategic objectives of the Company.</p>

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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board ensures that shareholders are provided with sufficient information to make an informed decision regarding the appointment or re-election of Directors. The profiles of Directors who are standing for re-election, including their age, qualifications, experience, directorships in other public companies, and shareholdings in the Company, are disclosed in the Annual Report.</p> <p>In addition, the Notice of AGM includes an explanatory note stating whether the NC and the Board are satisfied with the performance of each Director standing for re-election. This assessment takes into consideration the Director's contribution, attendance, performance, independence (where applicable), and time commitment.</p> <p>The Board, through the NC, provides a clear statement of support for the re-election of the Directors along with the rationale, thereby ensuring transparency and enabling shareholders to make well-informed decisions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NC is currently chaired by Mr Koo Kien Keat, an Independent Non-Executive Director of the Company.</p> <p>Having an Independent Non-Executive Director as the Chair of the NC ensures that the Committee operates with impartiality and objectivity in overseeing matters related to board appointments, re-elections, and the assessment of board and individual director performance. This structure promotes good governance by safeguarding the integrity and independence of the nomination process.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>As at the reporting date, the Board comprises one (1) female Director, representing less than 30% of the Board composition.</p> <p>The Board acknowledges the importance of gender diversity in the Boardroom and is committed to promoting inclusivity and balanced representation. Nevertheless, the selection and appointment of new Directors are undertaken with careful consideration of the right mix of skills, experience, and competencies to meet the strategic objectives of the Company.</p> <p>The Board will continue to consider increasing female representation as part of future board appointments when suitably qualified candidates are identified, in line with the principles of good governance and diversity.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a Gender Diversity Policy, which outlines its approach to achieving and maintaining diversity, including gender diversity, on the Board of Directors and Senior Management positions.</p> <p>The Company recognises that promoting diversity and inclusiveness at all levels of its workforce enhances decision-making, innovation, and long-term business performance. The Gender Diversity Policy is aimed at leveraging the contributions of directors, officers, and employees with diverse skills, perspectives, and experiences.</p> <p>As of the date of this report, female Directors represent 20% of the total Board members. The Board is committed to increasing female representation and continues to consider gender diversity as an integral factor in future appointments to the Board and Senior Management, while maintaining the appropriate balance of skills, expertise, and experience required to achieve the Company's strategic objectives.</p> <p>The Gender Diversity Policy is available for reference on the Company's website at <a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The performance and effectiveness of the Board as a whole, the Board Committees, and each individual Director are assessed on an annual basis. The evaluation process is coordinated by the NC through a structured self-assessment approach, covering areas such as: <ul style="list-style-type: none"><li>• Board and Board Committees: structure, roles, responsibilities, effectiveness of meetings, and decision-making processes.</li><li>• Individual Directors: contribution, independence, integrity, knowledge, commitment of time, and ability to provide objective and constructive input.</li><li>• Chairman of the Board/Committees: leadership, governance oversight, and facilitation of effective boardroom discussion.</li></ul> The assessment results are deliberated at the NC meeting and subsequently tabled to the Board for review and consideration. Based on the annual assessment conducted during the financial year under review, the NC was satisfied that: <ul style="list-style-type: none"><li>• the Board and its Committees are operating effectively and are well-balanced in terms of skills, experience, and knowledge;</li><li>• each Director demonstrated the necessary competence, independence (where applicable), and commitment in discharging their duties; and</li><li>• the current Board composition remains appropriate to meet the Company's strategic objectives.</li></ul>

	In line with the above, the NC recommended the re-election of retiring Directors at the forthcoming AGM.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board, through the Remuneration Committee ("RC"), has established a formal and transparent framework for developing and reviewing the remuneration policies and procedures of Directors and Senior Management.</p> <p>The Remuneration Policy is designed to:</p> <ul style="list-style-type: none"><li>• attract, motivate and retain Directors and Senior Management with the right calibre, experience and skills;</li><li>• reward individual performance, while aligning with the Group's business strategies and long-term objectives;</li><li>• ensure remuneration packages are competitive with market practices, taking into account the complexity of the Company's operations and performance; and</li><li>• reflect the distinct roles and responsibilities of Executive Directors, Non-Executive Directors and Senior Management.</li></ul> <p>The RC is responsible for reviewing and recommending to the Board:</p> <ul style="list-style-type: none"><li>• the remuneration packages of Executive Directors, which are linked to individual and corporate performance, and</li><li>• the fees and allowances of Non-Executive Directors, which are based on their roles, responsibilities, and level of contribution.</li></ul> <p>For Senior Management, remuneration is determined with reference to individual responsibilities, experience, performance,</p>

	<p>as well as benchmarking against comparable positions in other companies within the industry.</p> <p>The RC ensures that the remuneration framework is periodically reviewed to remain aligned with market competitiveness, shareholder interests, and the Group's evolving strategies.</p> <p>The Remuneration Policy is available on the Company's website at: <a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a>.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a RC to assist in discharging its responsibilities in relation to the remuneration of Directors and Senior Management.</p> <p>The RC is chaired by an Independent Non-Executive Director and comprises entirely of three (3) Independent Non-Executive Directors, which is in line with the MCCG's recommendation that the RC should consist solely of Non-Executive Directors and a majority of whom are independent.</p> <p>The primary responsibilities of the RC include, among others:</p> <ul style="list-style-type: none"><li>• reviewing and recommending to the Board the remuneration framework and packages for Executive Directors, taking into consideration corporate and individual performance, market benchmarks and the complexity of the Company's business;</li><li>• reviewing and recommending the remuneration structure for Non-Executive Directors, ensuring that fees and benefits reflect their level of responsibilities, independence and contribution to the Board and Board Committees;</li><li>• overseeing remuneration matters relating to Senior Management, ensuring alignment with the Group's performance and long-term objectives; and</li><li>• ensuring that the Company's remuneration policies and practices remain fair, transparent and competitive, while promoting the long-term success of the Group.</li></ul> <p>The RC is guided by its TOR, which clearly outlines its authority, duties and responsibilities. The TOR of the RC is periodically reviewed and is published on the Company's website at: <a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a>.</p>

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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The detailed disclosure on named basis for the remuneration of individual directors is included in the Annual Report 2025.

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	YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	Independent Director	84	-	-	-	-	5	89	84	-	-	-	-	7	89
2	Roy Ho Yew Kee	Executive Director	78	-	-	-	-	4	82	78	-	312	-	-	42	432
3	Koo Kien Keat	Independent Director	48	-	-	-	-	5	53	48	-	-	-	-	5	53
4	Dr Chan Jee Peng	Independent Director	60	-	-	-	-	5	65	60	-	-	-	-	5	65
5	Dr Azizah Binti Sulaiman	Independent Director	48	-	-	-	-	5	53	48	-	-	-	-	5	53
6																
7																
8																
9																
10																
11																
12																

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board is of the view that disclosing the names of Senior Management alongside their specific remuneration bands could potentially create unnecessary tension within the organisation, while also exposing the individuals to external scrutiny or undue attention.</p> <p>Notwithstanding the above, the Board is committed to ensuring that the remuneration of Senior Management is fair, competitive, performance-driven and aligned with shareholders' interests. Their remuneration packages are benchmarked against industry practices and are reviewed annually by the RC, taking into account:</p> <ul style="list-style-type: none"> <li>• individual performance and contributions for the financial year;</li> <li>• the overall performance of the Group; and</li> <li>• the need to attract, retain and motivate Senior Management with the right calibre, experience and skills.</li> </ul> <p>The Board will continue to review its disclosure practices in line with evolving corporate governance expectations and stakeholder needs.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

No	Name	Position	Company					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1								
2								
3								
4								
5								

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The AC is chaired by Mr. Chan Jee Peng, an Independent Non-Executive Director of the Company. He is not the Chairman of the Board.</p> <p>This separation of roles ensures there is a clear division of responsibilities between the Board and the AC, thereby promoting objective and independent deliberation on audit and financial reporting matters without any undue influence from the Board Chairman.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has a policy which requires a former partner of the Company's 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>The Company recognises the importance of safeguarding the independence of its external auditors and ensuring that no conflict of interest arises. Currently, none of the AC members are former audit partners of the Company.</p> <p>This requirement is incorporated in the TOR of the AC, which is available on the Company's website at <a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has in place policies and procedures to assess the suitability, objectivity, and independence of the external auditors, with the aim of safeguarding the quality and reliability of the audited financial statements.</p> <p>The AC is responsible for evaluating the suitability, capability, and independence of the external auditors, and making the relevant recommendations to the Board on their appointment, re-appointment, or termination.</p> <p>To support and safeguard the independence and objectivity of the external auditors, the AC conducts an annual evaluation covering their independence, timeliness, competence, audit quality, and resource capacity in relation to the audit, as well as the appropriateness of the audit fees.</p> <p>For the year under review, the AC had carried out this assessment and was satisfied with the competence, audit quality, and resource capacity of the external auditors in relation to the audit services provided. The AC was also satisfied that there were no threats to the auditors' objectivity and independence arising from the provision of non-audit services, and that the fees for such services were not significant.</p> <p>Based on this assessment, the AC recommended to the Board the re-appointment of Messrs Morison LC PLT as the external auditors of the Company, to be tabled for shareholders' approval at the forthcoming AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The AC comprises of three (3) members, all of whom 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Collectively, the AC members are financially literate, professionally competent, and possess the requisite skills and experience to discharge their duties effectively. They are able to understand matters within the AC's purview, including financial reporting and related processes, and assist the Board in ensuring the accuracy, adequacy, completeness, and compliance of the Company's financial statements with the applicable accounting standards.</p> <p>In compliance with Paragraph 15.09(1)(c) of the MMLR of Bursa Securities, the AC comprises at least one member who is a member of the Malaysian Institute of Accountants ("MIA"). Dr. Chan Jee Peng, the Chairman of the AC, is a MIA member and provides the necessary accounting and finance expertise to support robust discussions and review of the financial statements.</p> <p>All AC members continue to undertake continuous professional development to stay abreast of developments in accounting, auditing, governance, and regulatory requirements. Details of the AC members' qualifications, professional backgrounds, working experience, and trainings attended during the financial year are disclosed in the Company's Annual Report 2025.</p> <p>As part of the annual Board evaluation process for the financial year ended 30 June 2025, the performance and effectiveness of the AC were assessed. The Board concluded that the AC had effectively discharged its duties in accordance with its TOR, with each member contributing meaningfully to the Committee's overall effectiveness.</p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board acknowledges that risk management and internal control are integral components of the Group’s business operations and sustainability. The Board affirms its overall responsibility for establishing and maintaining a sound risk management and internal control framework to safeguard shareholders’ investments, the interests of stakeholders, and the Group’s assets.</p> <p>The Group has put in place an enterprise risk management (“<b>ERM</b>”) framework that provides a structured and consistent approach in identifying, assessing, monitoring, and mitigating material risks which may impede the achievement of its strategic, operational, financial, and compliance objectives. Risk assessment is conducted at both business unit and Group level, covering key areas such as operational risks, financial management, regulatory compliance, cyber security, business continuity, and ESG considerations.</p> <p>The Board, through the AC, receives periodic reports on the Group’s risk profile, key risk exposures, and mitigation measures implemented by Management. Significant issues relating to risk management and internal controls are escalated to the Board for deliberation. Where necessary, the Board seeks external expertise to provide independent assurance or advice on specific risk areas to ensure the adequacy and effectiveness of the framework.</p> <p>In addition, the Board is committed to fostering a strong risk-aware culture across the Group. This includes integrating risk management into strategic planning, decision-making processes, and day-to-day operations. The risk management framework is complemented by an internal control system designed to provide reasonable, though not absolute, assurance that the Group’s objectives are achieved.</p> <p>The details of the Group’s risk management and internal control framework, together with the review of its effectiveness, are set out in the Statement on Risk Management and Internal Control in the Company’s Annual Report 2025.</p>

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to ensuring that a sound risk management and internal control framework is in place to safeguard the interests of shareholders, protect the Group's assets, and support the achievement of its strategic and operational objectives. The framework is designed to enable the systematic identification, evaluation, monitoring, and mitigation of key risks across the Group.</p> <p>Key features of the Group's risk management and internal control framework include:</p> <ul style="list-style-type: none"><li>• <b>Governance structure</b> – Oversight by the Board and Audit Committee, with Management responsible for day-to-day risk management and implementation of internal control measures.</li><li>• <b>ERM process</b> – A structured approach to identifying, assessing, and prioritising material risks, covering strategic, operational, financial, compliance, cyber security, and ESG-related risks.</li><li>• <b>Risk reporting and monitoring</b> – Periodic risk reports are presented to the AC and the Board for review and deliberation, ensuring timely response to emerging risk areas.</li><li>• <b>Internal audit function</b> – Provides independent assurance on the adequacy and effectiveness of the risk management and internal control processes, and reports directly to the Audit Committee.</li><li>• <b>Policies and procedures</b> – A set of policies, standard operating procedures, and authority limits designed to strengthen internal controls and promote accountability throughout the Group.</li><li>• <b>Business continuity and crisis management</b> – Mechanisms in place to ensure the continuity of critical operations and resilience in responding to unexpected disruptions.</li></ul> <p>The Board, through the AC, conducts an annual review of the adequacy and effectiveness of the Group's risk management and internal control framework. For the financial year under review, the Board concluded that the framework remained sound and</p>

	<p>effective, providing reasonable assurance that the Group's risks are being managed within acceptable parameters.</p> <p>Further details of the Group's risk management and internal control framework, including the assessment of its adequacy and effectiveness, are provided in the Statement on Risk Management and Internal Control in the Company's Annual Report 2025.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's internal audit function is outsourced to an independent professional firm, Indah Corporate Governance Sdn. Bhd. ("<b>the Internal Auditor</b>"), which operates independently from the Group's operational and management functions.</p> <p>The Internal Auditor reports directly to the AC on their findings and observations across all audit areas, including but not limited to: the adequacy and effectiveness of the Group's policies, procedures, and internal controls; compliance with applicable laws, regulations, and industry standards; and the robustness of the risk management and governance framework. The Internal Auditor also provides actionable recommendations and agreed-upon management action plans to address areas requiring improvement.</p> <p>The internal audit function is resourced with sufficient personnel, expertise, and authority to carry out its responsibilities independently and objectively. This enables the AC to receive reasonable assurance regarding the effectiveness of the Group's risk management, internal control, and governance processes.</p> <p>Details of the Group's internal audit function, including its scope of work, key activities, and outcomes, are set out in the Audit Committee Report in the Company's Annual Report 2025.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's internal audit function is fully outsourced to Indah Corporate Governance Sdn. Bhd., an independent professional firm with no operational involvement in the Group's business activities, ensuring objectivity and impartiality.</p> <p>The Engagement Director, Ms Tay Lee Hoon, possesses extensive professional experience in internal audit, risk management, and corporate governance advisory. She is a Member of the Malaysian Institute of Accountants and a Member of the Chartered Tax Institute of Malaysia.</p> <p>The internal audit team deployed for each engagement comprises 3 to 4 qualified professionals, including the Engagement Director. All team members hold recognised professional qualifications and/or university degrees, with several being members of the Institute of Internal Auditors Malaysia (IIAM).</p> <p>Internal audit reviews are conducted using a risk-based methodology, aligned with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors. The team operates independently of management, and no personnel have any relationships or conflicts of interest that could compromise their objectivity.</p> <p>The internal audit function provides the AC with reasonable assurance on the adequacy and effectiveness of the Group's risk management, internal control, and governance processes. Further information on the internal audit scope, key findings, and outcomes is disclosed in the Audit Committee Report of the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and Management recognise that effective and transparent communication with shareholders and stakeholders is a key element of good corporate governance. The Group maintains an open channel of communication to provide timely, accurate, and relevant information, thereby enabling stakeholders to make informed decisions.</p> <p>Communication with stakeholders is primarily facilitated through multiple channels, including:</p> <ul style="list-style-type: none"><li>• the Annual Report, which provides comprehensive information on the Group's performance, strategy, governance, and financial results;</li><li>• announcements to Bursa Securities, in compliance with regulatory requirements;</li><li>• quarterly financial reports and other disclosures;</li><li>• the Group's corporate website, which serves as a central repository for corporate governance information, announcements, and updates (<a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a>); and</li><li>• dedicated investor relations initiatives, including briefings, meetings, and dialogue sessions with institutional and retail investors.</li></ul> <p>The conduct of the AGM provides an additional platform for shareholders to engage directly with the Board and Management, facilitating constructive dialogue and enabling shareholders to raise questions on the Group's performance, strategy, and governance.</p> <p>Through these initiatives, the Board ensures that communication with stakeholders is regular, transparent, and accessible, consistent with the principles of accountability and good corporate governance.</p>
<b>Explanation for departure</b>	:	

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

**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.

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In line with best practices and regulatory requirements, the Notice of the Twenty-Eighth AGM was issued to shareholders on 29 October 2024, which is at least 28 days prior to the AGM held on 27 November 2024.</p> <p>This advance notice ensured that shareholders had adequate time to consider the resolutions to be tabled, enabling them to exercise their rights effectively and participate meaningfully in the meeting.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors of the Company were present at the Twenty-Eighth AGM held on 27 November 2024, ensuring shareholders had direct access to the Board for engagement on the Group's strategic direction, operational performance, and governance matters.</p> <p>The Chairs of the AC, NC and RC were available to provide detailed, meaningful, and transparent responses to questions posed by shareholders. This approach facilitated constructive dialogue, strengthened accountability, and enhanced shareholders' confidence in the Board's stewardship.</p> <p>Through such engagement, the Board underscores its commitment to effective shareholder communication, transparency, and governance excellence, in line with best practices adopted by leading public listed companies.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company conducted its Twenty-Eighth AGM as a virtual meeting through live streaming and online voting via Remote Participation and Voting (RPV) facilities provided by InsHub Sdn. Bhd. through the website <a href="https://rebrand.ly/KomarkAGM">https://rebrand.ly/KomarkAGM</a>. Aldpro Corporate Services Sdn. Bhd. was appointed as the Poll Administrator to manage the electronic polling process in accordance with Section 327 of the Companies Act 2016 and Clause 77 of the Company's Constitution, which permit General Meetings to be held at more than one venue or through electronic means.</p> <p>Through the RPV facilities, shareholders were able to participate remotely and exercise their right to vote electronically on all resolutions tabled at the AGM. The platform also enabled shareholders to submit questions, suggestions, or comments via typed text before or during the meeting, all of which were duly addressed by the Board and Management.</p> <p>For shareholders unable to attend virtually, the Company facilitated proxy appointments, allowing submission of duly completed proxy forms either in hardcopy at the Company's registered office or via email to a designated address within the stipulated timeframe.</p> <p>An Administrative Guide, outlining procedures for registration, participation, and electronic voting, was published on the Company's corporate website well in advance to assist shareholders in navigating the virtual meeting process.</p> <p>All resolutions at the 28th AGM were voted on via electronic poll, with the results validated by an independent scrutineer and announced live on-screen to shareholders and proxies in attendance, ensuring transparency and accuracy.</p> <p>The Company recognises the importance of robust cyber hygiene practices. InsHub, as the appointed service provider, has implemented comprehensive data privacy and security measures</p>

	<p>to safeguard shareholders' information and maintain the integrity of the online voting and participation process.</p> <p>Through these measures, the Company demonstrates its commitment to enhancing shareholder accessibility, participation, and engagement, while adhering to best practices in governance, transparency, and cybersecurity, consistent with leading public listed companies.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company recognises the importance of fostering meaningful engagement with shareholders and regards general meetings as a key platform for two-way communication between the Board, senior management, and shareholders. These meetings provide opportunities for effective dialogue, constructive feedback, and transparent discussion on the Group’s financial and non-financial performance as well as its long-term strategies.</p> <p>At the Twenty-Eighth AGM, shareholders were accorded sufficient time and opportunity to submit questions on the resolutions tabled as well as on matters relating to the Group’s financial performance, operations, and prospects, either in advance of the meeting or in real time during the AGM via typed text through the RPV facilities provided by InsHub.</p> <p>The Board remains committed to further enhancing shareholder engagement at future general meetings, ensuring that such meetings continue to serve as an interactive forum for shareholders to actively participate in discussions on the Company’s performance and strategies.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 13.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Twenty-Eighth AGM held on 27 November 2024 was conducted on a fully virtual basis, entirely via remote participation and electronic voting through the online meeting platform operated by InsHub Sdn. Bhd..</p> <p>Aldpro Corporate Services Sdn. Bhd. was appointed as the Poll Administrator to manage the electronic polling process. They verified the eligibility of shareholders, corporate representatives, and proxies based on the Record of Depositors as at 14 November 2024 and the cut-off date and time for proxy submissions.</p> <p>Shareholders participating in the 28th AGM were given the opportunity to submit questions via the online platform, enabling interaction with the Board and senior management despite the virtual format.</p> <p>All resolutions were voted on by way of electronic poll, with the results verified by the independent Scrutineers, CSC Securities Services Sdn. Bhd. The validated poll results for Ordinary Resolutions 1 to 7 were displayed live to shareholders, corporate representatives, and proxies present, and the Chairman declared that all resolutions were duly passed.</p> <p>Through these arrangements, the Company demonstrates its commitment to ensuring meaningful engagement, transparency, and integrity in the conduct of virtual general meetings, in line with best practices.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of 28 <sup>th</sup> AGM was published on the Company's website within 30 business days from the date of the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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