

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 7017  
**COMPANY NAME** : KOMARKCORP BERHAD  
**FINANCIAL YEAR** : March 31, 2022

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

#### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

<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 roles of Directors includes, amongst others:</p> <ul style="list-style-type: none"><li>- review and adopt a strategic plan for the Company;</li><li>- oversee the conduct of the Company's business to evaluate whether the business is being properly managed;</li><li>- succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing senior management;</li><li>- develop and implement an investor relations programme or shareholder communication policy for the Company; and</li><li>- review 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>As part of its efforts 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 ("AC");</li><li>• Nomination Committee ("NC"); and</li><li>• Remuneration Committee ("RC").</li></ul> <p>Each Board committee of the Chairman will report to the Board on the results of the committee meeting, including key issues considered at the committee meeting. Board committees perform their duties in accordance with the Terms of Reference ("TOR") approved by the Board.</p>

	The Board Charter and the Board Committees' TOR available on the Company's website at <a href="http://www.komark.com.my">www.komark.com.my</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>	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

**Intended Outcome**

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

**Practice 1.2**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Company is YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad, who is an Independent Non-Executive Director of the Company. As Chairman, he leads the Board by setting the tone at the top and managing Board effectiveness by focusing on strategy, governance and compliance and provides leadership at Board level and represents the Board to the shareholders and other stakeholders.</p> <p>The Chairman’s responsibilities include the following:</p> <ul style="list-style-type: none"><li>• manage the interface between Board and Management;</li><li>• ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;</li><li>• lead the Board in establishing and monitoring good corporate governance practices in the Group;</li><li>• ensure the integrity of the governance process and issues; and</li><li>• functioning as a facilitator at meetings of the Board to ensure that discussions result in logical and understandable outcomes.</li></ul>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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 position of Board Chairman and Executive Director are held by different Individuals. The Chairman of the Company is YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad whereas the Executive Director is Mr Roy Ho Yew Kee.</p> <p>There is a clear division of responsibilities between two roles, which is clearly defined in the Board Charter, to ensure that there is an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making.</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>	:	Departure		
<b>Explanation on application of the practice</b>	:			
<b>Explanation for departure</b>	:	<p>The Chairman of the Board, YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad is also the member of AC and NC and Chairman of RC.</p> <p>Despite YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad role as Chairman of the Board and member in others committee, he exercises independent and objective opinions and advises the Company based on his extensive experience. In addition, the Chairman is not involved in the Company's managerial and operational matters.</p> <p>Alternatively, the Board will consider on the shuffling of the composition of AC, RC and NC, if there is a necessity on it.</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>	:	<table border="1"><tr><td>Choose an item.</td><td></td></tr></table>	Choose an item.	
Choose an item.				

**Intended Outcome**

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

**Practice 1.5**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by one (1) suitably qualified and competent Company Secretary. The Company Secretary play an advisory role to the Board and is responsible to ensure all Board procedures and Board management matters are in line as well as in compliance with Main Main Listing Requirements (“<b>MMLR</b>”) of Bursa Malaysia Securities Berhad (“<b>Bursa Securities</b>”), relevant laws and regulations.</p> <p>The Company Secretary ensure that discussions at Board and Board Committee meetings are well documented, and subsequently communicated to the relevant party for appropriate action. The Company Secretary is constantly kept himself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending relevant trainings from time to time.</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 1.6**

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>Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers will be forwarded to each director no later than seven (7) days before the date of the meeting. This is to ensure that Board papers comprising due notice of issues to be discussed and supporting information and documentations were provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board papers and seek for any clarification as and when they may need advices or further explanation from management and Company Secretary.</p> <p>The deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretary and properly documented and maintained at the Registered Office 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**

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 a formalised Board Charter, which sets out the roles, functions, composition, and processes of the Board. The Board Charter provides guidance to the Board, Board Committees, Directors and Management of the Company in the fulfilment of its roles, duties and responsibilities which are in line with MMLR and the principles of Malaysian Code on Corporate Governance (“MCCG”).</p> <p>The Board Charter is reviewed as and when necessary to keep it up to date with changes in regulations and best practices and ensures its effectiveness and relevance to the Board’s objectives.</p> <p>The Board Charter is made available on the Company’s website at <a href="http://www.komark.com.my">www.komark.com.my</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board aims to establish a corporate culture, which engenders ethical conduct that permeates throughout the Company, through a set of Code of Conduct, to be adhered by all individuals employed by the Group.</p> <p>The Code of Conduct and Ethics (“<b>the Code</b>”) is to govern the standards of ethics and good conduct expected from Directors, Management and employees in discharging their duties and responsibilities and would help to prevent misconduct and unethical practices and consequently.</p> <p>The Board has also set up the Anti-Corruption Policy (“<b>the Policy</b>”), which spells out the rules of conduct by which all directors and employees should adhere to, to consistently conduct themselves with the highest ethical standards, and in compliance with all applicable laws and regulatory requirements for the prevention of corruption, bribery and extortion.</p> <p>The Code and the Policy are made available on the Company’s website at <a href="http://www.komark.com.my">www.komark.com.my</a>.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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 acknowledges that any genuine commitment to detect and prevent actual or suspected unethical, illegal, improper, or other misconduct shall include a means for employees and other stakeholders to freely report their concerns without fear of reprisal or intimidation.</p> <p>The Board has set up a whistleblowing policy to support the Company's values and to provide a transparent and confidential process for all dealings with concerns.</p> <p>The whistleblowing policy is designed to enable for all stakeholders including but not limited to employees, customers, suppliers, government bodies and financial institutions to raise genuine concerns of possible improprieties perpetrated with the Group. If any employee believes reasonably and in good faith that malpractice exists in the workplace, the employee should report to the line manager, the Group's Chairman or AC Chairman immediately.</p> <p>The whistleblowing policy is made available on the Company's website at <a href="http://www.komark.com.my">www.komark.com.my</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.1**

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's sustainability governance structure is led by the Board of Directors, which oversees the Group's overall sustainability performance.</p> <p>Despite challenging economic conditions in an uncertain political and pandemic-influenced climate, the Group continued its efforts to enhance business sustainability and stakeholder engagement for the financial period ended 31 March 2022 (“FYE 2022”). Management believes that sustainable success can only be achieved through joint efforts among the Group, its stakeholders and the community.</p> <p>The information on the Company’s material issues along with its societal and environmental impacts and key sustainability initiatives are disclosed in the Sustainability Statement of the Annual Report 2022.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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>	:	The company has adopted the practices to engage with internal and external stakeholders which has disclosed in the Sustainability Statement of the Annual Report 2022.	
<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 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 has sufficient knowledge and understanding of sustainability issues relevant to the company and its business to conduct its responsibilities effectively and is committed to keeping abreast of sustainability issues related to the changing operating environment that are relevant to its business.</p> <p>The Board of Directors and management continue to advocate for elements of sustainability in the business, and the Company remains committed to developing and enhancing the practices and initiatives.</p> <p>Further details are set out in the Sustainability Statement of the Annual Report 2022.</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 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>A review of the Boards' and Senior Managements' performance in addressing the Company's material sustainability risks and opportunities is included in the Board's performance assessment.</p> <p>This is part of the Company's addressing sustainability risks and opportunities through performance reviews.</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 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, directed 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>The key role of the NC amongst other are to ensure:</p> <ul style="list-style-type: none"> <li>- A formal and transparent procedure for the selection and assessment of candidates for Board appointments;</li> <li>- Assessment of the effectiveness of the Board and its Board Committees as a whole and the contribution of the individual Director on an annual basis; and</li> <li>- The Board composition meets the needs of the Company.</li> </ul> <p>The NC evaluates and assess the suitability and performance of individuals running for re-election at the Annual General Meeting ("AGM") through a performance review conducted during FYE 2022.</p> <p>Thereafter, based on the results obtained from the performance evaluation, the NC will recommend the individuals who standing for re-election to the Board for the approval to put forward the agenda during the AGM for the shareholders' approval.</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>	:	More than half of the Board members are Independent Non-Executive Directors.	
<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 5.3**

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>Encik Ihsan Bin Ismail ("<b>Encik Ihsan</b>") has served the Company for a cumulative term of more than twelve (12) years and agreed to continue in office as Independent Non-Executive Director.</p> <p>The NC and the Board of Directors of the Company, after having assessed the independence of Encik Ihsan, consider him to be independent based on amongst others, the following justifications:</p> <ul style="list-style-type: none"> <li>a) He was able to bring independent and objective judgment to the Board's deliberations;</li> <li>b) He has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interest of the Company;</li> <li>c) He has no potential conflict of interest, whether business or non-business related with the Company;</li> <li>d) His experience enables him to provide the Board with a diverse set of experience, expertise, skills and competence;</li> <li>e) He has been with the Company for long period of time and therefore understand the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at RC, NC, AC and Board meetings; and</li> <li>f) He has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and Shareholders.</li> </ul> <p>In view thereof, the approval of the shareholders of the Company through a two-tier voting process will be sought for Encik Ihsan to continue in office as Independent Non-Executive Director at the forthcoming 26<sup>th</sup> Annual General Meeting ("<b>AGM</b>") 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 5.4 - 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 acknowledges the importance and benefits of boardroom diversity in terms of age, gender, nationality, ethnicity and socioeconomic background. The appointment of Board and Senior Management of the Company are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Group adheres strictly to the practice of non-discrimination of any form.</p> <p>The NC has the responsibility for identifying, assessing and recommending the right candidates to the Board as well as reviewing and assessing the composition and performance of the Board. In making its recommendations, the NC will consider, among others, the mix of skills, knowledge, experience, diversity (including gender diversity), background, integrity, competence, time commitment and independence in order to meet the strategic objectives and business requirements of the Group.</p> <p>Currently, there is no female Director on the Board of the Company.</p> <p>The Board has in place a Diversity Policy which is available on the Company's website at <a href="http://www.komark.com.my">www.komark.com.my</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 proposed appointment of a new member to the Board will be deliberated by the full Board based upon the recommendation of the NC.</p> <p>Before making the recommendations, the NC will evaluate a candidate by considering the following or seek professional advice from independent search firms, if necessary:</p> <ul style="list-style-type: none"><li>• skills, knowledge, expertise and experience;</li><li>• commitment (including time commitment) to effectively discharge his/her role as a Director;</li><li>• professionalism;</li><li>• boardroom diversity including gender, age, professional background and experience diversity; and</li><li>• character, integrity, commitment (including time commitment) and competence.</li></ul> <p>In the case of candidates for the position of Independent Non-Executive Directors, the NC will evaluate the candidate's ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.</p>
<b>Explanation for departure</b>	:	Please provide an explanation on how the practice is being applied.
<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**

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>	:	Directors' profiles are included in the Annual Report 2022, including their age, gender, directorships, work experience, and any conflicts of interest, as well as their shareholdings in the company, if any.  The reasons for the re-election of the retiring directors for re-election are set out in the notes to the notice of the 26 <sup>th</sup> AGM of the Company.	
<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**

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 NC is chaired by En Ihsan Bin Ismail, who is an Independent Non-Executive Director of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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>	:	Currently, there is no female director on the Board of the Company.	
		The Board acknowledges the importance of gender diversity in the Board. However, the selection and appointment of a new Board member is still subject to appropriate due diligence on the mix of skills and competencies as well as the necessary diversities. A female representation will be considered when suitable candidate is identified.	
<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>	:	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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Currently, the Company has not set specific policies on gender diversity for senior management. However, the Board is supportive of the recommendation of MCCG 2021 to the establishment of boardroom and workforce gender diversity.	
<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>	:	Choose an item.	

### 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>	:	<p>The NC had carried out annual assessment on the effectiveness of the Board as a whole, the Board Committees and the performance of each individual Director for the FYE 2022. The evaluation process was based on self- assessment and the assessment results were deliberated and presented to the Board. The results of the assessments have been tabled during the NC meeting for the deliberation purpose.</p> <p>Based on the annual assessment conducted during the financial year, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and had sufficiently demonstrated their commitment to the Company in terms of time and participation during the year under review, and recommended to the Board the re-election of the retiring Directors at the forthcoming Company's 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>	:	

**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>RC is mandated by the Board to establish formal and transparent procedures for developing executive compensation policies and determining compensation packages for individual directors. The Board acknowledges that the remuneration policy reasonably supports the directors' responsibilities and fiduciary responsibilities in guiding the Group to achieve its long-term goals and enhance shareholder value. The Board offers a competitive compensation package to attract, develop and retain talented individuals as directors.</p> <p>The Company has in place a Directors' Remuneration Policy which set out the criteria applied in recommending the remuneration package of the Directors of the Group. The RC reviews and recommend to the board the remuneration packages and fees of non-executive directors.</p> <p>The remuneration packages for the Executive Directors and key senior management are reviewed based on individual responsibilities, skills, experience and performance in the group.</p> <p>The Remuneration Policy can be accessible at <a href="http://www.komark.com.my">www.komark.com.my</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>	:		
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**Intended Outcome**

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

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

**Practice 7.2**

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established a RC which comprises three (3) Independent Non-Executive Directors.</p> <p>The RC reviews and recommends to the Board annually on the Board’s remuneration package that reflect their respective contributions for the year, and which depend on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year.</p> <p>The Terms of Reference of RC is accessible on the Company’s website at <a href="http://www.komark.com.my">www.komark.com.my</a>.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		



**Intended Outcome**

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>	:	Detailed disclosure of the remuneration of individual directors is included in the Annual Report 2022.

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	-	--	-	-	5	89
2	Roy Ho Yew Kee	Executive Director	72	-	-	-	-	5	77	72	-	319	37	-	-	433
3	Ihsan Bin Ismail	Independent Director	48	-	-	-	-	5	53	48	-	-	-	-	5	53
4	Koo Kien Keat	Independent Director	48	-	-	-	-	5	53	48	-	-	-	-	5	53
5	Chan Jee Peng	Independent Director	60	--	-	-	-	5	65	60	-	-	-	-	5	65
6	Koh Chie Jooi (Resigned w.e.f 23 July 2021)	Executive Director	-	-	-	-	-	-	-	-	-	363	-	-	-	363
7																
8																
9																
10																
11																
12																
13																
14																
15																

**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 Company opts not to disclose the top five senior management's remuneration on a named basis due to the confidentiality and sensitivity of the remuneration package of senior management as well as security concerns.	
		The Board believes that disclosing the names of the top five (5) senior executives may result in an invasion of privacy and may draw undue attention to the named executives.	
		The remuneration packages of Senior Management are evaluated and reviewed annually and adjustments to their remuneration are based on not only on their individual performance and contributions in the preceding year, but also the Group's performance.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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.

<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	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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of AC is Mr Chan Chee Peng. He is not the Chairman of the Board.	
<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 Company recognised the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise.</p> <p>Currently, none of the members of the AC are former audit partners of the Company.</p> <p>The Terms of Reference of the AC is available at the Company’s website at <a href="http://www.komark.com.my">www.komark.com.my</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 is responsible for assessing the competence and independence of the external auditor and making follow-up recommendations to the Board on the appointment, re-appointment or termination of the external auditor.</p> <p>In safeguarding and supporting External Auditors independence and objectivity, the Company has in place an External Auditors Assessment Policy. The policy set forth the procedures relating to the appointment of the external auditors, annual assessment and non-audit engagement. The policy is available on the Company's website at <a href="http://www.komark.com.my">www.komark.com.my</a>.</p> <p>The AC review the Company's external auditors by carrying out an annual assessment. The review process includes:</p> <ul style="list-style-type: none"> <li>i) assessing the external auditor's independence;</li> <li>ii) assessing the external auditor's performance, quality of work, audit fees; and</li> <li>iii) adequacy of resources.</li> </ul>
<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 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	Currently, 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>All AC members are financially literate and assist the Board in overseeing and scrutinise the process and quality of the financial reporting and ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards.</p> <p>The qualification and experience of the individual AC members are disclosed in the Profile of Board of Directors in the Annual Report 2022.</p> <p>The AC members have attended relevant training to ensure that they are abreast of relevant developments in accounting and auditing standards, practices and rules. Trainings attended by AC members during FYE 2022 is disclosed in Corporate Governance Statement in the Annual Report 2022.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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 is an integral part of the Group business operations. It is an ongoing process which involves different levels of managements to identify, evaluate, monitor and manage and mitigate the risks that may affect the achievement of its business and corporate objectives.</p> <p>Significant issues related to internal controls and risk management are highlighted to the Board. If deemed necessary, assistance from external parties shall be consulted on issues in which the Board needs to seek an opinion.</p> <p>Details of the Group's risk management and internal control framework are set out in its statement on Risk Management and internal control of the Company's Annual Report 2022.</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>	:	The characteristics of the Group's risk management and internal control framework and the adequacy and effectiveness of this framework are disclosed in the Statement of Risk Management and Internal Control, which can be found in the Company's Annual Report 2022.	
<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 10.3 - 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 carried out by an outsourced internal audit firm which is independent of the activities of audits, namely Indah Corporate Governance Sdn. Bhd. (“<b>the internal auditor</b>”).</p> <p>The internal auditor reports directly to the AC and has direct access to the Board through the Chairman of the AC.</p> <p>The internal auditor has adequate resources and appropriate standing to undertake their work independently and objectively to provide reasonable assurance to the AC with regard to the adequacy and effectiveness of risk management, internal control and governance processes.</p> <p>Details of the internal audit function are set out in the AC Report in the Annual Report 2022.</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 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, which reports directly to the AC, is outsourced to Indah Corporate Governance Sdn Bhd.</p> <p>The Engagement Director is Ms Tay Lee Hoon who has diverse 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. The number of staff deployed for the internal audit reviews ranges from 3 to 4 staff per visit including the Engagement Director. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Some of them are members of the Institute of Internal Auditors Malaysia.</p> <p>The internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework. None of the internal audit personnel has any relationships or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.</p> <p>Further details are disclosed in the AC Report of the Annual Report 2022.</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 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board and Management value the importance of effective and transparent communications with shareholders and investors. This is achieved through the timely release of annual reports, quarterly announcement and other corporate announcements made to Bursa Securities.</p> <p>Information is made available to the shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company’s website, <a href="http://www.komark.com.my">www.komark.com.my</a>. The AGM also provides the platform for dialogue and interaction with 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**

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company is not a Large Company as defined by the MCCG 2021.	
<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>	:	The Notice of the 25 <sup>th</sup> AGM of the Company held in year 2021 was issued more than twenty-eight (28) days prior to the meeting, which served on 30 September 2021 and AGM was held on 29 October 2021. This was to ensure that shareholders were given sufficient time to read and consider the resolutions to be resolved.	
<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>Barring any unforeseen circumstances, all Directors undertake attend company member meetings. All Directors of the Company attended the 25<sup>th</sup> AGM in a completely virtual manner.</p> <p>The presence of all Directors presented opportunities for the shareholders to engage with each Director and allowed the shareholders to raise questions and concerns to the Directors directly.</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 13.3**

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 had conducted the 25<sup>th</sup> AGM on a fully virtual basis and entirely via remote participation and voting via Mlabs VGM platform operated by Mlabs Research Sdn Bhd to facilitate remote participation and voting in absentia.</p> <p>In line with the Government’s initiative to curb the spread of Covid-19 and Securities Commission’s Guidance Note, the Company will continue to conduct its 26<sup>th</sup> AGM on a virtual basis through live streaming and online remote voting.</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 13.4

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 Chairman has successfully created a meaningful engagement with the Board, Senior Management and Shareholders throughout the 25<sup>th</sup> AGM. All the Directors and the members of the Key Senior Management of the Company were present at the 25<sup>th</sup> AGM to provide responses to the questions posed by shareholders.</p> <p>Sufficient time and opportunity were made available for shareholders to pose questions during the 25<sup>th</sup> 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>	:	

### 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 Company had conducted the 25<sup>th</sup> AGM on a fully virtual basis and entirely via remote participation and voting via Mlabs VGM platform operated by Mlabs Research Sdn Bhd.</p> <p>Boardroom.com Sdn. Bhd. was engaged as Poll Administrator to conduct the poll by way of electronic means and had verified the eligibility of shareholders/corporate representatives/proxies to attend the 25<sup>th</sup> AGM based on the Record of Depositors as at 20 October 2021 and the cutoff date and time for proxy form submission.</p> <p>This meeting platform was secured exclusively for the members with approved registration for the Remote Participation and Voting ("RPV") facility at the 25<sup>th</sup> AGM.</p> <p>The Q&amp;A session served as an interaction between the Directors, Management and shareholders during the fully virtual meeting. The shareholders in attendance in the proceedings of the 25<sup>th</sup> AGM have used the Q&amp;A platform to transmit their question.</p> <p>During the live streaming, the shareholders select "Voting" button and indicate their votes for the resolutions that are tabled for voting. The Voting session commenced once the Chairman of the Meeting declare that the voting platform is activated and had announced the completion of the voting session of the 25<sup>th</sup> AGM.</p> <p>The poll results were verified by the Scrutineers, BTS Solution Sdn. Bhd.. The poll results of each Ordinary Resolutions 1 to 8 were displayed to shareholders, corporate representatives and proxies present as the Chairman of the Meeting declared that the resolutions were duly passed.</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>		
<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The minutes of the 25 <sup>th</sup> AGM was reviewed and approved by the board of Directors and uploaded to the company's website.
	:	Going forward, the company aims to upload meeting minutes to the company's website within the stipulated time so that information can be provided to shareholders in a timely manner.
<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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