

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7017  
**COMPANY NAME** : KOMARKCORP BERHAD  
**FINANCIAL YEAR** : June 30, 2024

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<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, who is an Independent Non-Executive Director of the Company.</p> <p>The Chairman of the Board is principally responsible for the overall functioning of the Board, the responsibilities of which are clearly stated in the Board Charter.</p> <p>The Chairman leads the Board by setting the tone at the top and managing the Board effectiveness by focusing on strategy, governance and compliance. Additionally, provides leadership at Board level and act as the representative of the Board to the shareholders and other stakeholders.</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> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	<p>As at 30 June 2024, the Chairman of the Board, YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad is a member of the NC and a Chairman of the 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 which ensures sufficient checks and balance.</p> <p>As of the current date, YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad had relinquished his membership in both the NC and RC. Consequently, as Chairman of the Board, he no longer holds any memberships in any Board Committees of the Company.</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. The Company Secretary plays 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 Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), 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 constantly keeps abreast of changes in the several aspects including changes of regulations and requirements, corporate governance and Board's operations through continuous professional training and development.</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>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>The notice of each meeting confirming the venue, time, date and agenda of the meeting together with the meeting materials are circulated to each director on a timely basis prior to the date of the meeting. This is to ensure Directors are well informed and have the opportunity to seek additional information, and are able to seek clarification as and when they may need advice or further explanation from management and Company Secretary.</p> <p>Upon conclusion of the meeting, the Company Secretary ensured that the minutes are prepared and circulated to the Directors for review within a reasonable time. The minutes of meetings will be 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 adopted a 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 shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.</p> <p>The Board Charter is made 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>	:	
<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 promote the corporate culture which engenders ethical conduct that permeates throughout the Group.</p> <p>The Code is to direct attention of Directors, Management and Employees of the Group to the areas of ethical risk, provide guidance to Directors to assist them to identify and handle ethical issues, provide procedures to report unethical practices, and encourage the development of a culture of honesty, trust, responsibility and accountability.</p> <p>The Board has also established 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 uphold 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 published on the Company's website and can be accessed 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 3.2

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 established 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="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 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 acknowledges the importance of incorporating sustainability considerations into the Company's business and corporate activities, and how sustainability is essential to successful business strategies that could deliver sustainable value to all stakeholders and ultimately boosts business performance of the Company.</p> <p>The Company's sustainability governance structure is led by the Board of Directors, which oversees the Group's overall sustainability performance.</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 2024.</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 4.2**

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 believes that solid alliances with stakeholders have enabled the Company to grow from strength to strength, and it is key in driving sustainability of the Company with regular engagement, communication and obtaining feedbacks and/or opinions from the stakeholders.</p> <p>The Company has engaged with stakeholders in a variety of ways which had been done at group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make informed decisions, while aligning the stakeholders’ expectations with the Company’s sustainability priorities and business approach.</p> <p>The Company has adopted the practices to engage with internal and external stakeholders which has disclosed in the Sustainability Statement of the Annual Report 2024.</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 4.3**

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 2024.</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>	:	The review of the Boards' and Senior Managements' performance in addressing the Company's material sustainability risks and opportunities is included in the Board's annual performance assessment.	
<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 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>Under Clause 102 of the Constitution of the Company, the Board had embedded its policy on the tenure of directorships, whereby inter alia, all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.</p> <p>The NC will review, assess and evaluate each individual Director's performance, independence and contribution to the effectiveness on the decision-making process of the Board through annual performance evaluation.</p> <p>The NC has evaluated and assessed the suitability and performance of retiring directors and recommend to the Board the retiring directors who shall be eligible to stand for re-election at the Company's 2024 Annual General Meeting ("<b>AGM</b>").</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>	:	The Board consists of five (5) members, comprising one (1) Independent Non-Executive Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors. The Independent Non-Executive Directors comprised more than half of the Board composition.	
<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>The Board Charter has stated that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, the Independent Director may continue to serve on the Board subject to his/her redesignation as Non-Executive Director. In the event an Independent Non-Executive Director is to remain as an Independent Director, the Board shall first provide justification, based on the recommendation of the NC and to subsequently seek shareholders' approval.</p> <p>If the Board continues to retain an independent director beyond nine (9) years, the Board shall seek annual shareholders' approval through a two-tier voting process.</p> <p>At present, none of the Independent Non-Executive Directors of the Company have served the Board beyond the cumulative terms of nine (9) years.</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 been entrusted with the responsibility for identify, assess and recommend the right candidates to the Board as well as review and assess 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>The Company has adopted a Directors' Fit and Proper Policy with the aim of reviewing and assessing the potential candidates for appointment as Directors as well as Directors who are seeking for re-election in the Company. The Policy has listed all the fit and proper criteria for the NC consideration and assessment.</p> <p>Additionally, the Company has also adopted a Gender Diversity Policy as diversity enhances decision-making capability and a diverse board and senior management team are more effective in navigating organisational changes, leading to improved performance, innovation, and long-term success.</p> <p>The Directors' Fit and Proper Policy and Gender Diversity Policy are 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>	:	

<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 appointment of the Company's Directors. Under the TOR of the NC, the NC is responsible in recommending suitable candidates for directorship on the Board.</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 identifying and selecting potential 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>	:	
<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 5.7

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>	:	The profile of directors who are standing for re-election are set out in the Annual Report of the Company. The statement to support the re-election of directors is set out in the explanatory note of the Notice of 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**

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>	:	The NC is chaired by Mr Koo Kien Keat, who is an Independent Non-Executive Director of the Company.	
<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>	:	Currently, there is one (1) female Director, representing less than 30% on the Board.	
		The Board acknowledges the importance of gender diversity in the Board. However, the selection and appointment of a new Director is subject to appropriate due diligence on the mix of skills and competencies as well as the necessary diversities. More 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>	:		

**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 its Board of Directors and Senior Management positions.</p> <p>The Company recognises the importance of promoting diversity at all levels of its workforce. In line with the Company's Gender Diversity Policy, the Company is committed to manage diversity and promote inclusiveness as a means of enhancing the Company's performance by recognising and utilising contribution of diverse skills and talents from its directors, officers and employees.</p> <p>As of the date of this report, woman Director represent 20% of the total Board members 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

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 the Individual Directors are assessed on annual basis. The evaluation process was based on self-assessment and the assessment results were deliberated and tabled at the NC meeting and subsequently reported to the Board for consideration and action.  Based on the annual assessment conducted during the financial period, 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 period under review, and recommended to the Board the re-election of the retiring Directors at the forthcoming Company's 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>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 shareholders' value. The Board offers a competitive compensation package to attract, develop and retain talented individuals as directors.</p> <p>The Company has established a 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 Senior Management are reviewed based on individual responsibilities, skills, experience and performance in the Group.</p> <p>The Remuneration Policy is made available at 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 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>	:	The Board has established a RC, which comprises three (3) Independent Non-Executive Directors.  The TOR of the RC sets out the duties and responsibilities of the RC in relation to remuneration matters and 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> .
<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 2024.

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	105	-	-	-	-	7	112	105	-	-	-	-	7	112
2	Roy Ho Yew Kee	Executive Director	90	-	-	-	-	7	97	90	-	420	-	-	65	575
3	Koo Kien Keat	Independent Director	60	-	-	-	-	7	67	60	-	-	-	-	7	67
4	Chan Jee Peng	Independent Director	75	-	-	-	-	7	82	75	-	-	-	-	7	82
5	Dr Azizah Binti Sulaiman (appointed on 01 June 2023)	Independent Director	52	-	-	-	-	6	58	52	-	-	-	-	6	58
6	Encik Ihsan Bin Ismail (resigned on 29 May 2023)	Independent Director	8	-	-	-	-	1	9	-	-	-	-	-	-	9
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>	:	The Company opts not to disclose the three 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 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.	
<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>	:	The AC was currently chaired by Mr Chan Chee Peng, who is an Independent Non-Executive Director of the Company, and 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. Currently, none of the members of the AC are former audit partners of the Company.</p> <p>The requirement of a former partner of the external audit firm to observe a cooling-off period of at least three years before being appointed as a member of the AC is set out in the Terms of Reference of the AC which is available at 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 is responsible for assessing the suitability, capability, and independence of the external auditor, to make subsequent 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 AC will conduct an annual evaluation on the External Auditors, to review their independence, timeliness, competence, audit quality and resource capacity in relation to the audit and the appropriateness of the level of fees.</p> <p>During the year under review, the AC had assessed and was satisfied with the competence, audit quality, resource capacity of the external auditors in relation to the audit services provided. From the assessment, the AC is also satisfied that there was no threat to the objectivity and independence of the audit arising from the provision of non-audit services of the external auditors and the total fee incurred for non-audit services is not significant. Based on the assessment, the AC recommended to the Board the reappointment of Messrs Morison LC PLT as external auditors of the Company be tabled at the forthcoming AGM for 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**

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>	:	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.  The profiles of the AC members consisting of their education/professional qualification background, working experience and directorship experience are stated in the Annual Report 2024.  The trainings attended by the AC members are disclosed in Corporate Governance Overview Statement of the Annual Report 2024.
<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 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>The details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Company's Annual Report 2024.</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 of the Company's Annual Report 2024.	
<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 Auditors report to the AC directly on their observations and findings in the audit areas covered for the period, including but not limited to the review in the policies, procedures, standards, relevant external rules and regulations, adequacy and effectiveness of the relevant system adopted by the Group and provide recommendations and/or action plans to tackle areas which required improvement.</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>The details of the internal audit function are set out in the AC Report in the Annual Report 2024.</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 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 2024.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and Management recognise the importance of maintaining effective and transparent communications with shareholders and investors. This is primarily achieved through various channels, including the annual report, announcements to Bursa Securities, quarterly financial reports, Group's website and dedicated investor relations efforts.</p> <p>The Group maintains a website which shareholders and other stakeholders can gain access to information about the Group, activities and/or any announcements made by the Group. This can all be located at <a href="https://komark.com.my/corporate-governance-meetings/">https://komark.com.my/corporate-governance-meetings/</a>. The conduct of AGM also provides a platform for dialogue and interaction with shareholders.</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>	:	The Notice of Twenty-Seventh AGM was issued to the shareholders on 28 July 2023, i.e., at least 28 days prior the AGM on 21 September 2023.	
<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 have attended the 27<sup>th</sup> AGM of the Company held on 21 September 2023.</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>	:	The 27 <sup>th</sup> AGM on 21 September 2023 was conducted on a fully virtual basis and entirely via remote participation and electronic voting via online meeting platform operated by InsHub Sdn. Bhd. to facilitate remote participation and voting in absentia.	
<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.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Company acknowledges the importance of having a meaningful engagement with the shareholders. During the AGM, all shareholders are encouraged to participate and are given every opportunity to raise questions and seek clarification during the session.  All the Board members were present to provide responses to the questions posed by shareholders.
<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.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The 27<sup>th</sup> AGM on 21 September 2023 was conducted on a fully virtual basis and entirely via remote participation and electronic voting via online meeting platform operated by InsHub Sdn. Bhd.</p> <p>Aldpro Corporate Services 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 27<sup>th</sup> AGM based on the Record of Depositors as at 11 September 2023 and upon the cut-off date and time for proxy form submission.</p> <p>The shareholders in attendance in the proceedings of the 27<sup>th</sup> AGM are given opportunities to submit their questions via the online meeting platform, despite the AGM was held via virtually.</p> <p>The poll results were verified by the Scrutineers, CSC Securities Services Sdn Bhd. The poll results of each Ordinary Resolutions 1 to 7 were displayed to shareholders, corporate representatives and proxies present as the Chairman of the Meeting declared that the resolutions were duly passed.</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 13.6**

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 27 <sup>th</sup> AGM was published on the Company's website within the prescribed period.
<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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