# CORPORATE GOVERNANCE REPORT

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| **STOCK CODE** | **:** | 9008 |
| **COMPANY NAME** | **:** | OMESTI BERHAD |
| **FINANCIAL YEAR** | **:** | March 31, 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**
*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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

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

### Intended Outcome

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

### Practice 1.1

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

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| **Application** | : | Applied |
| **Explanation on application of the practice** | : | The Board of Directors of Omesti Berhad (Omesti and/or the Company) (Board) has the overall responsibility for corporate governance, strategic direction, corporate planning and overseeing the investment and business of the Group. The Board maps out the Group's strategies in addition to its responsibility to review the Management's action plans.<br><br>The Board's other primary duties are to conduct regular reviews of the Group's business operations and performance and to ensure that effective controls and systems exist to measure and manage the principal risks.<br><br>The Board also reviews major strategic initiatives of the Group to determine whether the proposed actions are in accordance with long-term business strategies and shareholder objectives. At the same time, the Board also undertakes the responsibility of safeguarding shareholders' equity interest through optimum utilisation of the capital resources, including issuance of debt and equity securities.<br><br>Matters reserved for the Board's approval, except where they are expressly delegated by the Board to a committee, the Chairman or another nominated member of the Management. Details of the other roles and responsibilities of the Board are set out in the Board Charter.<br><br>The Board has delegated some of its responsibilities to the Board Committees, namely Audit and Risk Management Committee (ARMC), Nominating Committee (NC), Remuneration Committee (RC) and Long-Term Incentive Plan Committee (LTIP). The roles and responsibilities of the Board Committees which had been delegated by the Board are set out in the respective Board Committees' Terms of References. |

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| | Executive Director involved in leadership roles and he oversees the Group's operations and performance. The Executive Director liaises with the Chief Executive Officers of the operating subsidiaries on a regular basis on business strategies and opportunities to lead the Management to drive the Company and the Group forward.<br><br>The Board has assigned the day-to-day management of the Group's businesses and operations to the Executive Director and the Chief Executive Officers of the operating subsidiaries, who are accountable for initiating ideas to create competitive edge in their respective industries or markets and the conduct and performance of their businesses within the agreed corporate objectives and business strategies.<br><br>The Board recognises the importance of attracting and retaining key management personnel and as such has made concerted efforts to identify and groom middle management in all key areas as an integral part of the management succession plan. The plan also includes offering a competitive remuneration package and providing training and career development opportunities for employees in all key functions of the Group operations.<br><br>The duties and responsibilities of the Board have been clearly specified in the Board Charter, which is available on the Company's website at www.omesti.com. | |
| **Explanation for departure** : | | |
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| *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 1.2**

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

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| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | The roles and responsibilities of the Chairman and Deputy Chairman of the Board have been clearly specified in the Board Charter.<br><br>The Chairman and Deputy Chairman engage with Board members and Management to oversee and ensure that the Board members can discharge and perform their responsibilities effectively.<br><br>In addition, the Chairman presides over meetings of Directors and both Chairman and Deputy Chairman are responsible for instilling good corporate governance practices in the organisation. | |
| **Explanation for departure** | : | | |
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| *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.

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| **Application** | : | Applied |
| **Explanation on application of the practice** | : | The positions of the Non-Executive Chairman, Non-Executive Deputy Chairman and Executive Director are held by three (3) individuals.<br><br>The Non-Executive Chairman, YAM Tunku Zain Al-'Abidin Ibni Tuanku Muhriz ("**Tunku Zain**") and Non-Executive Deputy Chairman, Dato' Sri Thong Kok Khee lead and manage the Board by focusing on strategy, governance and compliance whereas, the Executive Director, Mr Monteiro Gerard Clair (re-designated on 1 March 2024) manages the business and operations of the Group and implements the Board's decision.<br><br>The roles of Chairman, Deputy Chairman and the Executive Director are separate, and their roles and responsibilities are provided in the Board Charter, which is available on the Company's website at www.omesti.com.<br><br>Ms Mah Xian-Zhen was re-designated from Executive Director to Non-Independent Non-Executive Director on 1 June 2023. |
| **Explanation for departure** | : | |
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| *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 1.4**

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

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| *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'.* | | |
| **Application** | : | Applied |
| **Explanation on application of the practice** | : | During the financial year ended ("**FYE**") 31 March 2024, the Chairman of the Board, Tunku Zain is not a member of the ARMC, NC and RC of Omesti.<br><br>Tunku Zain was appointed as a member of the ARMC on 31 May 2024 and a member of the NC on 19 July 2024.<br><br>The Board took cognisance that having the same person assume the position of chairman of the Board and member of other Board committees gives rise to the risk of self-review and may impair the objectivity of the chairman and the Board when deliberating on the observations and recommendations put forth by the Board committees. However, Tunku Zain is not involved in management and operational matters of the Company, and he has acted objectively and uphold his independence in all the matters relating to and discussed in the Board and Board Committees of which he is a Chairman or a member. |
| **Explanation for departure** | : | |
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| *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 1.5**

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.

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| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | The Company Secretary plays an advisory role to the Board on matters pertaining to compliance of procedures, rules and regulatory requirements. The Directors have access to independent professional advice whenever such services are needed to assist them in carrying out their duties, at the Company's expense.<br><br>The Company Secretary of Omesti is qualified to act as company secretary pursuant to Section 235(2) of the Companies Act 2016. She is an Associate member of Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The roles and responsibilities of the Company Secretary are provided in the Board Charter.<br><br>The Company Secretary keeps herself abreast of the evolving statutory and regulatory requirements through continuous training. | |
| **Explanation for departure** | : | | |
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| *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 1.6**

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.

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| **Application** | : | Applied |
| **Explanation on application of the practice** | : | The annual meeting calendar is prepared and circulated to the Board in advance. The meeting calendar include scheduled dates for Board, Board Committee and Annual General Meetings, as well as the closed periods for dealings in securities by the Board based on the targeted dates of announcements of the Group's quarterly results.<br><br>Notices of Board meetings are sent to the Board and the Management via email at least seven (7) days prior to a meeting. The Company Secretary ensures that the meeting papers are sent by email as soon as practicable upon receipt of the meeting papers from the Management, internal and external auditors.<br><br>The deliberations and decisions at Board and Board Committee meetings are recorded in the minutes, including matters where Directors abstained from voting and deliberation.<br><br>The draft minutes would be sent to the Management, Board and Board Committee members for review and comments, and the Minutes would be confirmed and signed by the respective Chairmen at the next Board and Board Committee Meetings. The signed minutes are properly filed in the Minutes Books of the Company. |
| **Explanation for departure** | : | |
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| *Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.* | | |
| **Measure** | : | |
| **Timeframe** | : | |

**Intended Outcome**

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

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

**Practice 2.1**

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

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

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| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | The Board has established a Board Charter as a key point of reference that clearly defines the roles and responsibilities of the Board. The Board Charter is 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.<br><br>The Board Charter is available for reference at the Company's website at www.omesti.com. | |
| **Explanation for departure** | : | | |
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| *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 3.1**

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.

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| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | To sustain good corporate governance, the Board has formulated and adopted a code of ethics and conduct symbiotically with the Corporate Values of the Company of Caring, Creative and Competent.<br><br>By living the Corporate Values of the Company through the Code of Ethics and Conduct (CEC), the Company creates a culture in which people act as a team, working together toward common goals of Omesti. The CEC is applicable to all Directors and employees (including full time, probationary, contract, part time and temporary staff) of the Group.<br><br>The CEC was reviewed periodically by the Board and is available for reference at the Company's website at www.omesti.com. | |
| **Explanation for departure** | : | | |
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| *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.

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| **Application** | : | Applied |
| **Explanation on application of the practice** | : | In line with good corporate governance practices and the Whistleblower Protection Act 2010, the Whistleblowing Policy was established by the Group to encourage its employees and stakeholders to report any wrongdoing on the part of employees, management, Directors and vendor in particular with respect of their obligation to the Group's interest.<br><br>The Whistleblowing Policy provides guidelines for the reporting and the investigation of any wrongdoings. Such misconducts may be reported in writing directly to a dedicated e-mail addresses, namely, ChairmanARMC@omesti.com and/or ChairmanBOD@omesti.com.<br><br>The Whistleblowing Policy is available for reference at the Company's website at www.omsti.com. The Board together with the Management reviews the Whistleblowing Policy periodically or as and when the need arises to ensure it is kept contemporaneous. |
| **Explanation for departure** | : | |
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| *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 4.1**
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.

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| **Application** | : | Applied |
| **Explanation on application of the practice** | : | To ensure comprehensive evaluation, the Company assesses the operations based on the criteria established in the Global Reporting Initiative (GRI) and in compliance with the Main Market Listing Requirements (MMLR). These criteria encompass various social, economic, and environmental factors that impact the company and the communities in which the Company operates. The Company diligently examine all relevant aspects that may affect the long-term sustainability of the Group, taking appropriate measures to address any concerns that arise.<br><br>Through a comprehensive evaluation of crucial non-financial variables, the Company has the capability to identify areas where the sustainability management and business processes can be enhanced. This evaluation enables the Company to understand the impact of these variables on the company's operations, thereby providing a foundation for continuous improvement in the reporting practices to better serve the needs of the stakeholders. The Board, as part of its responsibilities, ensures the delivery of sustainable value to stakeholders. This is accomplished through the effective implementation of the Group's principles, policies, objectives, and strategies across all subsidiaries. |
| **Explanation for departure** | : | |
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| *Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.* | | |
| **Measure** | : | |

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| **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.

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| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | The Company's Sustainability Statement is incorporated in the Volume 1 of the Company's Annual Report 2024, published on the Company's website at www.omesti.com. | |
| **Explanation for departure** | : | | |
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| *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 4.3**
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.

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| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | The Board through the NC assesses the training programmes attended by each Director during the financial year to ensure they are kept abreast with the latest development in industry as well as the sustainability issues relevant to the Company and its business.<br><br>The key training programmes attended by each Director in FYE 2024 are set out in the Corporate Governance Overview Statement in the Company's Annual Report 2024. | |
| **Explanation for departure** | : | | |
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| *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 4.4**

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.

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| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | The performance evaluation of the Board and senior management relating to Environmental, Social and Governance (ESG) in addressing the Group's material sustainability risks and opportunities was evaluated through the annual Board's effectiveness evaluation for the financial year ended 31 March 2024. | |
| **Explanation for departure** | : | | |
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| *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 4.5- 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.

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| *Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.* | | |
| **Application** | : | Not Adopted |
| **Explanation on adoption of the practice** | : | |

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

**Practice 5.1**
The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

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| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | The NC conducts an annual review of the composition of the Board in terms of appropriate size, required mix of skills, experience and core competencies and adequacy of balance between Executive Director, Non-Executive Directors and Independent Non-Executive Directors. | |
| **Explanation for departure** | : | | |
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| *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 5.2**
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

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| **Application** : | Applied | |
| **Explanation on application of the practice** : | As at 31 March 2024, the Board of Omesti comprises six (6) members:<br>• 3 Independent Non-Executive Directors (INEDs)<br>• 2 Non-Independent Non-Executive Directors<br>• 1 Executive Director<br><br>The Independent Directors constitute 50.0% of the Board. | |
| **Explanation for departure** : | | |
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| *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 5.3**
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.

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| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | There are no Independent Directors serving beyond a cumulative term limit of nine years. | |
| **Explanation for departure** | : | | |
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| *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 5.4 - Step Up**
The board has a policy which limits the tenure of its independent directors to nine years without further extension.

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

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

**Practice 5.5**
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

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| **Application** | : | Applied |
| **Explanation on application of the practice** | : | The NC established by the Board is responsible for screening, evaluating and recommending suitable candidates to the Board, for appointment as Directors as well as filling the vacant seats of the Board Committees.<br><br>In evaluating the suitability of candidates, the NC considers the following factors before recommending to the Board for appointment:<br>• skills, knowledge, expertise and experience;<br>• time commitment to effectively discharge his/her role as a director;<br>• character, integrity and competence; and<br>• in the case of candidates for the position of INEDs, the NC shall also evaluate the candidates' ability to discharge such responsibilities / functions as are expected from INEDs.<br><br>The NC has a formal assessment mechanism to assess the effectiveness of the Board as a whole and the contribution of each individual director. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, contribution and performance, administration and conduct, interaction and communication with Management and Board engagement. The effectiveness of the Board Committees is assessed in terms of structure and processes, accountabilities and responsibilities, as well as the effectiveness of the Chairmen of the respective Board Committees. |
| **Explanation for departure** | : | |
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| *Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.* | | |
| **Measure** | : | |

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| **Timeframe** : | | |

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

**Practice 5.6**
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

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| **Application** : | Applied | |
| **Explanation on application of the practice** : | The NC is responsible for recommending suitable candidates for Directorships to the Board. In undertaking this responsibility, the NC leverages on several sources to "cast a wider net" and gain access to a wide pool of potential candidates. The responsibilities of the NC in this regard are outlined in its TOR.<br><br>In evaluating potential candidates, the NC will assess directorship suitability based on objective criteria, including:<br>• Qualification;<br>• Required competencies, skills, expertise and experience;<br>• Specialist knowledge or technical skills;<br>• Professionalism and integrity; and<br>• Time commitment to the Company.<br><br>In searching for suitable candidates, the NC may receive suggestions from existing Board Members, Management, and major shareholders. The Committee is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms. | |
| **Explanation for departure** : | | |
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| *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 5.7**
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.

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| **Application** : | Applied | |
| **Explanation on application of the practice** : | The NC carried out an annual evaluation and assessment on each Director, including the Directors subject to retirement by rotation at the 24th AGM and their re-election was noted and supported by the Board.<br><br>The details of their interest, position or any relationship that might influence, or reasonably be perceived to influence, in a material respect of their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company as a whole, are disclosed in various parts of the Company's Annual Report 2024.<br><br>The profiles of Directors are published in the Annual Report and on the Company website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interests as well as their shareholdings in the Company, if any. | |
| **Explanation for departure** : | | |
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| *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 5.8**
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

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| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | The NC is chaired by Mr Tan Wee Hoong, an INED of Omesti.<br><br>All members of the NC of the Company are Independent Non-Executive Directors. The TOR of the NC is available for reference at the Company's website at www.omesti.com. | |
| **Explanation for departure** | : | | |
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| *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.

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| **Application** | : | Departure | |
| **Explanation on application of the practice** | : | | |
| **Explanation for departure** | : | There are currently one female director on the Board and this forms 16.67% of the Board composition. | |
| | | The Board is putting its efforts in getting other suitable women who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background to join the Board. | |
| *Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.* | | | |
| **Measure** | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| **Timeframe** | : | Choose an item. | |

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

**Practice 5.10**
The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

| | | |
|---|---|---|
| **Application** | : | Applied |
| **Explanation on application of the practice** | : | The Board acknowledges the need for gender diversity for good governance practice and to enhance the efficient functioning of the Board. The Board believes the appointment of new members is guided by the skills, experience, competency and knowledge of the individual candidate and it shall review any potential candidate wherever reasonably possible. Any potential Board candidate will be assessed, wherever reasonably possible, in line with the Board Diversity Policy of the Company.<br><br>The Board endeavours to appoint additional women Directors participating on the Board at all times, and also ensuring diversity in its workforce in terms of experience, qualification, ethnicity and age.<br><br>As at 31 March 2024, the Board comprises one (1) female Director, namely Ms Mah Xian-Zhen, representing 16.67% of the total Board members. |
| **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 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.

| *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.* | |
|---|---|
| **Application** : | Applied |
| **Explanation on application of the practice** : | Based on the annual review carried out through the Directors/Key Officers Evaluation Form, Individual Directors' Self-Assessment Form, Board Evaluation Form, Performance Evaluation Sheet – Board Committees, ARMC Evaluation Form, ARMC Self and Peer Evaluation Form and Independent Directors Self-Assessment Checklist undertaken internally with the assistance of the Company Secretary, the NC is satisfied that:<br><br>• the Board Committees have carried out their functions in accordance with their respective terms of reference and overall, the members of the committees have attended to their responsibilities effectively<br><br>• the size and composition of the Board was optimum with a good balance of Executive Directors and Independent Non-Executive Directors<br><br>• the current Board has the right mix of skills and experience which are relevant for the Board to carry out its responsibilities in an effective and competent manner as well as independently and objectively in the interest of the investors and shareholders of the Company<br><br>• the Directors understand their roles, powers, duties and responsibilities and the activities carried out by the Company<br><br>• the Independent Directors are independent<br><br>The results and recommendations from the evaluation of the Board and Board Committees were reported to the Board for full consideration and action. The Board noted and satisfied with the outcome of evaluation. |

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

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

**Practice 7.1**

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

| | | |
|---|---|---|
| **Application** | : | Applied |
| **Explanation on application of the practice** | : | The Board has established a Director Remuneration Policy as the Company desires to continue to focus on the ongoing improvement and full alignment of the Policy with good governance recommendations generally recognised in the markets in the area of director remuneration, adjusting them to the specific needs and circumstances of the Company.<br><br>The objective of the Director Remuneration Policy is to attract and retain Directors of the calibre needed to lead the Group successfully.<br><br>The remuneration of the Executive Directors is structured so as to link rewards to corporate and individual performance. In the case of the Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.<br><br>The RC reviews and recommends to the Board the remuneration package of each of the Executive Directors. It is the responsibility of the entire Board to approve the remuneration of these Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. No Directors shall take part in decisions involving his/her own remuneration.<br><br>When receiving and determining the structure of Executive Directors' remuneration, the RC takes into account the following criteria:<br>• Individual performance<br>• Skills and knowledge<br>• Involvement in the Group's affairs<br>• Achievement of Group's internal targets<br>• Performance and profitability of the Group |

| | | |
|---|---|---|
| | The RC also considers other factors such as time commitment, duties and responsibilities.<br><br>The Directors' fee and benefits (comprising mainly meetings attendance allowance) have been reviewed by the RC and the Board as a whole, recommended the Directors' fee and benefits for the Non-Executive Directors with the individual directors concerned abstaining from deliberation for approval of the shareholders at the forthcoming Annual General Meeting (AGM).<br><br>The Director Remuneration Policy is available for reference at the Company's website www.omesti.com. | |
| **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 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** | : | The RC consists entirely of Non-Executive Directors with a majority of them being Independent Directors.<br><br>The duties and responsibilities of the RC have been clearly specified in the TOR of RC, which is available on the Company's website at www.omesti.com. | |
| **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.

| | | |
|---|---|---|
| **Application** | : | Applied |
| **Explanation on application of the practice** | : | The detailed disclosure on named basis for the remuneration of individual Directors, including fees, salary, bonus, benefits in-kind and other emoluments is in the table below. |

| No | Name | Directorate | Company ('000) | | | | | | | Group ('000) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | YAM Tunku Zain Al-'Abidin Ibni Tuanku Muhriz | Independent Director | 120 | 8 | Input info here | Input info here | Input info here | Input info here | 128 | 120 | 8 | Input info here | Input info here | Input info here | Input info here | 128 |
| 2 | Dato' Sri Thong Kok Khee | Non-Executive Non-Independent Director | 96 | 8 | Input info here | Input info here | Input info here | Input info here | 104 | 96 | 8 | Input info here | Input info here | Input info here | Input info here | 104 |
| 3 | Mah Xian-Zhen (Re-designated as Non-Independent Non-Executive Director on 1 June 2023) | Non-Executive Non-Independent Director | 50 | 6 | 213.7 | Input info here | 66 | 40.6 | 376.3 | 50 | 6 | 213.7 | Input info here | 66 | 40.6 | 376.3 |
| 4 | Monteiro Gerard Clair (Re-designated as Executive Director on 1 March 2024)) | Executive Director | 55 | 14 | Input info here | Input info here | Input info here | Input info here | 69 | 55 | 14 | Input info here | Input info here | Input info here | Input info here | 69 |
| 5 | Tan Wee Hoong | Independent Director | 60 | 17 | Input info here | Input info here | Input info here | Input info here | 77 | 60 | 17 | Input info here | Input info here | Input info here | Input info here | 77 |
| 6 | Danny Hoe Kam Thong | Independent Director | 84 | 17 | Input info here | Input info here | Input info here | Input info here | 101 | 84 | 17 | Input info here | Input info here | Input info here | Input info here | 101 |
| 7 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 8 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 9 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 10 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 11 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 13 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 14 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 15 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

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

**Practice 8.2**
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

| | | | |
|---|---|---|---|
| **Application** | : | Departure | |
| **Explanation on application of the practice** | : | | |
| **Explanation for departure** | : | The Board is of the view that the disclosure on a named basis for the remuneration of top five senior management personnel is not in the best interest of the Group given the competitive human resource environment for personnel with requisite knowledge, expertise and experience in the Company's business activities, where poaching by recruitment service provider has become common now.<br><br>The Board believes that the non-disclosure of remuneration of top five senior management personnel who are not Directors of the Company will not prejudice the interest of its shareholders.<br><br>The profiles of Key Senior Management are set out on page 28 of Volume 1 of the Annual Report 2024. | |
| | | The Board will ensure that the remuneration of the senior management of the Company and the Group commensurate with their level of duties and responsibilities and against the Company's and the Group's performance. | |
| *Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.* | | | |
| **Measure** | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| **Timeframe** | : | Choose an item. | |

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

| | | |
|---|---|---|
| **Application** | : | Not Adopted |
| **Explanation on adoption of the practice** | : | |

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

**Intended Outcome**
There is an effective and independent Audit Committee.

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

**Practice 9.1**
The Chairman of the Audit Committee is not the Chairman of the board.

| | | |
|---|---|---|
| **Application** : | Applied | |
| **Explanation on application of the practice** : | The positions of the Chairman of the Board and ARMC are held by separate individuals.<br><br>Mr Danny Hoe Kam Thong was appointed as an INED and Chairman of ARMC on 16 March 2022. He is not the Chairman of the Board. | |
| **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**
There is an effective and independent Audit Committee.

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

**Practice 9.2**
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

| | | | |
|---|---|---|---|
| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | None of the members of ARMC were former key audit partners of any external audit firms within the cooling off period of three (3) years before appointed as a member of ARMC.<br><br>The TOR of the ARMC is available for reference at the Company's website at www.omesti.com. | |
| **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**
There is an effective and independent Audit Committee.

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

**Practice 9.3**
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

| | | |
|---|---|---|
| **Application** | : | Applied |
| **Explanation on application of the practice** | : | Overseeing external audit arrangements is the responsibility of ARMC of Omesti.<br><br>An External Auditor Independence Policy (EAI Policy) has been adopted by the ARMC to ensure that audit independence is maintained, both in fact and appearance, such that Omesti's external financial reporting is viewed as being highly reliable and credible. The EAI Policy is available on the Company's website at www.omesti.com.<br><br>In May 2024, the ARMC:<br>(i) reviewed and assessed the performance and independence of the External Auditors, BDO PLT (BDO) in accordance with the Policy of the Company;<br>(ii) noted the non-audit services provided by BDO; and<br>(iii) considered its suitability for re-appointment as external auditors of the Omesti Group for the next financial year end. |
| **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**
There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**
The Audit Committee should comprise solely of Independent Directors.

| | | |
|---|---|---|
| **Application** | : | Adopted |
| **Explanation on adoption of the practice** | : | |

**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** | : | The members of ARMC possesses a wide range of necessary skills in relevant accounting and expertise in financial service industry to discharge their duties and provide an effective level of challenge to the Management. The members of the ARMC have undertaken continuous professional developments to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as detailed in the Directors' Training section of the Corporate Governance Overview Statement of Annual Report 2024. | |
| **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.

| | | |
|---|---|---|
| **Application** | : | Applied |
| **Explanation on application of the practice** | : | The Board is committed to maintaining a sound system of internal control and effective risk management as part of its ongoing efforts to practice good corporate governance.<br><br>Risk Management is regarded as an important aspect of Omesti Group's operation. The Management has an on-going process for identifying, evaluating and managing principal risks.<br><br>As for Internal Control framework, the Management has in place the necessary framework and our outsourced Internal Auditor provides the necessary assurance on the adequacy and effectiveness of the framework.<br><br>The Statement on Risk Management & Internal Control which has been reviewed by the external auditors as set out in pages 42 to 45 of Volume 1 of the Annual Report 2024 and it provides an overview of the state of risk management and internal control within Omesti Group as governed by the Risk Management Framework. |
| **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 10.2**
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

| | | | |
|---|---|---|---|
| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | There is an on-going assessment and enhancement on the enterprise risk management framework.<br><br>The Company has outsourced its Internal audit function to Quadrant Biz Solutions Sdn Bhd (QBS). QBS reports directly to the ARMC on the adequacy and effectiveness of the internal control framework. The Internal Auditors (QBS) reported to the ARMC four (4) times during the FYE 31 March 2024.<br><br>For further information, please refer to the Statement on Risk Management & Internal Control as set out in pages 42 to 45 of Volume 1 of the Annual Report 2024. | |
| **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 10.3 - Step Up**
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

| | | |
|---|---|---|
| **Application** | : | Adopted |
| **Explanation on adoption of the practice** | : | The risk management framework and policies are overseen by the ARMC. |

**Intended Outcome**

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

**Practice 11.1**

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

| | | | |
|---|---|---|---|
| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | QBS performs their functions with impartiality, proficiency and due professional care. The Internal Auditors undertake regular monitoring of the Group's key controls and procedures, which is an integral part of the Group's system of internal control.<br><br>The internal audit reports are presented to the ARMC for review and deliberation. The ARMC is briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The Internal Auditors report directly to the ARMC to ensure independence. | |
| **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 have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

**Practice 11.2**
The board should disclose–

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

| | | | |
|---|---|---|---|
| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | The ARMC is supported by the Internal Audit team, which has been outsourced to QBS. The person responsible for the internal audit during the FYE 31 March 2024 was Ms Chew Bee Suan, an Associate Member of The Institute of Internal Auditors Malaysia and a Certified Internal Auditor. She is also a Fellow of the Association of Chartered Certified Accountants (ACCA) and holds a BA (Hons) in Accounting & Finance from Middlesex University, London. She has more than 10 years' experience in the field of internal audit.<br><br>The Internal Auditors are free from any relationships or conflict of interest or undue influence of others to override professional and business judgment, which could impair their objectivity and independence. The independence of the Internal Audit function is derived from its direct reporting and unencumbered access to the ARMC. The Internal Auditors have adequate resources to carry out their audit activities.<br><br>The internal audit functions is guided by the International Professional Practices Framework, issued by IIA Inc. | |
| **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**

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** | : | The Board recognises the importance of communication and proper dissemination of information to its shareholders and investors. Through extensive disclosures of appropriate and relevant information, the Company aims to effectively provide shareholders and investors with information to fulfil transparency and accountability. In this respect, the Company keeps shareholders informed via announcements and timely release of quarterly financial reports, press releases, annual reports and circulars to shareholders.<br><br>The AGM is the main forum of dialogue with shareholders as it provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance.<br><br>Shareholders and members of the public may also obtain information on the Group's operations and activities, as well as press releases, announcements and financial information, etc. from the corporate website www.omesti.com. |
| **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**
There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

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

**Practice 12.2**
Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

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

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

**Practice 13.1**
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

| | | |
|---|---|---|
| **Application** : | Applied | |
| **Explanation on application of the practice** : | The last 23rd AGM was held on 19 September 2023 and the Notice convening the 23rd AGM was sent to the shareholders on 28 July 2023 which was at least 28 days ahead of the 23rd AGM.<br><br>The forthcoming 24th AGM of the Company will be convened on 12 September 2024. The Notice of 24th AGM will be sent to the shareholders on 30 July 2024 which is more than 28 days prior to date of 24th AGM. | |
| **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**
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.2**
All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

| | | |
|---|---|---|
| **Application** : | Applied | |
| **Explanation on application of the practice** : | All the Directors participated the 23rd AGM of the Company held on 19 September 2023 via live streaming from the broadcast venue.<br><br>During the AGM, the Chairman also invited shareholders to raise any questions pertaining to the Company's financial statements and other agenda items (in the form of real-time submission of typed texts), before putting the resolutions to vote.<br><br>The Directors including Chairmen of the Board Committees and senior management present at the AGM had responded to the queries raised by the shareholders. External Auditors, BDO PLT was also present at the AGM to answer shareholders' queries, if any. | |
| **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**
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.3**
Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

| | | | |
|---|---|---|---|
| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | The 23rd AGM of the Company held on 19 September 2023 was conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting (RPEV) facilities.<br><br>Red Ape Solutions Sdn Bhd was appointed to act as the Poll Administrator and Quantegic Services Sdn Bhd was appointed to act as the Independent Scrutineer to verify the results of the poll voting of the 23rd AGM.<br><br>The Chairman announced the poll voting results after the same has been verified by the appointed Independent Scrutineer to the shareholders in the meeting at the end of the voting process. Poll results were announced to Bursa Malaysia Securities Berhad on the same day. | |
| **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**

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.* | | | |
| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | At the 23rd AGM held on 19 September 2023, the shareholders were given opportunities to pose any questions pertaining to the Company's financial and non-financial matters as well as long term strategies of the Group in the form of real-time submission of typed texts via the online platform. | |
| **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**
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.* | | |
| **Application** | : | Applied |
| **Explanation on application of the practice** | : | The 23rd AGM was successfully conducted as virtual session via a secure digital platform on 19 September 2023 without any disruption.<br><br>The Company has considered stability and capacity of the meeting platform and ensured that there was dedicated and sufficient internet bandwidth to support smooth live streaming and participation by Directors, shareholders and proxies remotely.<br><br>The Company also worked with its service provider to ensure that there was adequate back-up plan to mitigate risk of inability to access the meeting platform which was hosted using RPEV facilities. During the proceedings of the 23rd AGM, participants were given opportunity to pose questions in the form of real-time submission of typed texts. The Management attended to the live questions received during the meeting proceedings. |
| **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**
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.

| | | | |
|---|---|---|---|
| *Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.* | | | |
| **Application** | : | Applied | |
| **Explanation on application of the practice** | : | Minutes of the 23rd AGM held on 19 September 2023 was published on the Company's website no later than 30 business days after the 23rd AGM. | |
| **Explanation for departure** | : | | |
| | | | |
| *Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.* | | | |
| **Measure** | : | | |
| **Timeframe** | : | | |

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

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

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