

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5053  
**COMPANY NAME** : OSK Holdings Berhad (“OSK” or “the Company”)  
**FINANCIAL YEAR** : December 31, 2022

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is led by an experienced Board of Directors ("<b>Board</b>") with high personal integrity, business acumen and management skills. The Board is primarily entrusted with the responsibility of charting the direction of the Company and its subsidiaries (collectively referred to as "<b>the Group</b>").</p> <p>The Board is responsible for steering the businesses and affairs of the Group on behalf of the shareholders with a view towards enhancing the shareholders' long-term value. The Board is responsible for establishing corporate goals and providing strategic direction for the Group, while playing a critical role in ensuring that sound and prudent policies and practices are in place and performing an oversight role in the management of the Group's businesses.</p> <p>None of the Directors hold more than three directorships in listed issuers which is well within the Bursa Malaysia Securities Berhad's ("<b>Bursa Malaysia</b>") Main Market Listing Requirements ("<b>Listing Requirements</b>") to limit directors to a maximum of five directorships in listed issuers. This is to ensure that the Director is able to devote sufficient time and commitment to the Company.</p> <p>Major responsibilities of the Board are outlined in the Board Charter which documents the governance and structure of the Board and its committees, including the authority, matters reserved for the Board, guidance on Board's conduct and the Terms of Reference ("<b>TOR</b>") of the Board and committees. The Board Charter and TOR of the Board and committees are available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</p> <p>In the financial year ended 31 December 2022 ("<b>FY2022</b>"), the Board has discharged its key fiduciary duties, leadership functions and responsibilities, as summarised below:</p>

- **Together with Senior Management, promoted good corporate governance culture within the Group, whilst reinforcing ethical, prudent and professional behaviour**

The Board remained committed to ensure the highest standards of corporate governance in the Group and continuously strives to improve its governance process and structure aimed at enhancing long-term shareholder value. The Code of Conduct and Business Ethics, which has been revised and approved in August 2022, applies to all Directors and employees of the Group. The Group is committed to practicing high ethical standards in its daily dealings with stakeholders.

In the FY2022, the Board has revised the existing Fit and Proper Standards for Directors and Key Senior Management to be in line with the Listing Requirements. The said Standard has been approved and renamed as Fit and Proper Policy. The Policy sets the criteria in relation to fit and proper requirement for Directors within the Group by exemplifying integrity and good character to promote and support an ethical culture.

In addition, the Company enforces zero tolerance towards all forms of bribery and corruption among its employees and is applied to all the Group's dealings. In line with this commitment, the Board has adopted the Anti-Bribery and Anti-Corruption Handbook ("**ABAC Handbook**") to ensure compliance with the applicable anti-bribery and anti-corruption laws.

- **Reviewed and approved the Company's strategies, business plans and policies**

The Board plays a key and active role in reviewing and approving strategies, business plans and policies which are in line with the Group's objectives. The Board has established the Group Executive Committee ("**Group EXCO**") as an operating committee to serve as the medium between the Board and the Management. The Board has put in place an annual strategy planning process, whereby the Chief Executive Officer ("**CEO**") or Head of business and functional divisions present their recommended strategies, proposed business plans and budgets for the next three (3) years. The Board and Group EXCO will review, deliberate and challenge Management's views and assumptions to deliver the best outcome before presenting the same to the Board for approval. The Group EXCO constantly monitors the implementation of the business plans, and the progressive update on the implementation of the business plans are tabled quarterly to the Group EXCO for review. The Group EXCO receives business updates from all Business Divisions on monthly basis.

The Management presented the Budget and Business Plan for the FY2022 ("**2022 Budget**") to the Group EXCO and the Board at the

Engagement Session prior to the Board's approval at the Board of Directors' Meeting ("**Board Meeting**") held in February 2022. While deliberating the 2022 Budget, the Board took into consideration the current and foreseeable market environment and discussed it in detail prior to approving the 2022 Budget at the said meeting.

- **Oversaw the conduct of the Company's businesses and evaluated whether the businesses are being properly managed and sustained**

At each quarterly Board Meeting, the Management updated the Board on key or major developments, achievements and challenges faced by the Group. The Board supervised the performance of each Business Division, evaluated in depth the matters reported and provided their feedback and guidance before the decision was made in the same meeting.

- **Ensured competency and succession planning of the Board and Key Senior Management**

The Board, through the Nomination and Remuneration Committee ("**NRC**"), is responsible for ensuring that there is an orderly succession planning for the Board and Key Senior Management of the Group. The NRC is also involved in the selection and assessment of new Directors and Key Senior Management.

The Board after considering the NRC's recommendation, adopted the Group Succession Planning Framework to achieve the following:

- a) Ensure leadership continuity in key positions and to reduce risk due to leadership attrition;
- b) Retain and develop talents with high intellectual and knowledge capital for future sustainability;
- c) Encourage individual development; and
- d) Build a deep pool of talented employees who are ready to step into leadership roles.

In the FY2022, NRC carried out an annual review of the required skillset, experience and requisite qualities of Directors, as well as conducted the annual assessment of the Board's effectiveness as a whole, the performance of the Board, Board Committees and the contribution of each individual Director.

In the FY2022, the NRC having assessed and considered the candidates' background, professional qualification, knowledge, integrity and competencies, independence as well as fulfilment of criteria set out in the Fit and Proper Policy, recommended the proposed appointment of Puan Farah Deba binti Mohamed Sofian ("**Puan Farah Deba**") as an Independent Non-Executive Director after the resignation of Datin Azalina binti Adham, an Independent Non-Executive Director on 30 June 2022. The Board has

subsequently approved Puan Farah Deba's appointment to take effect on 15 December 2022.

**- Ensured a sound risk management framework**

The Risk Management Committee ("**RMC**") advises the Board on key risk areas and the adequacy and integrity of the Group's risk management framework.

The Board meets and deliberates on the top risks identified through the RMC meetings, which are held quarterly. Critical risks are escalated to the Board immediately for deliberation. Significant issues arising from changes in business environment are reviewed continuously with proposed mitigation measures to ensure minimal impact on the Group.

The Group Risk Management Department ("**GRM**") is responsible for managing and monitoring the Group's risk management. In providing assurance to the Board on the Group's adequacy and effectiveness in risk management, the GRM, under the purview of the Group Management Risk Committee ("**GMRC**"), actively monitors the Group's portfolio of major risks via the Risk Control Self-Assessment approach.

In the FY2022, risk profiles from all business divisions were consolidated and updated to the GMRC and RMC on a quarterly basis, highlighting all risks and mitigating controls carried out by the respective business divisions. These were presented to the Board where internal controls and risk mitigation strategies were deliberated.

In the financial year ended 31 December 2021 ("**FY2021**"), the Board discussed and delegated the implementation of COVID-19 Policy to the Group EXCO. The COVID-19 Policy sets up a framework to define the Group and its employee's duties in managing COVID-19 situations at workplace, compliance with the requirements of COVID-19 administration and the taking of all precautions to protect against COVID-19 as well as to reduce the COVID-19 related risk.

In the FY2022, the GMRC has reviewed the ABAC Handbook and identified the following areas for improvement in the Company's ABAC Handbook:

- a) Point of Responsibility;
- b) Corruption Risk Assessment;
- c) Gifts and others;
- d) Records; and
- e) Audit.

	<p>The activities carried out by the RMC and details of the Group’s risk management framework are set out in the “Statement on Risk Management and Internal Control” of our Annual Report 2022.</p> <ul style="list-style-type: none"> <li>- <b>Ensured the Company is a sustainable, successful and thriving organisation in the long run and striking a balance between the Economic, Environmental, Social, and Governance (“Economic + ESG”) factors</b></li> </ul> <p>The Board is responsible for driving and ensuring the effectiveness of the Group’s sustainability strategy with the aim to continue building OSK to be a sustainable business that delivers value to all stakeholders including shareholders, employees, customers, suppliers, business partners and the wider community under the Group’s Sustainability Policy, which has been adopted in year 2021. Supporting the Board are the GMRC and the Chief Sustainability Officer (“CSO”) who are responsible for overseeing the overall implementation, tracking, review and disclosure of sustainability strategies and initiatives across the Group.</p> <p>Towards this end, the Board has adopted a Sustainability Framework in November 2021 to serve as the overarching guidance document for the Group’s sustainability strategy and direction moving forward. The Sustainability Framework reaffirms the Group’s Sustainability Blueprint, “OSK, Growing Together”, which continues to be grounded on our three sustainability pillars, which collectively address the Group’s latest 12 material matters and encapsulate the spheres of Economic + ESG.</p> <p>The CSO is mandated to provide progress updates to the Board on a quarterly basis.</p> <ul style="list-style-type: none"> <li>- <b>Ensured the adequacy and integrity of the Company’s internal control system</b></li> </ul> <p>The Board delegated the function of overseeing the internal audit function and ensuring the adequacy and integrity of the Company’s internal control system to the Audit Committee (“AC”).</p> <p>The internal audit function is assumed by the in-house Group Internal Audit Department (“GIAD”), which is responsible for the overall internal audit activities of the Group. It functions independently of the activities it audits. The Head of the GIAD reports directly to the AC.</p> <p>The GIAD assists the AC in discharging its duties and responsibilities to provide reasonable assurance on the adequacy and effectiveness of the system of internal controls by conducting independent, objective and systematic reviews of internal processes in addressing identified risks and ensuring the compliance of</p>
--	--

established policies and procedures, applicable laws and regulations.

The Group's internal control system comprises the network of systems established in the Group to provide reasonable assurance on the following:

- a) Effectiveness and efficiency of operations;
- b) Reliability of financial reporting;
- c) Safeguarding of assets; and
- d) Compliance with policies and procedures

In the FY2022, the Head of GIAD presented to the AC a risk-based audit plan for the year 2022 for discussion and approval. The audit plan prioritised audit review in accordance with the Group's objectives, key risks and core/priority areas. It also covered review of the adequacy of operational and accounting controls, compliance with applicable laws and regulations, established policies and procedures as well as governance processes.

On a quarterly basis, the GIAD submits audit reports and the status of the internal audit plan for review and approval by the AC. The reports include recommendations for corrective measures to address risks or internal control weaknesses that were identified, if any, to be implemented by the Management. GIAD also conducts follow-up works to confirm whether the Management has taken appropriate actions to correct deficient conditions and to improve control processes. The AC monitors and reviews the effectiveness of internal audit activities, thereby ensuring that these activities contribute to the ongoing effectiveness of the Group's system of internal control.

During the FY2022, the GIAD conducted twenty-seven (27) audit assignments based on the approved annual audit plan and three (3) ad-hoc reviews for the various business divisions, namely property, construction, financial services, hospitality and industries divisions, and group support functions, namely the Group Information Technology and Group Finance departments. All audit reports were presented to the AC. In addition, continuous follow-up reviews were also conducted and presented to the AC.

Overall, the AC evaluated the performance of GIAD and was satisfied that the internal audit function had been carried out effectively and independently during the FY2022.

Details pertaining to the Company's internal control system are available in the "Statement on Risk Management and Internal Control" of our Annual Report 2022.

	<p><b>- Ensured effective communication with stakeholders</b></p> <p>The Board has established a Group Corporate Disclosure Committee to oversee the implementation of and adherence to the Corporate Disclosure Policy in handling and disclosing material information to the shareholders and the investing public.</p> <p>The Group Corporate Disclosure Committee reviewed each announcement and ensured that shareholders are kept informed appropriately of any material information in accordance with the Listing Requirements. All quarterly financial results were released in a timely and equitable manner to provide shareholders and members of the public with an overview of the Group’s performance and operations.</p> <p>The Board believes that effective engagement with the stakeholders is a vital process in strengthening the Group’s governance and building trust with the community. The Group is confident that meaningful involvement and participation of stakeholders in every aspect of our business provide us with the opportunity to harness diverse perspectives, potential resources, insights, as well as the support needed to create shared success and sustainable impact.</p> <p>Details of our methods of communication with stakeholders, the frequency of engagement, areas of interest and OSK’s position in relation to these aspects can be found in the “Identifying and Responding to Issues Material to Our Stakeholders” section in the Sustainability Statement of our Annual Report 2022 and within our Sustainability Report 2022, which are published concurrently.</p> <p><b>- Ensured the integrity of the Company’s financial and non-financial reporting</b></p> <p>The AC reviewed the quarterly financial results and announcements as well as the year-end financial statements of the Group and ensured that the financial reporting and disclosure requirements has been complied with before recommending them to the Board for approval.</p> <p>The Board has also provided assurance that the financial statements prepared for the financial year gives a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>



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

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

### Intended Outcome

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

### Practice 1.2

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 Board is helmed by the Executive Chairman, Tan Sri Ong Leong Huat @ Wong Joo Hwa ("<b>Tan Sri Ong</b>"), whose profile is set out in the "Directors' Profile" of our Annual Report 2022.</p> <p>As the Executive Chairman, Tan Sri Ong leads the Board in instilling good corporate governance practices and ensuring its effectiveness in all aspects of its role including the setting of Board meeting agendas during the FY2022. During Board Meetings, Tan Sri Ong maintains a collaborative atmosphere, and ensures that all Directors contribute to discussion with consensus reached and ensures that sufficient time is allowed for the discussion of complex and/or contentious issues. He also allowed diverse perspectives and encouraged dissenting views to be freely expressed during the Board Meetings.</p> <p>The roles and responsibilities of the Executive Chairman are clearly defined in the Board Charter, which is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</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

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 Executive Chairman is Tan Sri Ong and the role of CEO is assumed by Mr. Ong Ju Yan, the Group Managing Director of the Company ("GMD").</p> <p>The profiles of Tan Sri Ong and Mr. Ong Ju Yan are set out in the "Directors' Profile" of our Annual Report 2022.</p> <p>The Executive Chairman and GMD are collectively responsible for the leadership of the Group. In order to promote the highest standards of integrity and probity, there is a clear and effective division of responsibilities and accountability to distinguish the leadership of the Board and the executive responsibilities entailed in running the Group's businesses.</p> <p>The requirement of separation of the roles of the Chairman and GMD as well as their roles and responsibilities are clearly defined in the Board Charter, which is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</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

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Tan Sri Ong is not a member of the AC, RMC and NRC which are chaired by an Independent Non-Executive Director and the composition of these Board Committees comprise a majority of Independent Non-Executive Directors, otherwise exclusively of Independent Non-Executive Director.
<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 1.5

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>Ms. Chua Siew Chuan (FCIS) and Mr. Lim Lih Chau are the Company Secretaries of the Company. Both Company Secretaries are suitably qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 (“CA 2016”) and are member of the Malaysian Institute of Chartered Secretaries and Administrators and Licensed Secretary by Companies Commission of Malaysia, respectively. They are experienced, competent and knowledgeable in the CA 2016, Listing Requirements, Malaysian Code on Corporate Governance (“MCCG”) and company secretarial matters.</p> <p>The Company Secretaries observe the Code of Ethics for Company Secretaries which was formulated to enhance the standard of corporate governance and to instil good corporate behaviour. A copy of the same is available on the Company’s website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</p> <p>The Company Secretaries have kept abreast with regulatory changes and corporate governance development, and had attended conferences and training programmes during the FY2022.</p> <p>The main roles and responsibilities of the Company Secretaries, include but are not limited to the following:</p> <ul style="list-style-type: none"><li>- Ensure Board procedures are being followed and the applicable rules and regulations for the conduct of the affairs of the Board are complied with;</li><li>- Advise the Board on issues relating to the Company’s Constitution, compliance with the CA 2016 and Listing Requirements, application of MCCG, and any changes or amendments to the laws and regulations or corporate governance practices;</li><li>- Manage the Board and Board Committees’ meeting procedures, attend Board and Board Committees meetings and record minutes of the said meetings;</li><li>- Ensure the proceedings of the general meetings are in order, properly called and convened, with minutes of the said meetings</li></ul>

	<p>accurately recorded. Support the Board throughout the Question and Answer Sessions with shareholders present, where required;</p> <ul style="list-style-type: none"> <li>- Provide advisory assistance to the newly-appointed Director(s) in relation to his roles and responsibilities pursuant to CA 2016 and Listing Requirements;</li> <li>- Advise the Board on the additional or changes in obligations arising from the implementation of new laws and regulations or any amendments thereof; and</li> <li>- Ensure proper maintenance of the Company’s statutory records.</li> </ul> <p>The Board has full access to the advice and services of the Company Secretaries for the Board’s affairs and the businesses.</p> <p>The Board, had through the NRC, reviewed the performance of the Company Secretaries for the FY2022 and was satisfied with the performance of the Companies Secretaries. They had carried out their roles and responsibilities set out above, provided the Board advices and ensured adherence to rules and procedures in relation to CA 2016, Listing Requirements and corporate governance.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

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

### Practice 1.6

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>In order to facilitate the Directors' scheduling and to encourage attendance of the Board, the annual meeting schedule for the Board, Board Committees and Annual General Meeting ("AGM") of the Company is prepared and circulated to the Directors and Management in advance of every new year. This is also to ensure that the Management is given sufficient time for preparation of meeting materials for each meeting so as to achieve meeting effectiveness.</p> <p>The notices and meeting materials of the Board and Board Committees meetings are distributed at least five (5) business days in advance before the meetings. The Company uploaded the meeting materials into a digital platform and provided an electronic device for the Board and Board Committees members to facilitate the access of the meeting materials.</p> <p>This is to ensure that Directors are provided sufficient time to read through the meeting materials, seek clarification from the Management, consult the Company Secretaries or independent advisers prior to the meetings, if so required, and are prepared for quality deliberations and effective decision-making during the meetings.</p> <p>The Board members have complete and unhindered access to the Senior Management and Company Secretaries at all times. Senior Management personnel are invited to attend Board and Board Committees meetings to report on matters relating to their areas of responsibility, to brief and provide details to the Board on recommendations or reports submitted. The Board may consult with other personnel of the Group and seek additional information, where necessary. Likewise, the Board also has access to independent professional advice whenever such services are needed to assist them in carrying out their duties at the Company's expense.</p> <p>Meeting agendas are scheduled according to the complexity of the agenda items and purpose (whether they are tabled for approval, discussion or notation by the Board and Board Committees). This could enhance the effectiveness of the meetings and enable in-depth deliberation for each matter.</p>

	The proceedings of the meetings, including issues raised, deliberations and decisions of the Board and Board Committees are accurately recorded in the minutes by the Company Secretaries. The minutes of meetings are circulated in a timely manner upon conclusion of the meetings.	
<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 Charter of the Company documents the policies that the Board has decided upon to meet its responsibilities, governance and leadership. The Board Charter also serves as a primary reference and part of the induction literature, providing insights to prospective and existing Board members. The Board Charter sets out, among others, the following:</p> <ul style="list-style-type: none"><li>- The key values, principles and ethics of the Company.</li><li>- The governance structure, authority and TOR of the Board and its Board Committees.</li><li>- The delegation of authority to Board Committees.</li><li>- matters reserved for the Board.</li><li>- The expectation on individual Directors in terms of their commitment, roles and responsibilities as Board members.</li><li>- The roles of Senior Independent Non-Executive Directors.</li></ul> <p>The Board Charter ensures that all Board members are aware of their fiduciary duties and responsibilities, various legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders, customers and other stakeholders and that the highest standards of corporate governance are applied in all their dealings in respect and on behalf of the Company.</p> <p>The Board Charter was first adopted in year 2013 and, together with all related TORs, codes and policies, were last reviewed, updated and approved for adoption by the Board in November 2020 (except for TOR of the NRC, RMC and AC which was updated in November 2020, May 2021 and November 2022, respectively) to ensure its consistency with the Board's objectives, all applicable laws, rules and regulations as well as best practices. The Board will review the Board Charter from time to time to ensure its relevance. Laws and regulations are complied with as and when effective.</p>

	The Board Charter is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</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

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 Group's Code of Conduct and Business Ethics, which promotes good business conduct with high ethical behaviour and integrity, has been revised and adopted in August 2022.</p> <p>This Code of Conduct and Business Ethics which applies to all Directors and employees of the Group provides guidance on the standards of behaviour expected of all Directors and employees of the Group, and outlines the policies to:</p> <ul style="list-style-type: none"><li>- set control on the acceptance of cash or gifts, and offering of charitable/political contribution;</li><li>- encourage the reporting of unlawful or unethical behaviour;</li><li>- protect and ensure the proper use of the Group's assets;</li><li>- prohibit the use of price sensitive information for insider trading;</li><li>- encourage reporting of suspicious transactions and/or money laundering activities within the Group;</li><li>- prohibit abuse of power or authority at workplace;</li><li>- maintain confidentiality of non-public information;</li><li>- ensure compliance with laws, rules and regulations; and</li><li>- forbid any form of workplace harassment.</li></ul> <p>With the implementation of the Code of Conduct and Business Ethics, the Company is committed to implementing high ethical standards in its daily business dealings with stakeholders.</p> <p>In addition to the above, the Group has also adopted the following:</p> <ul style="list-style-type: none"><li>- <b>Conflict of Interest Policy</b></li></ul> <p>The Conflict of Interest section has been detached from the Code of Conduct and Business Ethics as a standalone policy and approved by the Board in August 2022. The said Conflict of Interest Policy aims to provide guidance in managing situations involving conflict of interest.</p>

- **Fit and Proper Policy**

In the FY2022, the Board has revised the existing Fit and Proper Standards for Directors and Key Senior Management to be in line with the Listing Requirements. The said Standard has been approved and renamed as Fit and Proper Policy in May 2022. The Policy sets the criteria in relation to a fit and proper requirement for Directors within the Group by exemplifying integrity and good character to promote and support an ethical culture.

- **ABAC Handbook**

In line with the Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has approved the adoption of the ABAC Handbook for OSK Group. The ABAC Handbook has been rolled out in January 2020. The Bahasa Malaysia version of this ABAC Handbook has been published in the same year. This ensures the Group's continuous compliance with enforceable anti-bribery and anti-corruption laws.

The ABAC Handbook covers the following areas:

- a) Anti-bribery and anti-corruption
- b) Gifts and hospitality
- c) Dealing with third parties

- **Fraud Policy**

The Group has established the Fraud Policy in August 2017, and has been revised in 2020 to supplement its stand on anti-bribery and anti-corruption matters. The Fraud Policy spells out the Group's commitment in promoting good business conduct and maintaining a healthy corporate culture in alignment with OSK Group's core values. All Directors and employees are expected to share this commitment. The Bahasa Malaysia version of this policy has been released in March 2020.

- **Whistleblowing Policy**

The Group has established Whistleblowing Policy in August 2017 and has been revised and approved by the Board in August 2020. The Whistleblowing Policy provides an avenue for all employees of the Group or members of the public to raise genuine concerns on suspected and/or known improper conduct that they may have been observed or is occurring within the Group. Further details are enumerated in Practice 3.2 in this Report. This Whistleblowing Policy has also been translated into Bahasa Malaysia and published in year 2020.

	<ul style="list-style-type: none"> <li>- <b>Related Party Transaction (“RPT”) and Recurrent Related Party Transaction (“RRPT”) Policy (“RPT &amp; RRPT Policy”)</b>   The Group has adopted the RPT &amp; RRPT Policy in December 2018. The RPT &amp; RRPT Policy has been updated and approved by the Board in August 2022 to ensure its consistency with the Board’s objectives, all applicable laws, rules and regulations as well as best practices.   The RPT &amp; RRPT Policy aims to provide guidance in identifying, disclosing and reporting of RPT and/or RRPT that must be adhered to by all Directors and employees of the Group to ensure that they are fair and conducted at arms’ length.</li> <li>- <b>Anti-Money Laundering and Counter Financing of Terrorism Policy (“AML Policy”)</b>   The Group has established the AML Policy in November 2018. The AML Policy outlines the framework and guideline in identifying, handling and reporting suspicious money laundering/financing of terrorism activities under the Reporting Institutions within the Group and ensure compliance with applicable acts and regulations. The policy also sets the guidelines on compliance with financial regulatory requirements and surveillance in the Group’s business dealings with stakeholders.</li> <li>- <b>Disciplinary Procedures</b>   The Group has established its Disciplinary Procedures in December 2018. It has been revised and approved in May 2019 to cater for misconduct on act of corruption or bribery and social media matters.   The Disciplinary Procedures sets out the framework for a clear and consistent administration and management of the disciplinary process practised within the Group.   Various awareness campaigns have been conducted through training, induction program, townhall, email communication and Group’s internal e-portal by the respective entities responsible under the Group to keep abreast of and continuously update the Group’s employees on the latest approved or revised policies and procedures.   The Code of Conduct and Business Ethics, Fit and Proper Policy, Conflict of Interest Policy, ABAC Handbook and Whistleblowing Policy are available on the Company’s website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</li> </ul>
<b>Explanation for departure</b>	:

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

### Intended Outcome

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's Whistleblowing Policy seeks to contribute to an environment where a high standard of integrity, accountability and ethical behaviour are maintained in the conduct of the Group's businesses and operations. The Whistleblowing Policy has been reviewed, updated and approved for adoption by the Board in August 2020.</p> <p>The Whistleblowing Policy provides an avenue for all employees or members of the public to raise genuine concerns about any suspected and/or known improper conduct that they may observe, occurring within the Group. The policy is designed to ensure that employees or members of the public allow to raise concerns of improper conduct without fear of reprisals, unfair treatment or practices.</p> <p>The AC oversees the administration of the Whistleblowing Policy and reviews the reports by the internal auditors on whistleblowing incidents reported (if any) on a quarterly basis while immediate action is initiated by the AC Chairman.</p> <p>A whistleblower may lodge a suspected and/or known improper conduct by submitting the information to our prescribed reporting channels, i.e. to the whistleblowing coordinator or to the Chairman of the AC. The details of lodgement channels and Frequently Asked Questions in relation to whistleblowing are available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</p> <p>Investigation procedures are set out in the Whistleblowing Operations Manual. The Group through the whistleblowing coordinator will notify the whistleblower on the outcome of the investigation, in accordance with established whistleblowing procedures.</p>
<b>Explanation for departure</b>	:	

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

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



## Intended Outcome

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>Given the Board's emphasis on the strategic importance of sustainability to the Group, the Board has adopted the Group's Sustainability Policy in February 2013. A revision was completed in November 2016 to further enhance the objectives and strategies with regards to sustainability matters, including the governance structure, commitments and focus areas. In light of significant developments surrounding the Group's operating environment with the onset of the COVID-19 pandemic, a second revision of the Group's Sustainability Policy has been carried out in November 2021.</p> <p>To encapsulate the Group's position as a purpose-driven organisation and to further strengthen its ability to contribute towards meaningful change to society, the second revision focused on additional efforts needed to build greater organisational resilience and agility; to increase the Group's competitiveness; and to maintain the high standards of compliance and ethics practised by the Group's businesses.</p> <p>Concurrently, the Board also oversees the Sustainability Framework adopted in the FY2021, which sets out the strategic direction and internal roadmap for sustainability in the coming years.</p> <p>The Board remains the ultimate authority accountable for delivering the targeted milestones under the Group's sustainability agenda, in keeping with the Group's business strategy, priorities and action plans. In carrying out its responsibilities relating to sustainability, the Board is supported by the RMC, GMRC and CSO, as stated in the Group's sustainability governance structure in the latest Sustainability Policy adopted in year 2021. The CSO is entrusted to drive the implementation and provide updates on the Group's ESG progress to the GMRC and RMC on a quarterly basis.</p>

	The roles and responsibilities of the respective parties are enumerated in Practice 4.5 of this report. The Sustainability Policy is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</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**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	: Applied								
<b>Explanation on application of the practice</b>	<p>The Board recognises that engaging in effective and meaningful dialogues and disclosures, while anticipating and meeting the needs of all stakeholders are fundamental to building trust and confidence, and forms the foundation of good governance practised within the Group.</p> <p>The engagement activities carried out by the Group are appended as below:</p> <table border="1" data-bbox="560 920 1406 2027"> <thead> <tr> <th data-bbox="560 920 890 958"><b>Key Stakeholder Groups</b></th> <th data-bbox="890 920 1406 958"><b>Engagement Platforms</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="560 958 890 1220">Business and Industry Partners</td> <td data-bbox="890 958 1406 1220"> <ul style="list-style-type: none"> <li>• Annual and sustainability reports</li> <li>• Consultation on industry matters</li> <li>• Corporate presentations</li> <li>• Events and roadshows</li> <li>• Engagements and dialogues</li> <li>• Membership in associations</li> <li>• Satisfaction surveys</li> </ul> </td> </tr> <tr> <td data-bbox="560 1220 890 1585">Community</td> <td data-bbox="890 1220 1406 1585"> <ul style="list-style-type: none"> <li>• Community engagement activities and philanthropies</li> <li>• Collaborations with NGOs, charities and social enterprises</li> <li>• Social media tools</li> <li>• Catalogues and brochures</li> <li>• Annual Report</li> <li>• Sustainability Report</li> <li>• Company websites and social media</li> <li>• Company advertisements</li> </ul> </td> </tr> <tr> <td data-bbox="560 1585 890 2027">Customers including Tenants, Shoppers and Guests</td> <td data-bbox="890 1585 1406 2027"> <ul style="list-style-type: none"> <li>• Events and roadshows</li> <li>• Integrated customer feedback channels</li> <li>• Loyalty programmes</li> <li>• Customer and tenant surveys, and market research</li> <li>• Meetings and discussions</li> <li>• Catalogues and brochures</li> <li>• Integrated app for homebuyers and shoppers</li> <li>• Company websites</li> <li>• Social media</li> </ul> </td> </tr> </tbody> </table>	<b>Key Stakeholder Groups</b>	<b>Engagement Platforms</b>	Business and Industry Partners	<ul style="list-style-type: none"> <li>• Annual and sustainability reports</li> <li>• Consultation on industry matters</li> <li>• Corporate presentations</li> <li>• Events and roadshows</li> <li>• Engagements and dialogues</li> <li>• Membership in associations</li> <li>• Satisfaction surveys</li> </ul>	Community	<ul style="list-style-type: none"> <li>• Community engagement activities and philanthropies</li> <li>• Collaborations with NGOs, charities and social enterprises</li> <li>• Social media tools</li> <li>• Catalogues and brochures</li> <li>• Annual Report</li> <li>• Sustainability Report</li> <li>• Company websites and social media</li> <li>• Company advertisements</li> </ul>	Customers including Tenants, Shoppers and Guests	<ul style="list-style-type: none"> <li>• Events and roadshows</li> <li>• Integrated customer feedback channels</li> <li>• Loyalty programmes</li> <li>• Customer and tenant surveys, and market research</li> <li>• Meetings and discussions</li> <li>• Catalogues and brochures</li> <li>• Integrated app for homebuyers and shoppers</li> <li>• Company websites</li> <li>• Social media</li> </ul>
<b>Key Stakeholder Groups</b>	<b>Engagement Platforms</b>								
Business and Industry Partners	<ul style="list-style-type: none"> <li>• Annual and sustainability reports</li> <li>• Consultation on industry matters</li> <li>• Corporate presentations</li> <li>• Events and roadshows</li> <li>• Engagements and dialogues</li> <li>• Membership in associations</li> <li>• Satisfaction surveys</li> </ul>								
Community	<ul style="list-style-type: none"> <li>• Community engagement activities and philanthropies</li> <li>• Collaborations with NGOs, charities and social enterprises</li> <li>• Social media tools</li> <li>• Catalogues and brochures</li> <li>• Annual Report</li> <li>• Sustainability Report</li> <li>• Company websites and social media</li> <li>• Company advertisements</li> </ul>								
Customers including Tenants, Shoppers and Guests	<ul style="list-style-type: none"> <li>• Events and roadshows</li> <li>• Integrated customer feedback channels</li> <li>• Loyalty programmes</li> <li>• Customer and tenant surveys, and market research</li> <li>• Meetings and discussions</li> <li>• Catalogues and brochures</li> <li>• Integrated app for homebuyers and shoppers</li> <li>• Company websites</li> <li>• Social media</li> </ul>								

		<ul style="list-style-type: none"> <li>• Residential management services</li> <li>• Tenant Memos and Notices</li> </ul>
	Employees	<ul style="list-style-type: none"> <li>• Annual employee engagement survey</li> <li>• Internal employee portal</li> <li>• Employee volunteering and Corporate Social Responsibilities (“CSR”) activities</li> <li>• Internal engagement activities i.e. special promotions and sustainability campaigns</li> <li>• Health and safety notices and updates</li> <li>• Training and talent development</li> <li>• Mentoring programme</li> <li>• Townhall and Management dialogues</li> <li>• Whistleblowing channel</li> <li>• Chillax Zone and Gym @ Plaza OSK</li> <li>• Prayer room and common facilities</li> </ul>
	Government and Regulators	<ul style="list-style-type: none"> <li>• Formal meetings with Senior Management representative</li> <li>• Annual and sustainability reports</li> <li>• Audits and inspections</li> <li>• Collaborations with Government agencies and departments for community welfare, education and sustainability-related programmes</li> <li>• Participation in industry and public forums, dialogues and workshops organised by Government bodies and regulators</li> <li>• Participation in corporate and CSR events</li> </ul>
	Media	<ul style="list-style-type: none"> <li>• Events and launches</li> <li>• Media networking sessions</li> <li>• Meetings and media visits</li> <li>• Annual and sustainability reports</li> <li>• Quarter financial results announcements</li> <li>• Media releases on corporate updates and developments</li> <li>• Media interviews</li> <li>• Awards submissions and presentations</li> <li>• Participation in corporate and CSR events</li> </ul>
	Shareholders and Investors	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Annual and sustainability reports</li> <li>• Bursa announcements</li> </ul>

		<ul style="list-style-type: none"> <li>• Investor relations and institutional briefings, presentations or conference calls</li> <li>• Quarterly financial announcements</li> <li>• Shareholder updates</li> <li>• Site visits</li> <li>• Media announcements</li> </ul>
	Financiers	<ul style="list-style-type: none"> <li>• Institutional briefings, presentations or conference calls</li> <li>• Annual and sustainability reports</li> <li>• Bursa announcements</li> <li>• Quarterly financial announcements</li> <li>• Media announcements</li> </ul>
	Supply Chain Partners	<ul style="list-style-type: none"> <li>• Satisfaction survey</li> <li>• Supplier audits</li> <li>• Supplier-organised events</li> <li>• Anti-bribery and anti-corruption pledge and compliance</li> </ul>
<p>Details pertaining to the platforms which the Group’s employees in engaging its stakeholders are available in the “How We Engage Our Stakeholders” section of our Sustainability Report 2022.</p>		
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.3**

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chief Sustainability Officer briefed the Board and RMC on the following:</p> <ul style="list-style-type: none"> <li>a) Amendment of the Listing Requirements in relation to the Enhanced Sustainability Reporting Framework; and</li> <li>b) Public Listed Companies (“PLCs”) Transformation Programme Guidebook 2, entitled: Sustainability, Socially Responsible and Ethical PLCs.</li> </ul> <p>The Board and RMC also reviewed the gap analysis, proposed action plan and 5-year internal Sustainability Reporting Roadmap in addressing the requirements and expectations for items (a) and (b) above.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the annual Board Evaluation, the Board, through the NRC, reviewed its performance in areas including the evaluation of the Group's strategy priorities and business plans which promote sustainability, integration of ESG risks and considerations into the Group's enterprise risk management framework as well as monitoring of Senior Management's sustainability Key Performance Indicators ("KPIs") and targets. In addition, KPIs for the sustainability material matters formed part of the senior management's performance scorecard, which has been reviewed during the annual performance appraisal.</p> <p>Details on the Sustainability Scorecard which summarises the Group's sustainability outcomes, progress and achievements for the FY2022, are available in our Sustainability Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

## Practice 4.5- 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.

<p><i>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.</i></p>							
<b>Application</b>	: Adopted						
<b>Explanation on adoption of the practice</b>	: <p>The Group has established a sustainability governance structure under the Sustainability Policy, where the Board is the ultimate governing body of the organisation. The Board assumes full accountability and authority of the Company’s sustainability approach and direction with delegation of responsibility to the RMC.</p> <p>The RMC cascades the monitoring and oversight of the Group’s sustainability measures and its implementation to the GMRC, which is made out of the Senior Management members of the Group, and is advised by the CSO, Mr. Tio Jun Lim, who was appointed on 21 November 2021. The GMRC updates the RMC on the relevant sustainability outcomes, progress and achievements during its quarterly meetings. The profile of Mr. Tio Jun Lim is set out in the “Key Senior Management’s Profile” section of our Annual Report 2022.</p> <p>The roles and responsibilities of the respective parties within the Group’s sustainability governance structure are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">The Board &amp; RMC</td> <td style="width: 50%; padding: 5px;"> <ul style="list-style-type: none"> <li>• Responsible for driving and ensuring the effectiveness of the Group’s sustainability strategy.</li> </ul> </td> </tr> <tr> <td style="padding: 5px;">GMRC &amp; CSO</td> <td style="padding: 5px;"> <ul style="list-style-type: none"> <li>• Responsible for overseeing the overall sustainability strategy and implementation across the Group.</li> <li>• Ensures that policies, processes and systems related to sustainability are in place.</li> </ul> </td> </tr> <tr> <td style="padding: 5px;">Sustainability Working Group &amp; Business and Functional Divisions</td> <td style="padding: 5px;"> <ul style="list-style-type: none"> <li>• Drives, tracks and monitors progress and improvement towards achieving the Group’s key sustainability objectives.</li> </ul> </td> </tr> </table>	The Board & RMC	<ul style="list-style-type: none"> <li>• Responsible for driving and ensuring the effectiveness of the Group’s sustainability strategy.</li> </ul>	GMRC & CSO	<ul style="list-style-type: none"> <li>• Responsible for overseeing the overall sustainability strategy and implementation across the Group.</li> <li>• Ensures that policies, processes and systems related to sustainability are in place.</li> </ul>	Sustainability Working Group & Business and Functional Divisions	<ul style="list-style-type: none"> <li>• Drives, tracks and monitors progress and improvement towards achieving the Group’s key sustainability objectives.</li> </ul>
The Board & RMC	<ul style="list-style-type: none"> <li>• Responsible for driving and ensuring the effectiveness of the Group’s sustainability strategy.</li> </ul>						
GMRC & CSO	<ul style="list-style-type: none"> <li>• Responsible for overseeing the overall sustainability strategy and implementation across the Group.</li> <li>• Ensures that policies, processes and systems related to sustainability are in place.</li> </ul>						
Sustainability Working Group & Business and Functional Divisions	<ul style="list-style-type: none"> <li>• Drives, tracks and monitors progress and improvement towards achieving the Group’s key sustainability objectives.</li> </ul>						



	<p>Details on the Group's sustainability governance, as well as the respective roles and responsibilities within the governance structure are stated in our updated Sustainability Policy, which is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</p>
--	---

**Intended Outcome**

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

**Practice 5.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC oversees the overall composition of the Board in terms of size, tenure of Independent Directors, mix of skills, experience and core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board’s various committees will be assessed on an annual basis.</p> <p>In addition, the Board Charter provides that the tenure of an Independent Director is limited to nine (9) years to ensure progressive refreshing of the Board.</p> <p>The annual re-election of retiring Directors has been contingent on satisfactory evaluation of the Director’s performance and contribution to the Board.</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 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Group is led by an experienced and competent Board with diverse expertise.</p> <p>Presently, there are nine (9) members of the Board, comprising:</p> <ul style="list-style-type: none"><li>- four Executive Directors (namely one Executive Chairman, one GMD, one Deputy GMD and one Executive Director);</li><li>- four Independent Non-Executive Directors (including one Senior Independent Non-Executive Director); and</li><li>- one Non-Independent Non-Executive Director.</li></ul> <p>Independent Non-Executive Directors make up more than one-third of the Board and is in compliance with the Listing Requirements.</p> <p>The Board does not comprise at least half of the Independent Non-Executive Directors as recommended under the MCCG.</p> <p>Notwithstanding the above, the Board views the number of Independent Non-Executive Directors among Board members as adequate in providing the necessary check and balance to the Board's decision-making process. The Board is of the view that Independent Non-Executive Directors have fulfilled their role as Independent Directors through objective participation in Board deliberations and the exercise of unbiased and independent judgement. In addition, Independent Directors carried out private discussions with the External Auditors and Internal Auditors without the presence of the Executive Directors and the Management.</p> <p>The Board deems its composition as appropriate in terms of its membership and size. There is a good mix of composition, skills, experience and core competencies in the current Board membership. The Board is well represented by individuals with diverse professional backgrounds and experience in the areas of business management, finance, accounting and economics, capital markets services, governmental and international affairs.</p>

	<p>The Board operates in a manner that ensures the Directors exercise independent judgement and the decisions made by the Board are in the best interests of the Company.</p> <p>In addition, to ensure adequate checks and balances, all the Board Committees of the Company are chaired by an Independent Non-Executive Director and the composition of these Board Committees comprise a majority of Independent Non-Executive Directors, otherwise exclusively of Independent Non-Executive Director.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	<p>Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>
<p><b>Timeframe</b></p>	<p>:</p>	<p>Choose an item.</p>

**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>	:	Not applicable - Step Up 5.4 adopted	
<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

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

### Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The Board recognises the risk of familiarity impeding the objectivity of Independent Directors and adopted a policy which limits the tenure of an Independent Director to nine (9) years. The said policy is clearly set out in the Board Charter.  The Board Charter is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a> .

## 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>With an objective to achieve a sustainable and balanced development, the Company sees increasing diversity at the Board and Senior Management levels as an essential element in supporting the attainment of its strategic objectives and its sustainable development.</p> <p>In any appointment, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge have been considered to maintain a well-diversified Board and Senior Management team, which will help to grow and contribute to better governance within the Group.</p> <p>The Board-established NRC is responsible for screening, evaluating and recommending to the Board suitable candidates for appointment as Directors and Key Senior Management, as well as filling vacancies in the Board Committees.</p> <p>In putting the Diversity and Inclusion Policy into action, the NRC is mindful of its responsibilities to conduct all Board appointments processes through various approaches and sources in a manner that promotes diversity in the Board which can offer greater depth, breadth and lead to better decisions made while taking into account suitability for the role. It will also take into consideration Board balance and composition, the required mix of skills, the candidates' background, knowledge, integrity, competency, experience and potential contribution to the Group. In addition, in the case of candidate proposed for appointment as Independent Non-Executive Director, the candidate's independence will be relevant to enhance the composition of the Board.</p> <p>The Directors are required to notify the Chairman of the Board before accepting any new directorship and to indicate the time expected to be spent on the new appointment. None of the Directors holds more than three (3) directorships in listed issuers which is well within the Listing Requirements to limit directors to a maximum of five (5) directorships in listed issuers. This is to ensure that the Director is able to devote</p>

	<p>sufficient time and commitment to focus and fulfil their roles and responsibilities effectively.</p> <p>In the FY2022, the Company has also adopted an updated Fit and Proper Policy in ensuring that they are of high calibre, possess sound judgement, high integrity and credibility on a continuing basis.</p> <p>The Diversity and Inclusion Policy and Fit and Proper Policy are available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		



### Intended Outcome

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 primary responsibility on screening, evaluating and nominating new Board Member(s) for appointment is delegated to the NRC. The nomination process for the appointment of Directors and the criteria used by the NRC in the selection process are provided in the Board Charter.</p> <p>In respect of the appointment of Directors, the Company practises a clear and transparent nomination process, which involves the following five stages:</p> <p>Stage 1: Identification of candidates Stage 2: Evaluation of suitability of candidates Stage 3: Meeting up with candidates Stage 4: Final deliberation by the NRC Stage 5: Recommendation to the Board</p> <p>The identification of candidates for the appointment of Directors is facilitated through recommendations from the Directors, Management or external parties, including the Company's contacts in related industries, finance, legal and accounting professions.</p> <p>The NRC ensures candidates possess the appropriate mix of skills, experience, qualification and core competencies to ensure the effectiveness of the Board.</p> <p>The above processes have been applied for the appointment of Puan Farah Deba which took effect on 15 December 2022. The NRC has not utilised the external independent sources to identify the new Director appointed as the NRC was satisfied that Puan Farah Deba was the suitable candidate after assessment of her background, professional qualification, knowledge, integrity and competencies, independence, as well as fulfilment of criteria set out in the Fit and Proper Policy.</p>

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

### Intended Outcome

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

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The performance of retiring Directors recommended for re-election at the AGM have been assessed through the Board annual evaluation (including the independence of Independent Non-Executive Director, if any). A statement by the Board and NRC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the AGM has been stated in the notes accompanying the Notice of AGM.  The profile of the Directors who are due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, are set out in the Annual Report 2022 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 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is chaired by Dato' Thanarajasingam Subramaniam, the Senior Independent Non-Executive Director of the Company.</p> <p>Under the leadership of Dato' Thanarajasingam Subramaniam, the NRC has convened three (3) meetings and carried out, among others, the following activities during the FY2022:</p> <ul style="list-style-type: none"><li>- Reviewed and recommended to the Board, the amendments to performance assessment forms for the Board and individual Director to be in line with MCCG.</li><li>- Reviewed the Board's and Board Committees' effectiveness, deliberated on their findings and reported the outcome in the Board meeting; and</li><li>- Reviewed the performance of each individual Director from the peer assessment, deliberated their findings and reported the outcome in the Board meeting as well as to the individual Director.</li><li>- Reviewed and recommended for the Board's approval on the appointment of Puan Farah Deba as an Independent Non-Executive Director.</li><li>- The TOR of the NRC is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Following the change of Board composition in the FY2022, the Board comprises nine Directors, out of whom three (3) are women, equivalent to a 33% female representation at the Board level.</p> <p>The Board, through the NRC, reviews the gender diversity of Senior Management annually. As at 31 December 2022, there were six (6) female Senior Management members, representing 33% women participation at the Senior Management level.</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 5.10**

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 Board is supportive of gender diversity and has developed the Diversity and Inclusion Policy to promote the representation of women within the Board and Senior Management. The Company’s policy on gender diversity for the Board and Senior Management are set out in “Corporate Governance Overview Statement” section of our Annual Report 2022.</p> <p>The Diversity and Inclusion Policy is available on the Company’s website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>																							
<b>Application</b>	: Applied																						
<b>Explanation on application of the practice</b>	: <p>The Board, through the NRC, has established a formal assessment mechanism to carry out assessment on an annual basis on the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, including the independence of the Independent Non-Executive Directors. The Assessment Mechanism and Measurement System are available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</p> <p>The Company has adopted the following Board Combined Skills Matrix which represents the skillsets/experience that the Board views as imperative to its ability to provide effective oversight to the Group's affairs and strategic to steer the Company's business, strategy and operations moving forward. The combined values, experience and knowledge outlined under the Board Combined Skills Matrix will facilitate the NRC in identifying potential skillsets required to further enhance the current Board's competency, and serves as a guide for sourcing suitably qualified candidate(s) to further reinforce the Board's composition:</p> <table border="1" data-bbox="568 1559 1254 1966"> <thead> <tr> <th colspan="2">Board Combined Skills Matrix</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Senior Leadership Experience</td> </tr> <tr> <td>2</td> <td>Business/Industry Experience</td> </tr> <tr> <td>3</td> <td>Global Perspective</td> </tr> <tr> <td>4</td> <td>Financial Expertise/Knowledge</td> </tr> <tr> <td>5</td> <td>Good Corporate Governance</td> </tr> <tr> <td>6</td> <td>Strategic Planning and Business Development</td> </tr> <tr> <td>7</td> <td>Human Capital Management</td> </tr> <tr> <td>8</td> <td>Legal and Regulatory Requirements</td> </tr> <tr> <td>9</td> <td>Risk Management and Internal Control</td> </tr> <tr> <td>10</td> <td>Entrepreneurial Experience</td> </tr> </tbody> </table>	Board Combined Skills Matrix		1	Senior Leadership Experience	2	Business/Industry Experience	3	Global Perspective	4	Financial Expertise/Knowledge	5	Good Corporate Governance	6	Strategic Planning and Business Development	7	Human Capital Management	8	Legal and Regulatory Requirements	9	Risk Management and Internal Control	10	Entrepreneurial Experience
Board Combined Skills Matrix																							
1	Senior Leadership Experience																						
2	Business/Industry Experience																						
3	Global Perspective																						
4	Financial Expertise/Knowledge																						
5	Good Corporate Governance																						
6	Strategic Planning and Business Development																						
7	Human Capital Management																						
8	Legal and Regulatory Requirements																						
9	Risk Management and Internal Control																						
10	Entrepreneurial Experience																						

The annual assessment criteria of the Board, Board Committees and individual Directors has been revised and updated in August 2022 and are aligned with MCCG practices. The performance aspects included the assessment criteria for the Board, Board Committees and individual Directors, are described as follows:

Evaluation	Assessment Criteria
Board	<ul style="list-style-type: none"> <li>• Board mix and composition</li> <li>• Understanding of the Group’s values, mission, strategic and business plans</li> <li>• Succession planning and development</li> <li>• Oversight on risk and internal controls</li> <li>• ESG risks and considerations</li> <li>• Monitor sustainability Key Performance Indicators and targets for Senior Management</li> <li>• Board effectiveness</li> <li>• Communication to stakeholders</li> </ul>
Board Committees	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Effectiveness in the respective jurisdictions</li> <li>• Group and business support</li> <li>• Contribution to financial and non-financial performance</li> <li>• Communication to Board</li> </ul>
Individual Directors	<ul style="list-style-type: none"> <li>• Overall skillset and competency</li> <li>• Time commitment</li> <li>• Preparation for meetings</li> <li>• Contribution to Board oversight and leadership</li> <li>• Performance in discharge of fiduciary duties</li> </ul>

During the FY2022, the NRC has conducted the annual assessment on the following areas:

- Board’s effectiveness as a whole;
- Performance of the Board Committees, determined via self-evaluation by each Board Committee;
- Peer performance assessment for each individual Director;
- Overall composition of the Board in terms of size, mix of skills, tenure of Independent Directors, experience and core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors;



	<ul style="list-style-type: none"> <li>- Independence of the Independent Directors;</li> <li>- Performance of Directors who will be retiring at the AGM prior to recommending them for the Board’s approval for re-election;</li> <li>- Diversity of the Board and workforce composition in terms of gender, ethnicity, age and nationality;</li> <li>- Training programmes attended by the Directors during the financial year;</li> <li>- Performance of Executive Directors including the Group Managing Director, who is primarily responsible for the day-to-day operation of the Company’s business;</li> <li>- Performance of the Group Chief Financial Officer (“<b>Group CFO</b>”), who is primarily responsible for the management of the financial affairs of the Company; and</li> <li>- Performance of the Company Secretaries in order to ensure the Board is supported by suitably qualified and competent Company Secretaries.</li> </ul> <p>Following the annual review, the NRC has agreed that the Board as a whole, the Board Committees and each individual Director has performed well and effectively and the overall composition of the Board in terms of size, mix of skills, tenure of Independent Directors, experience, core competencies and the balance between the Executive Directors, Non-Executive Directors and Independent Directors, as appropriate. The Independent Directors have also fulfilled their independent role in corporate accountability through their objective participation in Board deliberations during Board meetings. In addition, the NRC has also obtained the annual declaration of independence from the Independent Directors confirming their independent status pursuant to the Listing Requirements. Post evaluation, each Board member has also been provided with the result of his/her individual assessment together with accompanying comments, if any, for personal reference and further development.</p> <p>The Board views the current evaluation process as adequate to provide an objective assessment on the effectiveness of the Board, the Board Committees and each individual Director.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Remuneration Policy for the remuneration of Directors and Key Senior Management. The Board is aware that a fair remuneration is critical to attract, retain and motivate its Directors and Key Senior Management.</p> <p>In determining the level and make-up of the Director's remuneration, the NRC is guided by the Remuneration Policy to consider, among others, the following:</p> <ul style="list-style-type: none"><li>- Ensure the remuneration package supports the Group's objective, culture and strategy;</li><li>- Remuneration and employment conditions of the industry and market as a whole;</li><li>- The Group's performance;</li><li>- Individual's performance against established criteria and performance related elements; his or her responsibilities and accountability;</li><li>- The remuneration for Non-Executive Directors must be in line to the level of contribution, taking into account factors such as effort and time spent and the responsibilities entrusted; and</li><li>- The remuneration for each Executive Director shall be based on their individual level of expertise, knowledge and experience.</li><li>- The policy to cover Directors' fee, salaries, allowances, bonuses, options and benefits-in-kind and termination/retirement benefits</li></ul> <p>The Remuneration Policy has been revised in February 2018 and will be revised as and when required to ensure it remains relevant. The Remuneration Policy is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</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>	:	<p>The NRC as delegated by the Board is responsible to implement the Remuneration Policy and to review the remuneration packages for Directors and Key Senior Management.</p> <p>The NRC consists wholly of Independent Non-Executive Directors and is governed by its TOR, which is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</p> <p>The NRC is empowered by its TOR to have the resources, and full and unrestricted access to any information required to perform its duties.</p> <p>In the FY2022, the NRC has carried out an annual review of the Directors' remuneration, whereupon recommendations have been submitted to the Board for approval. Such annual review is to ensure that the remuneration package of the Directors remains sufficiently attractive to retain the Directors of such calibre to provide the necessary skills and experience and commensurate with their responsibilities to ensure the effective management and operations of the Group to achieve the Group's long-term objectives.</p> <p>The level of remuneration for Non-Executive Directors generally reflects the effort, time spent and level of responsibilities undertaken. They are paid a basic fee as ordinary remuneration, a sum based on their respective responsibilities in Board Committees, meeting allowance and reimbursement for reasonable expenses incurred in the course of their duties to ensure the remuneration and incentives for Independent Directors are not in conflict with their obligations to deliver objectivity and independent judgement on matters discussed at Board and Board Committees meetings.</p>

	<p>The proposed Directors' fees and Directors' benefits for the period from the next day after the forthcoming 33rd AGM until the next AGM of the Company will be tabled at the forthcoming 33rd AGM for the approval of the shareholders. The interested Directors abstains from voting on the resolutions approving the Directors' fees and Directors' benefit at the 32nd AGM held in year 2022 and will continue this practice at the forthcoming 33rd AGM.</p> <p>The proposed annual Directors' fee for the Non-Executive Directors is RM65,000 each, with an additional fee of RM10,000 to be payable to the Chairman of the AC and RM5,000 each to be payable to the Chairman of the RMC and NRC.</p> <p>The Executive Directors are not entitled to the above Director's fee nor are they entitled to receive any meeting allowance for the Board or Board Committees meetings that they attend.</p> <p>For Executive Directors, the components of their remuneration are structured so as to link reward to corporate and individual performance. The current remuneration package of Executive Directors includes a monthly salary and benefits-in-kind/emoluments such as company car, driver, travel allowance and other components.</p> <p>The Executive Directors do not participate in the decision with regard to their own remuneration. The remuneration package for all Directors is determined by the Board as a whole following the relevant recommendations made by the NRC, with the Directors concerned abstaining from deliberations and voting on his/ her own remuneration.</p> <p>In addition to the above, the Directors are provided with the Directors &amp; Officers ("D&amp;O") insurance in respect of any liabilities arising from acts committed in their capacity as D&amp;O of the Group. However, the said insurance policy does not indemnify a Director or principal officer if he/she is proven to have acted negligently, fraudulently or dishonestly, or in breach of his/her duty or trust.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' remuneration for the FY2022 for each individual Director with a breakdown into fees, salaries and bonus, benefits-in-kind and other emoluments are set out 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	Tan Sri Ong Leong Huat @ Wong Joo Hwa	Executive Director	-	-	1,385	1,020	27	345	2,777	-	-	2,580	1,900	43	479	5,002
2	Ong Ju Yan	Executive Director	-	-	1,620	1,125	30	395	3,170	-	-	1,620	1,125	30	395	3,170
3	Ong Ju Xing	Executive Director	-	-	-	-	-	-	-	-	-	1,380	943	31	272	2,626
4	Dato' Saiful Bahri Bin Zainuddin	Executive Director	-	36	660	288	25	140	1,149	-	36	660	288	25	140	1,149
5	Dato' Thanarajasingam Subramaniam	Independent Director	70	19	-	-	-	-	89	70	19	-	-	-	-	89
6	Datin Azalina binti Adham (Resigned on 30 June 2022)	Independent Director	33	6	-	-	-	-	39	33	6	-	-	-	-	39
7	Leong Keng Yuen	Independent Director	75	15	-	-	-	-	90	75	15	-	-	-	-	90
8	Wong Wen Miin	Independent Director	70	19	-	-	-	-	89	70	19	-	-	-	-	89
9	Ong Yee Ching	Non-Executive Non-Independent Director	65	12	-	-	-	-	77	65	12	-	-	-	-	77
10	Farah Deba binti Mohamed Sofian (Appointed on 15 December 2022)	Independent Director	3	-	-	-	-	-	3	3	-	-	-	-	-	3
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.

<b>Application</b>	:	Departure												
<b>Explanation on application of the practice</b>	:													
<b>Explanation for departure</b>	:	<p>The remuneration for the Company's top five Senior Management other than the Executive Directors (including benefits-in-kind and other emoluments) in the FY2022 falls within the following bands:</p> <table border="1"> <tr> <td colspan="2"><b>2022</b></td> </tr> <tr> <td>RM500,001 up to RM550,000</td> <td style="text-align: right;">2</td> </tr> <tr> <td>RM550,001 up to RM600,000</td> <td style="text-align: right;">1</td> </tr> <tr> <td>RM600,001 up to RM650,000</td> <td style="text-align: right;">1</td> </tr> <tr> <td>RM1,400,001 up to RM1,450,000</td> <td style="text-align: right;">1</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b>5</b></td> </tr> </table> <p>The Company had disclosed the top five Senior Management's remuneration in bands of RM50,000, but not on named basis. The Board is of the view that the detailed disclosure of the Senior Management's remuneration on named basis may give rise to recruitment and talent retention issues, due to confidentiality and sensitivity of each remuneration package.</p> <p>The performance of Senior Management is evaluated on an annual basis and measured against the targets sets for the year. The remuneration packages are reviewed annually and adjustments to their remuneration are made based on not only on their individual performance and contributions in the preceding year, but also the Company's performance.</p>	<b>2022</b>		RM500,001 up to RM550,000	2	RM550,001 up to RM600,000	1	RM600,001 up to RM650,000	1	RM1,400,001 up to RM1,450,000	1	<b>Total:</b>	<b>5</b>
<b>2022</b>														
RM500,001 up to RM550,000	2													
RM550,001 up to RM600,000	1													
RM600,001 up to RM650,000	1													
RM1,400,001 up to RM1,450,000	1													
<b>Total:</b>	<b>5</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.												

<b>Timeframe</b>	:	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.

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

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC is chaired by Mr. Leong Keng Yuen, an Independent Non-Executive Director of the Company.</p> <p>Mr. Leong Keng Yuen is not the Chairman of the Board as the Board acknowledges that the AC, being an independent and objective body, should function as the Company's independent watchdog to ensure the integrity of financial controls and effective financial risk management of the Company.</p> <p>Under the leadership of Mr. Leong Keng Yuen during the FY2022, the AC ensured that:</p> <ul style="list-style-type: none"><li>- they received an audit report from the External Auditors wherein they reported on matters related to the Company's audit and its financial statements and these matters had been addressed.</li><li>- the External Auditors met with the AC twice during the FY2022 without the presence of the Management. The AC received assurance from the External Auditors that there was no issue or concern of fraud, which required to be highlighted to the AC.</li><li>- the Head of GIAD met the AC once during the FY2022 without the presence of the Management to discuss relevant issues and obtain feedback for improvement.</li><li>- AC's concerns on matters that may have an effect on the financial or audit of the Company were communicated to the External Auditors.</li><li>- the internal audit function is effective and is able to function independently. Further details are enumerated in Practice 11.1 in this Report.</li></ul> <p>the audit plans of External Auditors and GIAD had adequate audit coverages.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In November 2022, the TOR of the AC has been revised with the requirement for a former partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC together with revised roles and responsibilities of AC without direct risk management responsibilities. None of the AC members are former partners of the external audit firm of the Company.</p> <p>The TOR of the AC is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has adopted the Policy and Guidelines on the Performance Evaluation of External Auditors. The said Policy and Guidelines have been approved by the Board in February 2013.</p> <p>In the FY2022, the AC has conducted an annual assessment of the suitability, objectivity and independence of the External Auditors of the Company, Messrs. BDO PLT, in respect of the FY2021. The AC was satisfied with the performance and independence of the External Auditors, as well as the fulfillment of criteria based on the followings, as set out in the Policy and Guidelines on the Performance Evaluation of External Auditors:</p> <ul style="list-style-type: none"><li>• assurance from External Auditors on their independence</li><li>• quality of audit review procedures</li><li>• adequacy of the firm's expertise and its resources in carrying out audit works that they were tasked with</li></ul> <p>Messrs. BDO PLT, the Company's External Auditors of the Company, has shared its Annual Transparency Report 2021 to the AC as required.</p> <p>Based on the outcome of its assessment, the AC has recommended to the Board for the re-appointment of Messrs. BDO PLT as External Auditors for the Company which has been subsequently approved by shareholders at the 32nd AGM in year 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

### Intended Outcome

There is 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>	:	<p>The AC comprises solely of Independent Directors. The composition of the AC as at 31 December 2022 is as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Member</th><th>Designation</th></tr></thead><tbody><tr><td>1.</td><td>Mr. Leong Keng Yuen (Chairman)</td><td>Independent Non-Executive Director</td></tr><tr><td>2.</td><td>Dato' Thanarajasingam Subramaniam</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>3.</td><td>Ms. Wong Wen Miin</td><td>Independent Non-Executive Director</td></tr></tbody></table>	No.	Member	Designation	1.	Mr. Leong Keng Yuen (Chairman)	Independent Non-Executive Director	2.	Dato' Thanarajasingam Subramaniam	Senior Independent Non-Executive Director	3.	Ms. Wong Wen Miin	Independent Non-Executive Director
No.	Member	Designation												
1.	Mr. Leong Keng Yuen (Chairman)	Independent Non-Executive Director												
2.	Dato' Thanarajasingam Subramaniam	Senior Independent Non-Executive Director												
3.	Ms. Wong Wen Miin	Independent Non-Executive Director												

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC's effectiveness hinges on a number of critical factors, which includes knowledge, experience and commitment of the AC members, the AC's leadership, dynamics and chemistry, and their quality interaction with Management, Internal Auditors and External Auditors.</p> <p>The members of the AC collectively have the necessary skills related to accounting, financial, banking experience and commercial expertise to discharge their responsibilities and to effectively challenge the Management.</p> <p>In the FY2022, the NRC had carried out an annual assessment on the effectiveness of the AC and its individual AC members. Following the annual review, the NRC agreed that the overall composition of the AC in terms of size, mix of skills, experience, core competencies and the balance between the AC members were appropriate, and collectively, the AC members are financially literate and able to understand matters under the purview of the AC, which includes the financial reporting process.</p> <p>All AC members have undertaken ongoing training and development to keep abreast of the latest developments and changes to the regulatory environment, and ensure that they are equipped with the relevant knowledge and skills in discharging their duties effectively.</p> <p>The details on training programmes, seminars and forums attended by AC members in the FY2022 are disclosed in the "Corporate Governance Overview Statement" of our Annual Report 2022.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.1

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>An Enterprise Risk Management Framework (“<b>ERMF</b>”) has been established to provide the overall guideline and approach to the Group’s risk management. The ERMF has been revised and approved by the Board in February 2019.</p> <p>In providing assurance to the Board on the Group’s adequacy and effectiveness of risk management, the GRM, under the purview of GMRC, actively monitors the Group’s portfolio of major risks via the Risk Control Self-Assessment approach.</p> <p>The GRM is accountable for effectiveness of the risk management framework and is independently distinguished from risk owners - the respective heads of Business Divisions are the risks owners to actively influence the identified risks through decisions and actions.</p> <p>In the FY2022, the risk reports from all Business Divisions are consolidated and updated together with the cybersecurity risk report of the Group to GMRC and RMC on a quarterly basis, highlighting all risks and mitigating controls carried out by the respective Business Divisions. These were presented to the RMC and the Board, where internal controls and risk mitigation strategies were highlighted.</p> <p>The AC monitors and reviews the effectiveness of the internal audit activities and ensures that actions have been taken by the Management to correct the deficient conditions and improve control processes highlighted by the internal auditors, thereby contributing to the ongoing effectiveness of the Group’s system of risk management and internal control.</p> <p>The above is set out in the “Statement on Risk Management and Internal Control” of our Annual Report 2022.</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

## Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Group's risk management function is benchmarked against the ISO 31000:2009 Risk Management – Principles and Guidelines to embed Enterprise Risk Management into activities and processes of the Group. The Risk Management enable the Group to identify, assess and mitigate risks systematically through the following:</p> <ul style="list-style-type: none"> <li>- Ascertain functional <b>responsibilities and accountabilities</b> within committees and sub-committees work group for management of risks;</li> <li>- Establish a <b>Risk Management Framework</b> that sets risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of the Group; and</li> <li>- Develop <b>risk strategies</b> which are in line with the risk appetite and tolerance of the Group.</li> </ul> <p>The Board is committed to ensure the effectiveness of risk management and internal control systems by continuously reviewing the adequacy of controls and integrity of the Group's systems. The Management assists the Board in the implementation of policies and procedures on risk management and internal controls on governance aspects of operation, regulatory, financial, cybersecurity and business continuity management.</p> <p>On a quarterly basis at the respective business division management committee meetings, major risks and mitigation controls from the various operating subsidiaries are highlighted and deliberated. Thereafter, the consolidated risk profiles are updated in the GMRC's meeting. The consolidated risk profiles are reported to the RMC and the Board on a quarterly basis and are deliberated on while ad-hoc or new critical risks are escalated to the Board immediately for deliberation.</p> <p>In providing assurance to the Board on the Group's adequacy and effectiveness of risk management, GRM, under the purview of GMRC, actively monitors the Group's portfolio of major risks via the Risk Control Self-Assessment approach. The quarterly risk reports from all</p>



	<p>Business Divisions are consolidated and updated to the GMRC, RMC and Board for their review and deliberation.</p> <p>The RMC and the Board will meet and deliberate on the top risks as identified on a quarterly basis. Significant issues arising from changes in business environment are reviewed continuously to ensure minimal impact to the Group. GRM is accountable for effectiveness of the risk management framework and is independently distinguished from risk owners, the respective heads of Business Divisions being such person with vital insight of respective businesses and able to actively influence the identified risks through decisions and actions.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### 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> :	Adopted												
<b>Explanation on adoption of the practice</b> :	<p>The RMC comprises a majority of Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director. The RMC is governed by its TOR, a copy of which is available on the Company's website at <a href="http://www.oskgroup.com/corporate-governance">www.oskgroup.com/corporate-governance</a>.</p> <p>As at 31 December 2022, the composition of the RMC are as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Member</th><th>Designation</th></tr></thead><tbody><tr><td>1.</td><td>Ms. Wong Wen Miin (Chairman)</td><td>Independent Non-Executive Director</td></tr><tr><td>2.</td><td>Dato' Thanarajasingam Subramaniam</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>3.</td><td>Ms. Ong Yee Ching</td><td>Non-Independent Non-Executive Director</td></tr></tbody></table>	No.	Member	Designation	1.	Ms. Wong Wen Miin (Chairman)	Independent Non-Executive Director	2.	Dato' Thanarajasingam Subramaniam	Senior Independent Non-Executive Director	3.	Ms. Ong Yee Ching	Non-Independent Non-Executive Director
No.	Member	Designation											
1.	Ms. Wong Wen Miin (Chairman)	Independent Non-Executive Director											
2.	Dato' Thanarajasingam Subramaniam	Senior Independent Non-Executive Director											
3.	Ms. Ong Yee Ching	Non-Independent Non-Executive Director											

## 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 established AC is responsible to provide independent oversight on the Group's internal and external audit functions, financial reporting, internal control systems and to ensure proper checks and balances within the Group.</p> <p>To ensure the effectiveness of the internal audit function, the AC is responsible to:</p> <ul style="list-style-type: none"><li>- oversee the internal audit function and ensure compliance with relevant regulatory requirements especially with regard to independence;</li><li>- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;</li><li>- review the internal audit process, the results of the audits or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function; and</li><li>- evaluate performance, set compensation and decide on the appointment/dismissal of the Head of internal audit function.</li></ul> <p>The internal audit function is assumed by the in-house GIAD which is responsible for the overall internal audit activities of the Group. GIAD functions independently with regards to the activities that it audits. The Head of the GIAD reports directly to the AC.</p> <p>The GIAD assists the AC in discharging its duties and responsibilities to provide reasonable assurance on the adequacy and effectiveness of the system of internal control by conducting independent, regular and systematic reviews of the internal processes in addressing the risks identified and that established policies and procedures, applicable laws and regulations are complied with.</p> <p>In the FY2022, the Head of GIAD presented a risk-based audit plan for year 2022 to the AC for discussion and approval. The audit plan prioritised the audit review according to the Group's objectives, key risks and core/priority areas and also covered the review of the adequacy of operational and accounting controls, compliance with</p>

	<p>applicable laws and regulations, established policies and procedures as well as governance processes.</p> <p>On a quarterly basis, the audit reports issued by the GIAD are reviewed and discussed at the AC meetings with a summary report tabled by the Chief Internal Auditor providing his opinion on the adequacy and effectiveness of the systems of risk management and internal control noted on the audits conducted, highlights of significant weaknesses reported and the corrective measures taken, status of the internal audit plan and other administrative matters pertaining to staffing and training. The audit report comprise of recommendations for corrective measures on risks or internal control weaknesses identified, if any, for implementation by the Management. The GIAD also conducts follow-up works to check whether the Management has taken actions to correct deficient conditions and improve control processes. The AC monitors and reviews the effectiveness of the internal audit activities, thereby ensuring that these activities contribute to the ongoing effectiveness of the Group’s system of internal control.</p> <p>During the FY2022, GIAD completed twenty-seven (27) audit assignments based on the approved annual audit plan and three (3) ad-hoc reviews for the various business divisions, namely property, construction, financial services, hospitality and industries divisions, and group support functions, namely the Group Information Technology and Group Finance departments. All audit reports were presented to the AC. In addition, continuous follow-up reviews were also conducted and presented to the AC.</p> <p>GIAD also performed observations on tender openings to ensure that appropriate internal controls and processes as set out in the Group's policy were adhered with, and review draft policies and procedures for the Group to ensure proper controls are in place.</p> <p>In addition, the GIAD had conducted in-house training for the various operating units' personnel to enhance their awareness of internal controls, the role of internal audit, and fraud policy. The staff of the GIAD also attended various in-house and external training covering various areas for their self-development and knowledge enhancement.</p> <p>Overall, the AC evaluated the performance of the GIAD and is satisfied that the scope of internal audit coverage is adequate and that it has been carried out effectively and independently during the FY2022.</p> <p>The above is also set out in the “AC Report” of our Annual Report 2022.</p>
<p><b>Explanation for departure</b> :</p>	

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

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

## Intended Outcome

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>During the FY2022, all internal auditors are independent from the activities they audit on and are free from any business relationships or conflict of interest situation when conducting audit activities.</p> <p>As at 31 December 2022, the GIAD comprised twelve (12) personnel based in Head Office. The Head of GIAD, Mr. Cheng Kee Thiam is a Chartered Accountant (Malaysia) and an associate member of The Institute of Internal Auditors Malaysia. The GIAD is governed by the Internal Audit Charter approved by the AC and carries out its work objectively primarily consistent with the International Professional Practices Framework issued by the Institute of Internal Auditors.</p> <p>The AC is also satisfied that in the FY2022, the GIAD has the necessary competencies, experience and sufficient resources to carry out its functions effectively.</p> <p>The above is also set out in the “AC Report” of our Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

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

## Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that timely, high-quality and effective disclosure is a key component in upholding the principles and best practices of corporate governance within the Group. As such, maintaining efficient communication between members of the public and the Company is important to build and sustain common understanding and trust between the Company and our stakeholders.</p> <p>The Company has adopted the Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to our shareholders and the investing public. The Board has established a Group Corporate Disclosure Committee to ensure effective implementation of and adherence to the Corporate Disclosure Policy. The Corporate Disclosure Policy has been updated and approved by the Board in November 2020.</p> <p>In ensuring effective, transparent and regular communication with its stakeholders, the following communication channels are primarily used by the Company to disseminate information to our shareholders and the investing public on a timely basis:</p> <ul style="list-style-type: none"><li>- General meeting which serves as an important forum for shareholders to engage with the Directors and Key Senior Management of the Company;</li><li>- The Annual Report, which communicates concise, clear and comprehensive information on the Group's financial performance, operating environment, corporate developments, sustainability progress and the value created by the Group;</li><li>- Quarterly announcements and material disclosures to Bursa Malaysia, which are available on Bursa Malaysia's website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and on the Company's website at <a href="http://www.oskgroup.com/corporate-announcements">www.oskgroup.com/corporate-announcements</a>;</li><li>- Press releases, interviews, general announcements, customer and investor events which provide up-to-date information about the Group and its businesses; and</li></ul>

	<ul style="list-style-type: none"> <li>- The Company’s website at <a href="http://www.oskgroup.com">www.oskgroup.com</a>, which provides updated information about the Group and its businesses including access to our annual report, sustainability reports, policies, corporate governance practices, investor relations and financial information.</li> </ul> <p>Details pertaining to how the Group engages its stakeholders are available in the “How We Engage Our Stakeholders” section of our Sustainability Report 2022.</p> <p>The Board also recognises that effective measures in investor relations with an aim to articulate the Company’s value creation, business strategy, financial performance and business initiatives are essential to further strengthen the Group’s good standing within the investing community.</p> <p>Ms. Ng Lai Ping, the <i>Group CFO</i>, has been identified to address investment-related enquiries from shareholders, investors, capital providers and the general public. The profile of Ms. Ng Lai Ping is set out in the “Key Senior Management’s Profile” section of our Annual Report 2022.</p> <p>The Senior Independent Non-Executive Director, Dato' Thanarajasingam Subramaniam has been identified by the Board to whom concerns of shareholders and other stakeholders may be conveyed. The profile of Dato' Thanarajasingam Subramaniam is set out in the “Directors’ Profile” section of our Annual Report 2022.</p> <p>The Board remains fully committed in enhancing its investor relations initiatives through continuously improving our engagements with shareholders, institutional investors and key stakeholders.</p> <p>In addition to the above channels, shareholders and investors may forward all investor relations related enquiries to our dedicated email address at <a href="mailto:ir@oskgroup.com">ir@oskgroup.com</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 continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

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

**Practice 12.2**

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

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

### Intended Outcome

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

### Practice 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the FY2022, the Notice of 32nd AGM, the explanatory notes of the background information and reports or recommendations that are relevant to the proposed resolutions and the Form of Proxy has been sent to shareholders at least twenty-eight (28) days prior to the date of the 32nd AGM, so as to give sufficient time for the shareholders to consider the resolutions at the 32nd AGM, and to arrange for proxies to attend the 32nd AGM on their behalf, if so required.</p> <p>The Notice of 32nd AGM was accompanied with an Administrative Notes for Shareholders and Proxies, containing information to the shareholders with regard to the details of the 32nd AGM, their entitlement to attend the AGM, procedures for remote participation and voting, their rights to appoint proxy and information as to who may count as a proxy.</p> <p>The Notice of 32nd AGM, which sets out the businesses to be transacted at the AGM, was also announced via Bursa LINK in Bursa Malaysia's website, and published in a major local newspaper and on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>During the FY2022, the 32nd AGM has been carried out on a virtual basis and all Directors, Chairmen of AC, RMC and NRC have attended and participated the 32nd AGM held on 21 April 2022.</p> <p>The Directors/Chairmen of AC, RMC and NRC have actively responded to relevant questions addressed to them during the 32nd AGM. The Group CFO and representatives of external auditors also attended and participated in the 32nd AGM to respond to the queries raised by the 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

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In accordance with its Constitution, the Company may convene a General Meeting at more than one venue using any technology or method that enables the shareholders of the Company to participate and to exercise the shareholders' right to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue.</p> <p>In the FY2022, the Company continued to take the necessary precautions and preventive measures in complying with the COVID-19 directives issued by the Malaysian Ministry of Health. These include the option of remote shareholders' participation at the AGM.</p> <p>The Company has leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on all resolutions for the virtual 32nd AGM.</p> <p>The 32nd AGM of the Company has been conducted on a virtual basis via remote participation and voting facilities, namely Securities Services e-Portal ("SSeP"). All votes have been held by poll and submitted through SSeP.</p> <p>The Administrative Notes of 32nd AGM including online registration and remote participation and voting were provided to shareholders. In addition, a step-by-step guide together with a short audio clip on the online voting module was played prior to the commencement of poll voting.</p> <p>In addition, the Company has appointed an Independent Scrutineer to verify the results of the poll voting.</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

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

## Practice 13.4

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>	: <p>The Chairman of 32nd AGM has ensured that sufficient opportunities are given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question and Answer session during the 32nd AGM.</p> <p>The Group Managing Director and Deputy Group Managing Director of the Company has presented the Financial Performance, Business Segments, Dividends and ESG Initiatives highlights of the Group for the FY2021 to all participants of the AGM prior to the Question and Answer session for their information.</p> <p>The shareholders and proxy holders can rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given in the live stream player within the same SSeP page.</p> <p>The Directors/Chairmen of AC, RMC and NRC have actively responded to relevant questions addressed to them during the 32nd AGM. The Group CFO and representatives of external auditors also attended and participated in the 32nd AGM.</p> <p>In addition to the 32nd AGM, shareholders and investors may also forward all investor relations related inquiries to our dedicated email address at <a href="mailto:ir@oskgroup.com">ir@oskgroup.com</a>.</p>
<b>Explanation for departure</b>	:  

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

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

### Intended Outcome

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

### Practice 13.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has leveraged on technology for shareholders in participating at the 32nd AGM virtually by engaging SS E Solutions Sdn. Bhd. as the service provider of Remote Participation and Voting (“<b>RPV</b>”) facilities, namely SSeP for the 32nd AGM.</p> <p>The shareholders and proxy holders can rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given in the live stream player within the same SSeP page.</p> <p>After the comparison of several vendors on the meeting platform based on the complexity (such as user friendly to shareholders and directors), stability and cost of the meeting platform as well as the COVID-19 pandemic condition at that point in time, the Company has decided to opt for SSeP, which is the same meeting platform used for the previous AGM.</p> <p>Questions posed by shareholders has been displayed and responded by the Directors. In addition, written queries from the Minority Shareholders Watch Group (“<b>MSWG</b>”) and corresponding responses from the Company were also presented.</p>
<b>Explanation for departure</b>	:	

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



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

**Intended Outcome**

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

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the 32nd AGM (including the questioned raised by shareholders and MSWG together with the responses by the Company and outcome of the voting results) are made available to the shareholders within thirty (30) business days after the 32nd AGM at the Company's website at <a href="http://www.oskgroup.com/wp-content/uploads/2022/06/OSKH-Minutes-of-32nd-AGM.pdf">www.oskgroup.com/wp-content/uploads/2022/06/OSKH-Minutes-of-32nd-AGM.pdf</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>	:  

**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.*

Click or tap here to enter text.

