

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : OPTIMAX 0222  
**COMPANY NAME** : OPTIMAX HOLDINGS BERHAD  
**FINANCIAL YEAR** : December 31, 2021

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

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|---|---|---|
| <b>Application</b>  | : | Applied   |
| <b>Explanation on application of the practice</b>   | : | <p>The roles and responsibilities of the Board are set out in the Board Charter. The Board meets at least four (4) times a year to review the quarterly performance of the Company and its subsidiaries ("Group"), annual budget and strategic business plans presented by management before approval or execution.</p> <p>The Board monitors the performance of the Group and business strategies at board meetings through briefings, updates and reports from the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and senior management team.</p> <p>The Board has delegated certain functions to the following Board Committees to assist in the execution of its duties and responsibilities:</p> <p>(a) Audit and Risk Management Committee ("ARMC"); and<br/>(b) Remuneration and Nominating Committee ("RNC").</p> <p>The Board Committees operate under their own clearly defined terms of reference.</p> <p>For more information on the Board's leadership role and governance practices, please refer to the Board Charter which is available on the Company's website, <a href="http://www.optimax2u.com">www.optimax2u.com</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> |   |   |

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| <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.

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>Dato' Seri Dr Chen Chaw Min, is the Independent Non-Executive Chairman of the Board.</p> <p>The Chairman carries out a leadership role in conduct of the Board and its relations with the shareholders and stakeholders. The roles of the Chairman, amongst others, are as follows:</p> <ul style="list-style-type: none"><li>a) lead the Board in setting its values, ethical standards and instilling good corporate governance practices;</li><li>b) facilitate the progress and conduct of meetings;</li><li>c) set the agenda for Board meetings with assistance of the Company Secretaries and ensure all relevant issues for the effective running of the Company's business are on the agenda;</li><li>d) ensure proper flow of information to the Board, review the adequacy and timing of board papers in support of management's proposal and review of performance of the Company and/or Group;</li><li>e) encourage active participation among Board members on issues discussed and dissenting views to be freely expressed;</li><li>f) ensure assessment are undertaken on candidates to be appointed to the board and succession planning is in place;</li><li>g) arrange for annual evaluation on the performance of the Board, Board Committees and individual directors; and</li><li>h) ensure appropriate steps are taken to provide effective communication with stakeholders.</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> |   |  |
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### Intended Outcome

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

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

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|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The positions of Chairman and CEO are held by two different individuals. The function of CEO is undertaken by Sandy Tan Sing Yee, Non-Independent Executive Director and the Chairman position is held by Dato' Seri Dr Chen Chaw Min.</p> <p>There is clear division of roles and responsibilities between the Chairman of the Board and the CEO to ensure that there is a balance of power and authority and that no individual has unfettered powers of decision. The Chairman is responsible for the leadership of the Board and ensures effectiveness of the Board while the CEO, oversees the operations and drives the Group's businesses and performance towards achieving the Group's vision and goal.</p> <p>The distinct and separate roles and responsibilities of the Chairman and CEO are set out in Paragraph 4 of the Board Charter, which is available on the Company's website, <a href="http://www.optimax2u.com">www.optimax2u.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

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

### Practice 1.4

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

|  |  |
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| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> |  |
| <b>Application</b> :   | Applied  |
| <b>Explanation on application of the practice</b> :  | <p>The composition of the RNC is as follows:</p> <ol style="list-style-type: none"><li>1. Mr. Yap Ping Hong<br/>(Chairman, Independent Non-Executive Director)</li><li>2. Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim<br/>(Member, Non-Independent Non-Executive Director)</li><li>3. Ms. Yap Eng Gee<br/>(Member, Independent Non-Executive Director)</li></ol> <p>The composition of the ARMC is as follows:</p> <ol style="list-style-type: none"><li>1. Mr. Yap Ping Hong<br/>(Chairman, Independent Non-Executive Director)</li><li>2. Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim<br/>(Member, Non-Independent Non-Executive Director)</li><li>3. Ms. Yap Eng Gee<br/>(Member, Independent Non-Executive Director)</li></ol> |
| <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.

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Group currently outsources its corporate secretarial function to Tricor Corporate Services Sdn Bhd. The Board is supported by the following Company Secretaries who are qualified to act under the Companies Act 2016:-</p> <p>a) Rebecca Kong Say Tsui (MAICSA 7039304)<br/>b) Wong Yoke Fun (MAICSA 7027345)</p> <p>Attendance and minutes of all Board and Board Committee meetings are properly recorded and kept by the Company Secretaries.</p> <p>The Company Secretaries provide support to the Board in fulfilling its fiduciary duties and leadership role in shaping the corporate governance practices of the Company.</p> <p>In this respect, they play an advisory role to the Board, particularly with regard to the Company's Constitution, Board policies and rules and procedures, and advocate adoption of corporate governance best practices.</p> <p>The Company Secretaries have undertaken continuous professional development by attending training during the year under review.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its functions.</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> |   |  |
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| <b>Timeframe</b> | : |  |  |
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**Intended Outcome**

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

**Practice 1.6**

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

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| <b>Application</b>   | : Applied  |
| <b>Explanation on application of the practice</b>  | : Board meetings are scheduled in advance and an annual meeting calendar is circulated to all Directors at the beginning of the new financial year to enable Directors to plan ahead and fit the year’s meetings into their own schedules.<br><br>The Directors receive notice of meetings and meeting materials at least 5 business days prior to meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each Board meeting.<br><br>Notification is also sent to respective divisions on the deadlines for submission of meeting materials to allow management to make the necessary preparations.<br><br>The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation.<br><br>The management communicates to the relevant divisions on the Board’s decisions/recommendations via circulation of draft minutes of meetings for appropriate actions to be taken. They also follow up with the divisions on the implementation or status of actions and updates the Board at Board meetings. Action items would remain as matters arising in the minutes of meetings until they are fully resolved. |
| <b>Explanation for departure</b>   | :  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |
| <b>Measure</b>   | :  |
| <b>Timeframe</b>   | :  |

**Intended Outcome**

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

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

**Practice 2.1**

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

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

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|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Board Charter was adopted by the Board on 22 January 2020. It serves as reference for Board members of their fiduciary duties as Directors of the Company. It provides guidance and clarity regarding the roles and responsibilities of the Board and the requirements of Directors in carrying out their roles and discharging their duties towards the Company and/or Group.</p> <p>The Board Charter is periodically reviewed and updated in accordance with the needs of the Group and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.</p> <p>The Board Charter is made available for reference on the Company's website at <a href="http://www.optimax2u.com">www.optimax2u.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

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | In order to sustain good corporate governance, the Board has established and adopted the Code of Conduct on 27 August 2020.<br><br>The Code of Conduct is available on the Company's website, <a href="http://www.optimax2u.com">www.optimax2u.com</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 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | On 27 August 2020, a Whistleblowing Policy was established as an avenue for employees and stakeholders to report genuine concerns about malpractices, unethical behaviour, misconduct or failure to comply with regulatory requirements without fear of reprisal.<br><br>The Whistleblowing Policy is available on the Company's website, <a href="http://www.optimax2u.com">www.optimax2u.com</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 4.1

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

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

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

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>As a leading provider of eye specialist services, Optimax is committed in ensuring that its operations are sustainable. Our Group's sustainability approach is guided by the Economic, Environmental and Social ("EES") pillars of sustainability.</p> <p>Our Board has the responsibility to deliver sustainable value to the stakeholders, while the management team providing its assistance by overseeing the implementation of the principles, policies, objectives and strategies of our Group under the framework of the EES pillars. In addition, the management team also facilitate in the overseeing and managing of the material risks and opportunities that may impact business continuity, market competitiveness, the environment and the communities in which our Group operates in.</p> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

## Intended Outcome

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

## Practice 4.2

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

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| <b>Application</b>                                | : Applied  |  |   |
| <b>Explanation on application of the practice</b> | : Optimax believes in engaging regularly with stakeholders to address areas of concern and ensure our Group carry out sustainable practices and create long term value for our stakeholders. |  |   |
|   | <b>Key Stakeholders</b>  | <b>Areas of Concern</b>  | <b>Modes of Engagement</b>  |
|   | Employees  | <ul style="list-style-type: none"> <li>• Safe and conducive working environment</li> <li>• Rewards and recognition for performance</li> <li>• Career development</li> <li>• Employee satisfaction</li> </ul> | <ul style="list-style-type: none"> <li>• Meetings/briefings</li> <li>• Performance appraisals</li> <li>• Training programmes</li> <li>• Team building</li> <li>• Other communications/feedb acksuch as email</li> </ul>   |
|   | Patients and Customers   | <ul style="list-style-type: none"> <li>• Provision of quality services</li> <li>• Products compliances with certifications</li> <li>• Customer satisfaction</li> </ul>                                       | <ul style="list-style-type: none"> <li>• Quality control andassurance</li> <li>• Regular meetings/visits</li> <li>• Other communications/feedb acksuch as email</li> </ul>  |
|   | Suppliers  | <ul style="list-style-type: none"> <li>• Transparent procurementpractices</li> <li>• Safety compliance</li> </ul>  | <ul style="list-style-type: none"> <li>• Evaluation and performance reviews</li> <li>• Onsite visits and fieldaudits</li> </ul>   |
|   | Regulators and Government  | <ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Approvals and permits</li> <li>• Occupational safety and health</li> <li>• Environmental management and compliance</li> </ul>      | <ul style="list-style-type: none"> <li>• Audit and verification</li> <li>• Inspections by local authorities and regulators</li> <li>• Training programmes for employees</li> <li>• Meetings with employees</li> <li>• Meetings with management team responsible for compliance</li> </ul> |
|   | Community  | <ul style="list-style-type: none"> <li>• Corporate social responsibilityImpact</li> </ul>  | <ul style="list-style-type: none"> <li>• Participation in community</li> </ul>  |

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|  |  | on community | programmes and initiatives<br><ul style="list-style-type: none"> <li>• Providing jobs</li> </ul> Sponsorships to local communities |
| <b>Explanation for departure</b> :   |  |              |  |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |              |  |
| <b>Measure</b> :   |  |              |  |
| <b>Timeframe</b> :   |  |              |  |



### Intended Outcome

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

### Practice 4.3

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

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| <b>Application</b>                                | : Applied   |
| <b>Explanation on application of the practice</b> | <p>Besides our core services, our Group provides related services such as eye examinations performed by our in-house optometrists. These related services provided are sales of optical wear, consumables from surgery and medical treatment, procedures (mainly Ortho-K, which is a non-surgical method of reshaping the cornea to provide a clearer vision for children and Botox), administration fees as well as laboratory tests for patients.</p> <p>As part of our plans to have a wider reach to our customers and greater accessibility for eye-specialist treatment and care, our plans involve the expansion of our network of ambulatory care centres within Malaysia to areas where our Group has little or no presence. The expansion of these ambulatory care centres would be carried out either through fully owning these centres or jointly owning them with minority equity participation from resident doctors.</p> <p>To ensure existing specialist centres have the capability to increase services offered or expand its capacity, our Group also plans to purchase ophthalmological equipment and tools to upgrade or replace existing equipment.</p> <p>Our Group also responded to the disruption in businesses arising from the pandemic by being involved in the national vaccination programme and MyMedic@Wilayah organised by the ProtectHealth Corporation Sdn Bhd and the Ministry of Federal Territories, which supported the financial performance in the financial year ended 31 December 2021.</p> <p>Our Group is cognisant that its operations will have an impact on the environment and it has taken steps to mitigate this impact by managing the use of electricity and water at its headquarters in Taman Tun Dr. Ismail and the network of centres. All our lighting with LED lighting, which consumes less electricity in addition to switching off all lights when not in use.</p> <p>Detail initiatives taken are disclosed in our sustainability statement on pages 29 to 36 of the Annual Report 2021.</p> |

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| <b>Explanation for departure</b> :   |  |  |
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| <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.

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| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | Performance evaluations had been conducted by external consultant on directors and senior management. |  |
| <b>Explanation for departure</b>   | : |   |  |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

**Intended Outcome**

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

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

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| <b>Application</b>                             | : | Adopted   |
| <b>Explanation on adoption of the practice</b> | : | The dedicated person is Sandy Tan Sing Yee, the CEO of the Company. She is tasked to ensure our Group achieves the yearly growth and to take responsibility to take care of the interest of all the stakeholders. |

### Intended Outcome

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

### Practice 5.1

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

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| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The RNC reviewed the tenure of each director.</p> <p>The following Directors who are retiring in accordance with Clause 76 and Clause 78 of the Constitution of the Company at the forthcoming 3rd AGM are as follows:</p> <p>Retiring pursuant to Clause 76(3) of the Company's Constitution:-</p> <ul style="list-style-type: none"><li>a. Ms. Tan Sing Yee</li><li>b. Mr. Yap Ping Hong</li></ul> <p>Retiring pursuant to Clause 78 of the Company's Constitution:-</p> <ul style="list-style-type: none"><li>a. Dato' Seri Dr. Chen Chaw Min</li><li>b. Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim</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 5.2

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

| <b>Application</b>   | :  | Applied  |             |                    |   |   |                                   |  |  |  |                    |  |               |                                    |             |                                    |
|--|--|--|-------------|--------------------|---|---|-----------------------------------|--|--|--|--------------------|--|---------------|------------------------------------|-------------|------------------------------------|
| <b>Explanation on application of the practice</b>  | :  | <p>During the year, the Company appointed additional directors on 1 December 2021.</p> <p>The current Board of Optimax consist of six (6) directors with three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Non-Independent Executive Director.</p> <table border="1"><thead><tr><th><u>Name</u></th><th><u>Designation</u></th></tr></thead><tbody><tr><td>Dato' Seri Dr. Chen Chaw Min (Appointed on 1 December 2021)</td><td>Independent Non-Executive Director and Chairman</td></tr><tr><td>Tan Sri Dato' (Dr.) Tan Boon Hock</td><td>Non-Independent Non-Executive Director and Deputy Chairman</td></tr><tr><td>Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (Appointed on 1 December 2021)</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Sandy Tan Sing Yee</td><td>Non-Independent Executive Director and Chief Executive Officer</td></tr><tr><td>Yap Ping Hong</td><td>Independent Non-Executive Director</td></tr><tr><td>Yap Eng Gee</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p><i>Note: Tan Sri Datuk Dr Ir. Ahmad Tajuddin Bin Ali resigned on 28 February 2022.</i></p> | <u>Name</u> | <u>Designation</u> | Dato' Seri Dr. Chen Chaw Min (Appointed on 1 December 2021) | Independent Non-Executive Director and Chairman | Tan Sri Dato' (Dr.) Tan Boon Hock | Non-Independent Non-Executive Director and Deputy Chairman | Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (Appointed on 1 December 2021) | Non-Independent Non-Executive Director | Sandy Tan Sing Yee | Non-Independent Executive Director and Chief Executive Officer | Yap Ping Hong | Independent Non-Executive Director | Yap Eng Gee | Independent Non-Executive Director |
| <u>Name</u>  | <u>Designation</u>   |  |             |                    |   |   |                                   |  |  |  |                    |  |               |                                    |             |                                    |
| Dato' Seri Dr. Chen Chaw Min (Appointed on 1 December 2021)  | Independent Non-Executive Director and Chairman                |  |             |                    |   |   |                                   |  |  |  |                    |  |               |                                    |             |                                    |
| Tan Sri Dato' (Dr.) Tan Boon Hock  | Non-Independent Non-Executive Director and Deputy Chairman     |  |             |                    |   |   |                                   |  |  |  |                    |  |               |                                    |             |                                    |
| Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (Appointed on 1 December 2021)   | Non-Independent Non-Executive Director                         |  |             |                    |   |   |                                   |  |  |  |                    |  |               |                                    |             |                                    |
| Sandy Tan Sing Yee   | Non-Independent Executive Director and Chief Executive Officer |  |             |                    |   |   |                                   |  |  |  |                    |  |               |                                    |             |                                    |
| Yap Ping Hong  | Independent Non-Executive Director                             |  |             |                    |   |   |                                   |  |  |  |                    |  |               |                                    |             |                                    |
| Yap Eng Gee  | 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**

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   |  |
| <b>Explanation on application of the practice</b>  | : | None of the Independent Directors exceeds a cumulative term of nine (9) years. |  |
| <b>Explanation for departure</b>   | : |  |  |
|  | : |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b>   | : |  |  |



### Intended Outcome

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

### Practice 5.4 - Step Up

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

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

|  |   |   |
|--|---|---|
| <b>Application</b>                             | : | Applied   |
| <b>Explanation on adoption of the practice</b> | : | <p>The Board Charter of the Company sets out that:</p> <ul style="list-style-type: none"><li>a. The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve on the Board as a Non-Independent Director. Subject to assessment of the RNC and with valid justification, an Independent Director may remain designated as Independent Director beyond the consecutive or cumulative term of nine (9) years, provided shareholders' approval is obtained.</li><li>b. If the Board continues to retain the Independent Director after the twelfth (12<sup>th</sup>) year, the Board must justify and seek annual shareholders' approval through a two-tier voting process.</li></ul> <p>The Company currently does not have any independent directors who have served more than 9 years.</p> |

### Intended Outcome

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

### Practice 5.5

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

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Board, through the RNC ensures that the appointment of director and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>The appointment of directors and senior management and their continuation of services are recommended by the RNC for Board approval.</p> <p>Terms of Reference of the RNC is set out on the Company's website at <a href="http://www.optimax2u.com">www.optimax2u.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**

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 RNC 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>Selection of candidates for appointment of new directors may be recommended by directors, management, and major shareholders. The RNC will assess the suitability of the candidates before recommending the candidates to the Board for the appointment.</p> <p>The RNC may seek external independent sources to identify suitably qualified candidates if necessary.</p> |
| <b>Explanation for departure</b>  | : |  |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |  |
| <b>Measure</b>  | : |  |
| <b>Timeframe</b>  | : |  |

**Intended Outcome**

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

**Practice 5.7**

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The RNC has reviewed and recommended to the Board, of Directors retiring by rotation, to be put forth for re-election in accordance with the Constitution of the Company. The RNC has also reviewed the profile of the incoming directors and recommended to the Board for their approval.</p> <p>The Statement Accompanying the Notice of 3<sup>rd</sup> AGM circulated to shareholders included details of interest, position or relationship (if any) that may lead to conflict of interest with the Company.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

**Intended Outcome**

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

**Practice 5.8**

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

|  |   |  |  |
|--|---|--|--|
| <b>Application</b>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | The Nominating Committee is combined with the Remuneration Committee to form the Remuneration and Nominating Committee ("RNC") and is chaired by Mr. Yap Ping Hong, Independent Non-Executive Director of the Company. |  |
| <b>Explanation for departure</b>   | : |  |  |
|  |   |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b>   | : |  |  |

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

|  |   |   |  |
|--|---|---|--|
| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | The Board comprises two (2) women directors representing 33.33% of the Board. |  |
| <b>Explanation for departure</b>   | : |   |  |
|  |   |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

**Intended Outcome**

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 profiles of the Board and senior management can be found on page 18 – 27 of the Annual Report 2021. The breakdown is as follows:</p> <table border="1"> <thead> <tr> <th colspan="2"><b>Employee Gender</b></th> </tr> <tr> <th><b>Gender</b></th> <th><b>Total</b></th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>8</td> </tr> <tr> <td>Female</td> <td>5</td> </tr> <tr> <td><b>Total</b></td> <td><b>13</b></td> </tr> </tbody> </table> |  | <b>Employee Gender</b> |  | <b>Gender</b> | <b>Total</b> | Male | 8 | Female | 5 | <b>Total</b> | <b>13</b> |
| <b>Employee Gender</b>  |              |  |  |                        |  |               |              |      |   |        |   |              |           |
| <b>Gender</b>   | <b>Total</b> |  |  |                        |  |               |              |      |   |        |   |              |           |
| Male  | 8            |  |  |                        |  |               |              |      |   |        |   |              |           |
| Female  | 5            |  |  |                        |  |               |              |      |   |        |   |              |           |
| <b>Total</b>  | <b>13</b>    |  |  |                        |  |               |              |      |   |        |   |              |           |
| <b>Explanation for departure</b>  | :            |  |  |                        |  |               |              |      |   |        |   |              |           |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |              |  |  |                        |  |               |              |      |   |        |   |              |           |
| <b>Measure</b>  | :            |  |  |                        |  |               |              |      |   |        |   |              |           |
| <b>Timeframe</b>  | :            |  |  |                        |  |               |              |      |   |        |   |              |           |

### Intended Outcome

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

### Practice 6.1

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

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

|  |  |
|--|--|
| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> |  |
| <b>Application</b> :   | Applied  |
| <b>Explanation on application of the practice</b> :  | Board assessment on directors had been conducted by the external consultant. |
| <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 remuneration policy is reviewed by RNC on an annual basis. The RNC in reviewing the remuneration policies, is of the view that the remuneration packages of the Directors and senior management are fairly formulated in accordance with market practices and industry benchmarks, and remain competitive for talent attraction and retention.</p> <p>The written Remuneration Policy is made available on the Company's website at <a href="http://www.optimax2u.com">www.optimax2u.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

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>Remuneration Committee is combined with Nominating Committee which is called RNC and the functions of the Remuneration Committee are implemented by the RNC.</p> <p>The RNC reviews and recommend matters relating to the remuneration of Board and senior management to the Board. The RNC which comprises a majority of Independent Non-Executive Directors reviews the remuneration package and the terms of employment of our executive directors. An executive director does not participate in any way in determining his/her individual remuneration.</p> <p>The Terms of Reference are accessible on the Company's website at <a href="http://www.optimax2u.com">www.optimax2u.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**

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> | : | In line with the best corporate governance practice, the disclosure of the Directors' remuneration on a named basis has been implemented. The remuneration of the Directors for the financial year ended 31 December 2021 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 Dato' (Dr.) Tan Boon Hock   | Executive Director   | 60             | 4.8       | -      | -     | -                | -                | -     | -            | -         | -      | -     | -                | -                | 64.8  |
| 2  | Tan Sing Yee  | Executive Director   | 60             | 35.5      | 396    | 30    | -                | -                | -     | -            | -         | -      | -     | -                | -                | 521.5 |
| 3  | Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali (resigned on 28 February 2022) | Independent Director | 127.2          | 5.088     | -      | -     | -                | -                | -     | -            | -         | -      | -     | -                | -                | 132.3 |
| 4  | Yap Ping Hong   | Independent Director | 66             | 4.8       | -      | -     | -                | -                | -     | -            | -         | -      | -     | -                | -                | 70.8  |
| 5  | Yap Eng Gee   | Independent Director | 60             | 4.8       | -      | -     | -                | -                | -     | -            | -         | -      | -     | -                | -                | 64.8  |
| 6  | Dato' Seri Dr Chen Chaw Min (appointed on 1 December 2021)                  | Independent Director | 5              | -         | -      | -     | -                | -                | -     | -            | -         | -      | -     | -                | -                | 5     |

|   |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|--|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7 | Tan Sri Dato'<br>Seri Mohamad<br>Noor Bin Abdul<br>Rahim<br>(appointed on 1<br>December<br>2021) | Non-<br>Executive<br>Non-<br>Independent<br>Director | 5 | - | - | - | - | - | - | - | - | - | - | - | - | 5 |
|---|--|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

### Intended Outcome

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

### Practice 8.2

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>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | The Company discloses the remuneration of members of the senior management who are not members of the Board.<br><br>See table below. |  |
| <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>   | : |  |  |

| No | Name                | Position              | Company             |           |       |          |                  | Total               |
|----|---------------------|-----------------------|---------------------|-----------|-------|----------|------------------|---------------------|
|    |                     |                       | Salary              | Allowance | Bonus | Benefits | Other emoluments |                     |
| 1  | Tan Sing Chia       | CFO                   | 350,001-400,000     | -         | -     | -        | -                | 350,001-400,000     |
| 2  | Dr. Stephen Chung   | Senior medical doctor | 600,001-650,000     | -         | -     | -        | -                | 600,001-650,000     |
| 3  | Dr. Chuah Kay Leong | Senior medical doctor | 1,050,001-1,100,000 | -         | -     | -        | -                | 1,050,001-1,100,000 |
| 4  | Dr. Lam Hee Hong    | Senior medical doctor | 1,050,001-1,100,000 | -         | -     | -        | -                | 1,050,001-1,100,000 |
| 5  | Pang Woei Yaw       | Group Accountant      | 50,001-100,000      | -         | -     | -        | -                | 50,001-100,000      |

**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 applicable   |
| <b>Explanation on adoption of the practice</b> | : | With regard to the disclosure of remuneration of Group's senior management, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Company's senior management personnel who are not directors of the Company. In view of the competitive nature of human resource market in the industry the Company operates, the Company should protect the confidentiality of personal information such as employees' remuneration package . |



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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

|   |   |   |
|---|---|---|
| <b>Application</b>  | : | Applied   |
| <b>Explanation on application of the practice</b>   | : | <p>The ARMC comprises three (3) Independent Non-Executive Directors. The ARMC Chairman is Yap Ping Hong while the Chairman of the Board is Dato' Seri Dr Chen Chaw Min.</p> <p>Dato' Seri Dr Chen Chaw Min was appointed as a Director on 1 December 2021. He was subsequently appointed as the Chairman of the Company to replace Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali, who resigned on 28 February 2022.</p> <p>The Terms of Reference of the ARMC reflects the intended outcome of Practice 9.1 of the Malaysian Code on Corporate Governance.</p> |
| <b>Explanation for departure</b>  | : |   |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |   |
| <b>Measure</b>  | : |   |
| <b>Timeframe</b>  | : |   |

**Intended Outcome**

There is 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>  | : | The Audit Committee has incorporated in its Terms of Reference on the policy that “Any former key audit partner of the Company must observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC of the Company.” Presently, no member of the ARMC is a former key audit partner of the Group’s external auditors. |
| <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 ARMC assesses the suitability and independence of the external auditors annually. Private sessions are held without the presence of Management to ensure that the external auditors can freely discuss and express their opinions on any matter to the ARMC.</p> <p>In carrying out the assessment of the external auditors, the ARMC shall consider:</p> <ul style="list-style-type: none"><li>(a) the quality of audit services rendered;</li><li>(b) the extent of non-audit services provided;</li><li>(c) the external auditors' internal quality control procedures;</li><li>(d) communication with the Board and/or ARMC;</li><li>(e) the external auditors' independence and objectivity;</li><li>(f) the external auditors' adequacy of resources; and</li><li>(g) any other criteria deemed fit by the ARMC and/or the Board.</li></ul> <p>On 20 April 2022, the ARMC had carried out the annual assessment on the suitability and independence of the external auditors and was satisfied with the results of the assessment.</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>                             | : | Departure  |
| <b>Explanation on adoption of the practice</b> | : | Based on the Terms of Reference of the Audit and Risk Management Committee, the members of the committee may consist of a majority of Independent Non-Executive Directors. |

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Chairman of the ARMC, Mr Yap Ping Hong, is a member of the Malaysian Institute of Accountants and the members of the ARMC are financially literate. The members of the ARMC have carried out their duties in accordance with the Terms of Reference of the ARM</p> <p>During the financial year, the ARMC received updates on financial reporting developments and changes in regulatory environment from the external auditors.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### Intended Outcome

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

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

### Practice 10.1

The board should establish an effective risk management and internal control framework.

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Board has established an effective risk management and internal control system to safeguard shareholders' investments, Group's assets and interest of other stakeholders.</p> <p>The Group outsources its Internal Audit function to an independent internal audit firm ("Internal Auditors"), Messrs Crowe Governance Sdn Bhd. The Internal Auditors were engaged to undertake independent and objective review of the effectiveness of the governance, risk management and internal control process of the Group.</p> <p>The information on the risk management and system of internal controls are set out in the Statement on Risk Management and Internal Control, in the Annual Report 2021.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### Intended Outcome

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

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

### Practice 10.2

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board has established an effective risk management and internal control system to safeguard shareholders' investments, Group's assets and interest of other stakeholders.</p> <p>The Group outsources its internal audit function. The internal auditors were engaged to undertake independent and objective review of the effectiveness of the governance, risk management and internal control process of the Group.</p> <p>The information on the risk management and system of internal controls are set out in the Statement on Risk Management and Internal Control, in the Annual Report 2021.</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 10.3 - 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>                             | : | Applied   |
| <b>Explanation on adoption of the practice</b> | : | Risk Management Committee is combined with Audit Committee which is called Audit and Risk Management Committee and the functions of the Risk Management Committee are implemented by the Audit and Risk Management Committee. |

**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>  | : | All the outsourced internal audit personnel involved in the internal audit are free from any relationships or conflicts of interest, which could impair their objectivity and independence. They are required to complete the Independence Declaration Form on an annual basis, and the personnel involved in the audit are also required to acknowledge the Employee Professional Conduct and Ethics Declaration on assignment basis. All the internal audit personnel are guided by the International Professional Practices Framework issued by The Institute of Internal Auditors, Inc. in carrying out the internal audit engagement. |  |
| <b>Explanation for departure</b>   | : |  |  |
|  |   |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b>   | : |  |  |

**Intended Outcome**

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

**Practice 11.2**

The board should disclose–

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

|  |   |   |  |
|--|---|---|--|
| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | <p>The Internal Audit function is currently outsourced and reports directly to the ARMC. This reporting relationship promotes independence and objectivity, which assures adequate consideration of audit recommendations and suggested corrective actions. The activities of the internal audit function are guided by the Annual Internal Audit Plan prepared by Crowe, which must be presented to the ARMC for approval.</p> <p>The Internal Audit function is carried out in accordance with the risk-based approach and the Internal Control - Integrated Framework issued by The Committee of Sponsoring Organisations of Treadway Commission (“COSO”).</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 Company maintains a website, <a href="http://www.optimax2u.com">www.optimax2u.com</a> in which it is uploaded with announcements such as financial results and corporate developments, as well as corporate information about the Company and the Group.</p> <p>The Company will issue comprehensive circulars to shareholders to seek their approval for resolutions required under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Company may also issue press releases or statements to ensure thorough dissemination of major corporate announcements to its shareholders, in addition to the announcements made under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> |
| <b>Explanation for departure</b>  | : |   |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |   |
| <b>Measure</b>  | : |   |
| <b>Timeframe</b>  | : |   |

**Intended Outcome**

There is 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      |  |
| <b>Explanation on application of the practice</b>  | : | Not a Large 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**

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>  | : | As the forthcoming Annual General Meeting (“AGM”) is the second general meeting after listing, the Notice for the AGM will be given at least 28 days prior to the meeting. The additional time given to the shareholders is to allow them to make the necessary arrangements to attend and participate in person or through their proxy. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting. |  |
| <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>It has been the practice of the Company that all directors be present at its General Meetings.</p> <p>The Chairman and all other members of the Board, key management personnel and external auditor are available to respond to shareholders' questions during the meeting.</p> |  |
| <b>Explanation for departure</b>   | : |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

|   |   |
|---|---|
| <b>Application</b>                                | : Applied   |
| <b>Explanation on application of the practice</b> | <p>The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution(s) at its virtual general meetings. The Company conducted the 2<sup>nd</sup> AGM and Two (2) Extraordinary General Meetings ("EGM") fully virtual through live streaming and online remote voting via Remote Participation and Voting Facilities ("RPV"). The 2<sup>nd</sup> AGM's voting platform was provided by Boardroom Share Registrar Sdn Bhd and EGM was provided by Tricor Investor &amp; Issuing House Services Sdn Bhd ("TIH"), the Poll Administrator, via its TIH Online website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>With the RPV facilities, shareholders are able to exercise their right as members of the Company to participate (including posing questions to the Board of the Company before or during the meetings) and vote by registering online before the closing date set out in the Administrative Guide.</p> <p>Members who were unable to attend the meetings, appointed a proxy or the Chairperson of the meetings as his proxy to attend the meetings via RPV.</p> <p>The Administrative Guide as well as the guide on registration and voting procedures were provided to the shareholders and a copy of the said Administrative Guide was also published on the Company's website at <a href="http://www.optimax2u.com">www.optimax2u.com</a>.</p> <p>In regards to the cyber hygiene practices, TIH had confirmed that it has implemented an Information Technology and Information Security policy, endpoint controls and data classification for cyber hygiene practices of the staff. Stress test and penetration testing had been performed on TIH Online to test its resiliency. Tricor Malaysia is ISO27001 certified in October 2021 and the TIH Online is hosted on a secure cloud platform and the data center is ISO27001 certified.</p> |



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

### Intended Outcome

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

### Practice 13.4

The Chairman of the Board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

|  |  |
|--|--|
| <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>During the meetings, there was a presentation to explain the Group's strategies, rationale, the financial and non-financial performance and major developments to shareholders.</p> <p>Members, proxies and/or corporate representatives are allowed to submit questions for the Board in advance of the meetings via the online platform.</p> <p>In view thereof, the shareholders, proxies and/or corporate representatives were given sufficient opportunity to pose their questions before and during the meetings. The Company had ensured that all the questions were answered.</p> |
| <b>Explanation for departure</b> :   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>   |  |
| <b>Measure</b> :   |  |
| <b>Timeframe</b> :   |  |

**Intended Outcome**

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

**Practice 13.5**

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

|  |  |
|--|--|
| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i> |  |
| <b>Application</b> :   | Applied  |
| <b>Explanation on application of the practice</b> :  | <p>In view of the Coronavirus disease (COVID-19) pandemic, the Company held its general meetings virtually via live streaming and online remote voting via Remote Participation and Voting Facilities (“RPV”). The RPV facilities allowed shareholders and proxies to pose questions to the Board in real time via the Query Box, before or during the meetings.</p> <p>All questions raised by shareholders, proxies and/or corporate representatives via the Query Box were read out by the Chairperson/CEO during the meetings. The Company will make shareholders’ questions visible to all meeting participants in future general meetings.</p> |
| <b>Explanation for departure</b> :   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>   |  |
| <b>Measure</b> :   |  |
| <b>Timeframe</b> :   |  |

**Intended Outcome**

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

**Practice 13.6**

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

|  |  |
|--|--|
| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>         |  |
| <b>Application</b>   | : Applied  |
| <b>Explanation on application of the practice</b>  | : The minutes of the general meetings have been made available to shareholders no later than 30 business days after the meeting at the Company's website, <a href="http://www.optimax2u.com">www.optimax2u.com</a> . |
| <b>Explanation for departure</b>   | :<br><br>  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |
| <b>Measure</b>   | :<br><br>  |
| <b>Timeframe</b>   | :<br><br>  |

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

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

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